

**THE CORPORATION OF THE
COUNTY OF BRANT**

**FINANCIAL REPORT
For the year ended December 31, 2009**



Millard, Rouse & Rosebrugh LLP
Chartered Accountants

**THE CORPORATION OF THE
COUNTY OF BRANT**

For the year ended December 31, 2009

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AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers of
**The Corporation of the
County of Brant**

We have audited the consolidated statement of financial position of The Corporation of the County of Brant as at December 31, 2009 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the County of Brant as at December 31, 2009 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with the Canadian generally accepted accounting principles.

November 15, 2010

CHARTERED ACCOUNTANTS
Licensed Public Accountants

THE CORPORATION OF THE COUNTY OF BRANT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| As at December 31 | 2009 | 2008 |
|---|--------------------|--------------------------|
| | | <i>(Restated Note 2)</i> |
| FINANCIAL ASSETS | | |
| Cash and short term investments (Note 6) | - | 5,681,429 |
| Taxes receivable | 4,153,387 | 3,282,632 |
| Accounts receivable | 5,763,538 | 5,534,092 |
| Inventory for sale | 498,288 | 498,288 |
| Deferred charges (over expenditure of development charges) (Note 8) | 12,672,470 | 9,906,808 |
| Investment in Brant County Power Inc. (Note 7) | 16,500,454 | 15,178,792 |
| Investment in Brant County Power Services Inc. (Note 7) | (30,228) | (48,622) |
| Total Financial Assets | 39,557,909 | 40,033,419 |
| LIABILITIES | | |
| Bank overdraft (Note 6) | 5,076,333 | - |
| Accounts payable and accrued liabilities | 10,847,624 | 9,814,524 |
| Other current liabilities | 16,675 | - |
| Future employee benefits (Note 9) | 1,279,810 | 1,262,750 |
| Accrued interest on long term liabilities | 15,882 | 18,661 |
| Landfill closure and post closure costs (Note 11) | 4,025,800 | 3,943,043 |
| Net Long Term Liabilities (Note 12) | 267,185 | 315,766 |
| Total Liabilities | 21,529,309 | 15,354,744 |
| NET FINANCIAL ASSETS | 18,028,600 | 24,678,675 |
| NON-FINANCIAL ASSETS | | |
| Tangible Capital Assets (net) (Schedule 1) | 163,749,794 | 143,462,131 |
| Inventories and prepaid expenses | 15,568 | 31,479 |
| | 163,765,362 | 143,493,610 |
| Net Assets | 181,793,962 | 168,172,285 |
| Accumulated Surplus (Note 13) | 181,793,962 | 168,172,285 |

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

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THE CORPORATION OF THE COUNTY OF BRANT

CONSOLIDATED STATEMENT OF OPERATIONS

| For the year ended December 31 | Budget <i>(Unaudited)</i> | 2009 | 2008 <i>(Restated Note 2)</i> |
|--|------------------------------|--------------------|----------------------------------|
| REVENUES | | | |
| Taxation | 34,027,371 | 34,312,109 | 32,721,372 |
| User charges | 15,644,757 | 9,787,808 | 9,932,116 |
| Grants - Ontario & Canada | 7,729,585 | 8,304,428 | 12,193,226 |
| Recoveries from other municipalities | 2,457,098 | 3,324,394 | 2,410,699 |
| Licenses, permits and rents | - | 1,237,697 | 1,172,918 |
| Investment income | 500,000 | 803,936 | 539,460 |
| Development charges and contributions | - | 9,421,858 | 11,675,195 |
| Provincial Offenses Act and other fines | - | 23,518 | 540,366 |
| Other (Note 15) | 870,000 | 3,557,868 | 1,668,994 |
| Total Revenues | 61,228,811 | 70,773,616 | 72,854,346 |
| EXPENSES | | | |
| General government | 5,949,881 | 2,013,615 | 5,232,731 |
| Protection to persons and property | 8,105,038 | 9,142,864 | 8,002,647 |
| Transportation services | 11,474,038 | 13,886,888 | 10,523,212 |
| Environmental services | 9,330,945 | 9,098,151 | 1,407,095 |
| Health services | 7,586,032 | 7,446,988 | 6,696,183 |
| Social and family services | 2,200,394 | 4,867,915 | 3,775,378 |
| Recreational and cultural services | 5,122,788 | 5,113,320 | 5,146,098 |
| Planning and development | 1,944,091 | 1,850,167 | 1,392,397 |
| Total Expenses | 51,713,207 | 53,419,908 | 42,175,741 |
| Income Before Under-Noted Items | 9,515,604 | 17,353,708 | 30,678,605 |
| OTHER INCOME/(EXPENSE) | | | |
| Contributed tangible capital assets | | 3,552,675 | 8,069 |
| Loss on disposal of tangible capital assets | | (23,785) | (182,669) |
| Amortization of tangible capital assets | | (7,260,921) | (6,401,398) |
| | | (3,732,031) | (6,575,998) |
| Annual Surplus From Operations | | 13,621,677 | 24,102,607 |
| Accumulated Surplus - Beginning of Year | | 168,172,285 | 144,069,678 |
| Accumulated Surplus - End of Year | | 181,793,962 | 168,172,285 |

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

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THE CORPORATION OF THE COUNTY OF BRANT

CONSOLIDATED STATEMENT OF CASH FLOWS

| For the year ended December 31 | 2009 | 2008 |
|---|---------------------|--------------------------|
| | | <i>(Restated Note 2)</i> |
| OPERATING | | |
| Annual Surplus | 13,621,677 | 24,102,607 |
| Non cash charges to operations: | | |
| Amortization | 7,260,921 | 6,401,398 |
| Loss on disposal of tangible capital assets | 23,785 | 182,669 |
| Cash provided by operating transactions | 20,906,383 | 30,686,674 |
| Sources (Uses) of Cash (Note 16) | (2,703,139) | (1,375,235) |
| Cash provided by operating transactions | 18,203,244 | 29,311,439 |
| CAPITAL | | |
| Acquisition of tangible capital assets | (27,799,415) | (31,321,795) |
| Proceeds on disposal of tangible capital assets | 227,046 | 346,886 |
| Cash provided by (applied to) capital transactions | (27,572,369) | (30,974,909) |
| INVESTING | | |
| Investment in Brant County Power Inc. | (1,321,662) | (366,431) |
| Investment in Brant County Power Services Inc. | (18,394) | (3,615) |
| Cash provided by (applied to) investing transactions | (1,340,056) | (370,046) |
| FINANCING | | |
| Long term debt repaid | (48,581) | (48,580) |
| Net Change in Cash and Cash Equivalents | (10,757,762) | (2,082,096) |
| Opening Net Cash and Cash Equivalents | 5,681,429 | 7,763,525 |
| Closing Net Cash and Cash Equivalents | (5,076,333) | 5,681,429 |
| Represented by: | | |
| Cash and bank | (5,076,333) | 1,547,609 |
| Investments | - | 4,133,820 |
| | (5,076,333) | 5,681,429 |

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

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THE CORPORATION OF THE COUNTY OF BRANT

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

| For the year ended December 31 | 2009 | 2008 |
|--|--------------|--------------|
| Annual Surplus | 13,621,677 | 24,102,607 |
| Amortization of tangible capital assets | 7,260,921 | 6,401,398 |
| Acquisition of tangible capital assets | (27,799,415) | (31,321,795) |
| Loss/(Gain) on disposal of tangible capital assets | 23,785 | 182,669 |
| Proceeds on disposal of tangible capital assets | 227,046 | 346,886 |
| Decrease (Increase) in inventory and prepaid expense | 15,911 | (9,837) |
| Decrease in Net Financial Assets | (6,650,075) | (298,072) |
| Net Financial Assets, Beginning of Year | 24,678,675 | 24,976,747 |
| Net Financial Assets, End of Year | 18,028,600 | 24,678,675 |

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

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THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

The Corporation of the County of Brant is a City 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 County of Brant (the “County”) are prepared by management in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 judgement. Actual results could differ from these estimates. Significant aspects of the accounting policies adopted by the County are as follows:

(a) Reporting Entities

- (i) The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is composed of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the County and which are owned or controlled by the County. These financial statements include:

Paris Business Improvement Area
County of Brant Public Library

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

(ii) Non-Consolidated Entities

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:

The Brant County Health Unit
John Noble Home

(iii) 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 municipal fund balances of these financial statements.

(iv) Trust Funds

Trust funds and their related operations administered by the County are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) **Brant County Utility Corporations**

Brant County utility corporations, consisting of Brant County Power Inc. and Brant County Power Services Inc. are accounted for on a modified equity basis, consistent with the Canadian generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the County, 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.

(ii) **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**

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

| | |
|---|---------------|
| Infrastructure (road - right of way) | 15 - 50 years |
| Infrastructure (water/wastewater/storm) | 25 - 75 years |
| Land improvements | 12 - 25 years |
| Buildings | 50 years |
| Building improvements | 10 - 50 years |
| Machinery and equipment | 5 - 25 years |
| Vehicles | 7 - 15 years |

Active landfills are amortized annually on the basis of tonnage tipped during the year, as a percentage of the estimated total capacity of the facility. The estimated costs to close and maintain current active landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are charged to expense as the landfill sites capacity is used.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of Accounting (continued)

(ii) Non-financial assets (continued)

(b) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

(c) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are expensed as incurred.

(d) Inventory for sale

Inventory for sale is recorded at the lower of cost or net realizable value.

(iii) 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, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(iv) Deferred Revenues

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

(v) Landfill Closure and Post Closure Cost

Landfill closure and post closure costs are accrued based on the estimated life span of the sites and estimated costs for closure and post closure monitoring and maintenance costs. Changes in the estimated liability due to capacity and cost estimates are charged to current year operations.

2. CHANGE IN ACCOUNTING POLICIES

The County has implemented Public Sector Accounting Board (“PSAB”) sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of the acquisition or construction.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

2. CHANGE IN ACCOUNTING POLICIES (continued)

Opening Tangible Capital Asset Balances:

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The County applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost, construction cost indexes were used as a resource for determining appropriate indices in order to deflate the replacement or reproduction cost to an estimated historical cost at the year of acquisition.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

Accumulated surplus at January 1, 2008:

| | |
|--|-------------|
| Operating fund balance | 1,926,061 |
| Capital fund balance | 4,566,152 |
| Reserves | 4,199,090 |
| Reserve funds | 5,736,992 |
| Brant County utility companies - net investment | 14,760,124 |
| Amounts to be recovered | (6,688,318) |
| Accumulated surplus, as previously reported | 24,500,101 |
| Inventory of property - for sale | 498,288 |
| Net book value of tangible capital assets recorded | 119,071,289 |
| Accumulated surplus, as restated, January 1, 2008 | 144,069,678 |
| Annual surplus for 2008 | 24,102,607 |
| Accumulated surplus, December 31, 2008 | 168,172,285 |

Internal Loans:

Loans for projects financed from reserves and reserve funds are removed for financial reporting purposes. This adjustment affects certain asset and liability accounts reported on the statement of financial position and does not affect accumulated surplus.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

2. CHANGE IN ACCOUNTING POLICIES (continued)

Annual Surplus for 2008:

| | |
|---|-------------|
| Net revenues, as previously reported | (288,235) |
| Developer contribution of tangible capital assets | 8,069 |
| Assets capitalized but previously expensed | 31,313,726 |
| Amortization expense not previously recorded | (6,401,398) |
| Loss on sale of tangible capital assets | (182,669) |
| Proceeds on disposal reported as revenue | (346,886) |
| Annual surplus as restated | 24,102,607 |

3. OPERATIONS OF SCHOOL BOARDS

Further to Note 1(a)(ii), during 2009, the County made property tax transfers to school boards. The amount collected and remitted is summarized below by board:

| | 2009 | 2008 |
|------------------|------------|------------|
| Public English | 11,581,063 | 11,115,219 |
| Separate English | 2,937,161 | 2,841,871 |
| Public French | 20,055 | 8,809 |
| Separate French | 56,403 | 52,202 |

4. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT BOARDS

Further to Note 1(a)(iii), the following contributions which are included as an expenditure on the consolidated statement of operations were made by the County to these boards:

| | 2009 | 2008 |
|--------------------------|---------|---------|
| Brant County Health Unit | 782,017 | 751,248 |
| John Noble Home | 535,827 | 531,288 |

5. TRUST FUNDS

Trust funds administered by the County amounting to \$1,021,996 (2008 - \$971,425) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

6. CASH AND SHORT TERM INVESTMENTS

Total investments of \$400,000 (2008 - \$4,133,820), having a market value of \$411,098 (2008 - \$4,142,707) are included in Cash and Short Term Investments. Total Cash and Short Term Investments are comprised as follows:

| | 2009 | 2008 |
|---------------------------------|-------------|--------------------------|
| | | <i>(Restated Note 2)</i> |
| Cash (Bank indebtedness) | (5,476,333) | 1,547,609 |
| Investments | | |
| Municipal - Other | - | 214,347 |
| Other | 400,000 | 3,919,473 |
| | 400,000 | 4,133,820 |
| | (5,076,333) | 5,681,429 |

7. INVESTMENT IN BRANT COUNTY UTILITY CORPORATIONS

In compliance with provincial legislation enacted to restructure the electricity industry in Ontario, Council approved the incorporation of the business of the former Brant County Hydro-Electric Commission. Two companies were incorporated under the Ontario Business Corporations Act; Brant County Power Inc. and Brant County Power Services Inc. Brant County Power Services Inc. was established to offer services other than those that regulated utilities such as Brant County Power Inc. are permitted to offer under the existing regulatory structure.

The County owns 100% of all outstanding shares of Brant County Power Inc. and Brant County Power Services Inc.

As part of the electricity restructuring, incorporated distribution utilities have been allowed to take on commercial debt structures and have the ability to earn a regulated commercial rate of return

On November 1, 2000, as part of electricity restructuring, the County transferred certain assets and liabilities, related to operations to each incorporated entity, Brant County Power Inc. and Brant County Power Services Inc. As consideration for the transfers, the County received common shares of \$8,176,012 and a note receivable of \$8,000,000 from Brant County Power Inc. and common shares of \$94,893 from Brant County Power Services Inc.

The following table provides condensed financial information in respect to the operations of Brant County Power Inc. and Brant County Power Services Inc. for the year ended December 31, 2009:

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

7. INVESTMENT IN BRANT COUNTY UTILITY CORPORATIONS (continued)

| Financial Position: | Brant County Power Inc. | | Brant County Power Services Inc. | |
|--|----------------------------|-------------------|-------------------------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Current assets | 8,694,214 | 7,430,062 | 1,213,266 | 643,930 |
| Long term assets | 20,184,957 | 19,310,482 | 510,824 | 528,162 |
| Total assets | 28,879,171 | 26,740,544 | 1,724,090 | 1,172,092 |
| Current liabilities | 5,570,427 | 3,563,649 | 1,251,246 | 676,344 |
| Notes payable | 5,000,000 | 5,000,000 | 503,072 | 544,370 |
| Other liabilities | 1,808,290 | 2,998,103 | - | - |
| Total Liabilities | 12,378,717 | 11,561,752 | 1,754,318 | 1,220,714 |
| Net Equity | 16,500,454 | 15,178,792 | (30,228) | (48,622) |
| Results of Operations: | | | | |
| Revenues (net) | 6,083,223 | 6,314,661 | 434,243 | 361,127 |
| Expenses | 5,335,499 | 5,523,230 | 415,849 | 357,512 |
| Net Income | 747,724 | 791,431 | 18,394 | 3,615 |
| The County's investment is comprised of the following: | | | | |
| Common shares | 12,250,258 | 12,250,258 | 94,893 | 94,893 |
| Prior years income (loss) | 2,928,534 | 2,562,103 | (143,515) | (147,130) |
| Net Investment - Beginning of Year | 15,178,792 | 14,812,361 | (48,622) | (52,237) |
| Net Income for the year | 747,724 | 791,431 | 18,394 | 3,615 |
| Dividends | (446,000) | (425,000) | - | - |
| Accounting policy change and correction of prior year | 1,019,938 | - | - | - |
| Change in equity | 1,321,662 | 366,431 | 18,394 | 3,615 |
| Net Investment - End of Year | 16,500,454 | 15,178,792 | (30,228) | (48,622) |

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

8. DEFERRED REVENUES (CHARGES) - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants 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 County has incurred various infrastructure expenditures to accommodate future growth. These payments are expected to be recovered from future development charges.

The balances in the obligatory reserve funds of the County are summarized as follows:

| | 2009 | 2008 |
|--------------------------------------|--------------|--------------|
| Federal Gas Tax transfer | 824,800 | 780,529 |
| Development charges | (13,725,260) | (10,906,728) |
| Recreational land (The Planning Act) | 227,990 | 219,391 |
| | (12,672,470) | (9,906,808) |

9. FUTURE EMPLOYEE BENEFITS

The County provides certain employee benefits which will require funding in future periods.

| | 2009 | 2008 |
|--------------------|-------------|-------------|
| Medical and vision | 1,279,810 | 1,262,750 |

10. PENSION AGREEMENTS

The County makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of its own staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and average earnings.

In 2009, the County of Brant contributed \$937,191 (2008 - \$956,107) to OMERS on behalf of its employees.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

11. LANDFILL CLOSURE AND POST CLOSURE COSTS

The County operates three landfill sites, Biggar's Lane, Paris and Burford. Paris and Burford are at capacity and are closed. Biggar's Lane has approximately 315,400 cubic metres of capacity left and at present consumption levels, Biggar's Lane should be operational for approximately 11 years.

It is estimated that the total cost to close and maintain all three sites is approximately \$5,599,700 with \$1,573,919 still to be recognized in the financial statements as capacity of the Biggar's Lane site is used up.

The County has designated \$nil (2008 - \$nil) to assist with the cost of closing and maintaining the landfill sites.

It is estimated that the closed landfill sites will have to be monitored for approximately 100 to 150 years after closure.

12. NET LONG TERM LIABILITIES

- (a) The balance of net long term liabilities reported on the consolidated statement of financial position is made up as follows:

| | 2009 | 2008 |
|---|----------------|--------------------------|
| | | <i>(Restated Note 2)</i> |
| Total long term liabilities incurred by the County, including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at year end | 364,200 | 425,656 |
| Loans where the responsibility for the payment of principal and interest charges for tile drainage assistance loans and non-consolidated entities has been assumed by others | (97,015) | (109,890) |
| Net Long Term Liabilities - End of Year | 267,185 | 315,766 |

- (b) Of the net long term liabilities reported in (a) of this note, future principal payments are summarized as follows:

| | 2010 - 2014 | Thereafter |
|----------------|-------------|------------|
| From user fees | 242,900 | 24,285 |

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

12. NET LONG TERM LIABILITIES (continued)

(c) Loans outstanding as at December 31, 2009:

| Name | Maturity | Amount |
|--|----------|---------|
| Paris Water Pollution Control Facility | 2014 | 267,185 |

(d) The municipality is contingently liable for long term liabilities with respect to tile drainage and for those for which the responsibility for the payment of principal and interest has been assumed by other municipalities, school boards and non-consolidated local boards, municipal enterprises and utilities. The total amount outstanding as at December 31, 2009 is \$97,015 (2008 - \$109,890) and is not recorded on the consolidated statement of financial position.

13. ACCUMULATED SURPLUS

| Accumulated surplus consists of the following: | 2009 | 2008 |
|---|--------------|--------------|
| Operations | (21,958,297) | (11,815,688) |
| County of Brant Public Library Board | 3,394,220 | 3,445,495 |
| Paris Business Improvement Area | 24,233 | 25,811 |
| Brant County Utility Companies - net investment | 16,470,226 | 15,130,170 |
| Reserves | 8,203,468 | 5,224,978 |
| Reserves funds | 11,910,318 | 12,699,388 |
| Invested in tangible capital assets | 163,749,794 | 143,462,131 |
| | 181,793,962 | 168,172,285 |

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

14. RESERVES AND RESERVE FUNDS

The total balance of reserves and reserve funds of \$8,203,468 (2008 - \$5,224,978) and \$11,910,318 (2008 - \$12,699,388) respectively is made up of the following:

| | 2009 | 2008 |
|--|-------------------|-------------------|
| Reserves set aside for specific purpose by Council: | | |
| Industrial development | 1,792,778 | 1,608,675 |
| Working capital | 1,184,815 | 1,184,815 |
| Road equipment | (200,245) | 290,996 |
| Property reserve | 597,152 | 595,662 |
| Capital expenditures | 3,285,812 | 394,732 |
| Ambulance - fire station | 9,000 | 6,000 |
| Ambulance vehicle | 221,676 | 102,923 |
| Ambulance equipment | 313,293 | 271,293 |
| Ambulance general | 74,000 | 74,000 |
| Insurance | 69,529 | 69,529 |
| History book | 24,899 | 24,899 |
| Computer breakdown | 23,534 | 23,534 |
| Transit | 57,176 | 65,782 |
| Health unit | 41,036 | 41,036 |
| Waste collection | 18,825 | 18,825 |
| Landfill | 7,677 | 7,677 |
| Roads and bridges | 459,888 | 400,000 |
| Rural fire suppression | 40,800 | 27,600 |
| Vehicle collision and prevention | 17,000 | 17,000 |
| Cemetery property | 72,987 | - |
| Impounded water access | 91,836 | - |
| Total Reserves | 8,203,468 | 5,224,978 |
| Reserve Funds set aside for specific purposes by Council: | | |
| Financing | 3,391,773 | 3,309,047 |
| Water development | 5,756,278 | 3,872,585 |
| Sanitary sewers | 2,100,514 | 1,705,460 |
| Investing in Ontario | - | 3,274,528 |
| Scholarship award | 1,556 | 1,518 |
| Building department | 660,197 | 486,860 |
| OMPF reduction | - | 49,390 |
| Total Reserve Funds | 11,910,318 | 12,699,388 |
| Total Reserves and Reserve Funds | 20,113,786 | 17,924,366 |

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

15. OTHER REVENUES

Other revenues are comprised of the following:

| | Budget | 2009 | 2008 |
|---|------------------|-------------|-------------|
| | <i>Unaudited</i> | | |
| Penalties and interest on taxes | 470,000 | 580,785 | 506,779 |
| Sale of non-inventory items | - | - | 429,180 |
| Change in equity in Brant County Utility Corporations | - | 1,340,056 | 370,046 |
| Dividend received from Brant County Power Inc. | 400,000 | 425,000 | - |
| Donations | - | 1,000,741 | 314,510 |
| Transfer from trust funds | - | 51,324 | 48,479 |
| Other recoveries | - | 159,962 | - |
| | 870,000 | 3,557,868 | 1,668,994 |

16. SOURCES (USES) OF CASH

| | 2009 | 2008 |
|---|-------------|-------------|
| Taxes receivable | (870,755) | 162,105 |
| Accounts receivable | (229,446) | 652,827 |
| Accounts payable and accruals | 1,033,100 | 1,234,547 |
| Other current liabilities | 16,675 | - |
| Deferred revenues/changes | (2,765,662) | (3,675,418) |
| Employee benefits and interest | 14,281 | (141,375) |
| Landfill closure and post closure liability | 82,757 | 401,916 |
| Inventories and prepaid expenses | 15,911 | (9,837) |
| | (2,703,139) | (1,375,235) |

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

17. BUDGET FIGURES

County of Brant Council completes separate reviews for its operating and capital budgets each year. The approved budget for 2009 is reflected on statement of operations. For capital spending, budgets are set for individual projects and funding for these activities is determined annually and made by transfers from reserve funds and by application of applicable grants or other funds available to apply to capital projects.

18. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for the purpose of comparison, have been reclassified to conform with the current year's presentation.

THE CORPORATION OF THE COUNTY OF BRANT
Tangible Capital Assets - Continuity Schedule

SCHEDULE 1

| For the year ended December 31, 2009 | Land | Land Improvements | Building | Machinery & Equipment | Infrastructure | Assets Under Construction | 2009 Total (incl WIP) | 2008 Total (incl WIP) |
|---|-------------|------------------------------|-----------------|--------------------------------------|-----------------------|--------------------------------------|----------------------------------|----------------------------------|
| Total Historical Cost: | | | | | | | | |
| Balance: Beginning of year | 8,867,754 | 3,203,191 | 29,864,041 | 49,870,053 | 169,469,451 | - | 261,274,490 | 233,789,966 |
| Add: Additions during the year | 534,567 | 368,674 | 5,332,051 | 5,140,137 | 10,885,844 | 5,538,142 | 27,799,415 | 31,321,795 |
| Less: Disposals during the year | 1,103 | 1,680 | 409,486 | 1,536,045 | 1,706,452 | - | 3,654,766 | 3,837,271 |
| Balance: End of year | 9,401,218 | 3,570,185 | 34,786,606 | 53,474,145 | 178,648,843 | 5,538,142 | 285,419,139 | 261,274,490 |
| Accumulated Amortization: | | | | | | | | |
| Balance: Beginning of year | - | 918,543 | 6,201,871 | 29,303,375 | 81,388,570 | - | 117,812,359 | 114,718,677 |
| Add: Amortization expense | - | 158,321 | 660,278 | 2,451,786 | 3,990,536 | - | 7,260,921 | 6,401,398 |
| Less: Accum. amort. on disposals | - | - | 34,894 | 1,498,957 | 1,870,084 | - | 3,403,935 | 3,307,716 |
| Balance: End of year | - | 1,076,864 | 6,827,255 | 30,256,204 | 83,509,022 | - | 121,669,345 | 117,812,359 |
| Total: NET BOOK VALUE | 9,401,218 | 2,493,321 | 27,959,351 | 23,217,941 | 95,139,821 | 5,538,142 | 163,749,794 | 143,462,131 |

The County of Brant 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 County's total operating expenditures. The revenues and expenditures reported for each segment include 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:

Police Services

The County of Brant police service 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.

The services are performed by the Ontario Provincial Police and are based upon a contract for services.

Ambulance Services

The County provides ambulance services to the residents of Brant and Brantford.

Transportation Services

The transportation services department is responsible for the safe and efficient movement of people and goods within the County. Responsibilities include road construction and maintenance, traffic signals and signs, winter control, developing parking and traffic control bylaws, implementation and maintenance of street lighting, and management and maintenance of parking 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.

Recreation and Cultural Services

This segment includes parks, recreation programs, recreation facilities, libraries and cultural services.

Responsibilities include management and provision of recreational services, facilities and programs and administration and maintenance of the libraries.

Social Services and Housing

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

The services are performed by The Corporation of the City of Brantford and are based upon an agreement for services.

THE CORPORATION OF THE COUNTY OF BRANT

SEGMENTED INFORMATION

SCHEDULE 2

| For the year ended December 31, 2009 | Police Services | Ambulance Services | Transportation Services | Environmental Services | Recreational & Cultural | Social Services and Housing | Other Services [1] | Consolidated 2009 |
|---|--------------------|-----------------------|----------------------------|---------------------------|----------------------------|--------------------------------|-----------------------|----------------------|
| Revenues | | | | | | | | |
| Taxation revenues | - | - | - | - | - | - | 34,312,109 | 34,312,109 |
| Grants | 148,626 | 3,063,436 | 2,058,050 | - | 48,578 | - | 2,985,738 | 8,304,428 |
| Revenue from other municipalities | - | 2,370,515 | - | - | - | - | 953,879 | 3,324,394 |
| Other revenues [2] | 15,200 | 2,079 | 38,243 | 8,241,414 | 1,143,689 | - | 13,627,004 | 23,067,629 |
| Government Business Enterprise | - | - | - | - | - | - | 1,765,056 | 1,765,056 |
| Total Revenues | 163,826 | 5,436,030 | 2,096,293 | 8,241,414 | 1,192,267 | - | 53,643,786 | 70,773,616 |
| Expenditures | | | | | | | | |
| Salaries, wages and benefits | 25,681 | 5,233,587 | 3,487,115 | 1,472,702 | 1,814,615 | - | 6,739,534 | 18,773,234 |
| Materials | 99,881 | 596,248 | 2,700,359 | 876,735 | 1,042,817 | - | 1,930,846 | 7,246,886 |
| Contracted services | 5,617,521 | 60,426 | 5,405,140 | 5,743,056 | 523,045 | - | 1,452,555 | 18,801,743 |
| External transfers | - | 50,000 | - | 386,958 | 1,723,756 | 4,867,915 | 1,281,340 | 8,309,969 |
| Debt servicing | - | - | - | 7,012 | - | - | - | 7,012 |
| Other expenditures [3] | 8,974 | 242,202 | 2,294,274 | 611,688 | 9,087 | - | (2,885,161) | 281,064 |
| Total Expenditures | 5,752,057 | 6,182,463 | 13,886,888 | 9,098,151 | 5,113,320 | 4,867,915 | 8,519,114 | 53,419,908 |
| Net Revenue (Deficit) | (5,588,231) | (746,433) | (11,790,595) | (856,737) | (3,921,053) | (4,867,915) | 45,124,672 | 17,353,708 |

[1] Other Services - Includes General Government, Protection Services (excluding Police Services), Health Services (excluding Ambulance Services), Planning and Development and Utility operation.

[2] Other Revenues - Includes licenses, permits, interest, donations, sale of equipment and publications, gaming revenues and user charges.

[3] Other Expenditures - Includes rents and financial expenses, inter-functional adjustments and allocation of program support.

THE CORPORATION OF THE COUNTY OF BRANT

SEGMENTED INFORMATION

SCHEDULE 2

| For the year ended December 31, 2008 | Police Services | Ambulance Services | Transportation Services | Environmental Services | Recreational & Cultural Services | Social Services and Housing | Other Services [1] | Consolidated 2008 |
|---|--------------------|-----------------------|----------------------------|---------------------------|--|--------------------------------|-----------------------|----------------------|
| Revenues | | | | | | | | |
| Taxation revenues | - | - | - | - | - | - | 32,721,372 | 32,721,372 |
| Grants | 15,962 | 3,032,689 | 3,480,000 | 794,347 | 90,652 | - | 4,779,576 | 12,193,226 |
| Revenue from other municipalities | - | 2,116,693 | - | - | - | - | 294,006 | 2,410,699 |
| Other revenues [2] | 63,947 | 300 | 73,075 | 7,977,289 | 1,708,588 | - | 15,335,804 | 25,159,003 |
| Government Business Enterprise | - | - | - | - | - | - | 370,046 | 370,046 |
| Total Revenues | 79,909 | 5,149,682 | 3,553,075 | 8,771,636 | 1,799,240 | - | 53,500,804 | 72,854,346 |
| Expenditures | | | | | | | | |
| Salaries, wages and benefits | 28,144 | 4,836,412 | 3,420,279 | 1,521,169 | 2,752,395 | - | 6,329,518 | 18,887,917 |
| Materials | 116,724 | 364,961 | 2,980,801 | - | 1,470,539 | - | 1,756,236 | 6,689,261 |
| Contracted services | 4,680,632 | 57,052 | 4,686,497 | - | 611,003 | - | 1,850,380 | 11,885,564 |
| External transfers | 6,550 | 50,000 | - | 390,758 | 351,923 | 3,775,378 | 1,282,553 | 5,857,162 |
| Debt servicing | - | - | 41,951 | 30,605 | - | - | - | 72,556 |
| Other expenditures [3] | 9,198 | 161,298 | (606,316) | (535,437) | (39,762) | - | (205,700) | (1,216,719) |
| Total Expenditures | 4,841,248 | 5,469,723 | 10,523,212 | 1,407,095 | 5,146,098 | 3,775,378 | 11,012,987 | 42,175,741 |
| Annual Surplus | (4,761,339) | (320,041) | (6,970,137) | 7,364,541 | (3,346,858) | (3,775,378) | 42,487,817 | 30,678,605 |

[1] Other Services - Includes General Government, Protection Services (excluding Police Services), Health Services (excluding Ambulance Services), Planning and Development and Utility operation.

[2] Other Revenues - Includes licenses, permits, interest, donations, sale of equipment and publications, gaming revenues and user charges.

[3] Other Expenditures - Includes rents and financial expenses, inter-functional adjustments and allocation of program support.