

**THE CORPORATION OF THE COUNTY OF BRANT**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended December 31, 2017**

# THE CORPORATION OF THE COUNTY OF BRANT

For the year ended December 31, 2017

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MANAGEMENT REPORT  
December 31, 2017

The accompanying financial statements are the responsibility of the management of the Corporation of the County of Brant. In management's opinion, these financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Management has selected accounting principles and methods that are appropriate for the Corporation's circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. The notes to the financial statements and any other supplementary information presented are consistent with that in the financial statements.

The Corporation maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate, that transactions are properly authorized and that the Corporation assets are properly accounted for and adequately safeguarded.

The financial statements have been examined by Millard, Rouse and Rosebrugh LLP Chartered Accountants, the external auditors of the Corporation. The responsibility of the external auditors is to express their opinion on whether the financial statements are fairly presented, in all material respects, in accordance with Canadian generally accepted accounting principles.

County Council, through the Corporate Development Committee, is responsible for ensuring that management fulfils its responsibility for financial reporting and internal control. Millard, Rouse and Rosebrugh LLP Chartered Accountants have full and free access to the Corporate Development Committee, with and without the presence of management.

Michael Bradley  
Chief Administrative Officer  
August 28, 2018

Heather L Mifflin  
Director of Finance, Treasurer  
August 28, 2018

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of The Corporation of the County of Brant which comprise the consolidated statement of financial position as at December 31, 2017, consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the County of Brant as at December 31, 2017, and the consolidated results of its operations and changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.



August 23, 2018  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

**THE CORPORATION OF THE COUNTY OF BRANT**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>As at December 31</b>	<b>2017</b>	<b>2016</b>
<b>Financial Assets</b>		
Cash and short term investments (Note 6)	16,038,303	1,088,787
Investments (Note 6)	35,174,584	34,516,337
Taxes receivable	2,425,168	2,769,981
Accounts receivable	8,858,483	9,106,838
Accounts receivable - Boundary adjustment (Note 7)	20,036,148	-
Land inventory for sale, net (Note 2)	1,273,609	3,495,354
Affordable housing loan (Note 8)	207,014	221,800
Investment in Brant Municipal Enterprises Inc. (Note 9)	965,876	801,051
	<b>84,979,185</b>	<b>52,000,148</b>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	15,247,767	11,899,027
Deferred revenues - library bequest	33,340	45,704
Deferred revenues - obligatory reserve funds (Note 10)	4,430,014	4,409,364
Future employee benefits (Note 11)	1,625,643	1,561,746
Accrued interest on long term liabilities	497,038	470,679
Landfill closure and post closure costs (Note 13)	4,900,762	4,924,155
Net long term liabilities (Note 14)	52,778,385	42,364,315
	<b>79,512,949</b>	<b>65,674,990</b>
<b>Net Financial Assets (Debt)</b>	<b>5,466,236</b>	<b>(13,674,842)</b>
<b>Non-Financial Assets</b>		
Tangible capital assets - net (Page 25)	258,234,917	255,940,277
Inventories and prepaid expenses	36,346	17,043
	<b>258,271,263</b>	<b>255,957,320</b>
<b>Total Net Assets</b>	<b>263,737,499</b>	<b>242,282,478</b>
<b>Accumulated Surplus - End of Year (Note 15)</b>	<b>263,737,499</b>	<b>242,282,478</b>

# THE CORPORATION OF THE COUNTY OF BRANT

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

<b>For the year ended December 31</b>	<b>Budget</b> <i>(Note 19)</i>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Taxation	49,369,999	49,309,915	49,240,922
Fees and user charges	14,148,104	13,101,093	12,939,178
Grants - Ontario	6,908,078	7,639,527	7,958,615
Grants - Canada	-	8,226	12,189
Recoveries from other municipalities	4,206,999	5,765,657	4,618,057
Licenses, permits and rents	1,212,380	2,184,903	2,092,598
Investment income	800,000	672,027	642,200
Development charges and contributions	-	2,908,004	3,075,385
Boundary transfer compensation (Note 7)	1,855,752	20,036,148	-
Other income (Note 17)	1,282,373	7,045,820	6,003,145
	<b>79,783,685</b>	<b>108,671,320</b>	<b>86,582,289</b>
<b>Expenditures</b>			
General government	4,894,800	3,156,782	3,241,845
Protection services	10,483,822	11,737,431	12,654,649
Transportation services	12,416,885	12,531,566	13,720,311
Environmental services	11,499,922	12,305,089	11,755,467
Health services	12,000,858	12,866,992	11,904,861
Social and family services	3,426,903	3,649,581	3,795,215
Recreation and cultural services	8,375,569	9,056,993	8,288,522
Planning and development	3,311,019	5,396,221	5,279,968
	<b>66,409,778</b>	<b>70,700,655</b>	<b>70,640,838</b>
<b>Income Before Under-noted Items</b>	<b>13,373,907</b>	<b>37,970,665</b>	<b>15,941,451</b>
<b>Other (Income)/Expense</b>			
Contributed tangible capital assets		358,883	312,632
Gain/(loss) on disposal of tangible capital assets		(4,267,117)	(407,332)
Amortization of tangible capital assets		(12,607,410)	(12,296,960)
		<b>(16,515,644)</b>	<b>(12,391,660)</b>
<b>Annual Surplus from Operations</b>		<b>21,455,021</b>	<b>3,549,791</b>
<b>Accumulated Surplus - Beginning of Year</b>		<b>242,282,478</b>	<b>238,732,687</b>
<b>Accumulated Surplus - End of Year (Note 15)</b>		<b>263,737,499</b>	<b>242,282,478</b>

**THE CORPORATION OF THE COUNTY OF BRANT**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

<b>For the year ended December 31</b>	<b>2017</b>	<b>2016</b>
<b>Annual Surplus from Operations</b>	21,455,021	3,549,791
Amortization of tangible capital assets	12,607,410	12,296,960
Acquisition of tangible capital assets (net of transferred CIP)	(19,318,839)	(19,417,971)
(Gain)/Loss on disposal of tangible capital assets	4,267,117	407,332
Proceeds on disposal of tangible capital assets	149,672	604,183
Decrease/(Increase) in inventory and prepaid expense	(19,303)	(7,432)
<b>Increase/(Decrease) in Net Financial Assets (Debt)</b>	19,141,078	(2,567,137)
<b>Net Financial Assets (Debt) - Beginning of Year</b>	(13,674,842)	(11,107,705)
<b>Net Financial Assets (Debt) - End of Year</b>	5,466,236	(13,674,842)

# THE CORPORATION OF THE COUNTY OF BRANT

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31	2017	2016
<b>Cash Provided By (Used In)</b>		
<b>Operating Activities</b>		
Annual Surplus from operations	21,455,021	3,549,791
Items not involving cash:		
Amortization of tangible capital assets	12,607,410	12,296,960
Loss/(Gain) on disposal of tangible capital assets	4,267,117	407,332
	<u>38,329,548</u>	<u>16,254,083</u>
Sources (uses) of cash (Note 18)	(13,801,863)	1,144,276
<b>Cash provided by operating transactions</b>	<u>24,527,685</u>	<u>17,398,359</u>
<b>Capital Activities</b>		
Acquisition of tangible capital assets (net of transferred CIP)	(19,318,839)	(19,417,971)
Proceeds on disposal of tangible capital assets	149,672	604,183
<b>Cash provided by (applied to) capital transactions</b>	<u>(19,169,167)</u>	<u>(18,813,788)</u>
<b>Investing Activities</b>		
Investment in Brant Municipal Enterprises Inc.	(164,825)	(251,021)
<b>Cash provided by (applied to) investing transactions</b>	<u>(164,825)</u>	<u>(251,021)</u>
<b>Financing Activities</b>		
Proceeds from new debt	12,816,132	350,000
Repayment of long-term liabilities	(2,402,062)	(2,301,669)
	<u>10,414,070</u>	<u>(1,951,669)</u>
<b>Net Change in Cash and Cash Equivalents</b>	15,607,763	(3,618,119)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>35,605,124</u>	<u>39,223,243</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>51,212,887</u>	<u>35,605,124</u>
<b>Cash and Cash Equivalents are Comprised of:</b>		
Cash (Note 6)	16,038,303	1,088,787
Investments (Note 6)	35,174,584	34,516,337
	<u>51,212,887</u>	<u>35,605,124</u>



# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

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The Corporation of the County of Brant is a County 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

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The consolidated financial statements of The Corporation of the County of Brant (the “County”) are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants 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 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 consolidated financial statements include:

Paris Business Improvement Area  
Brant County Public Library Board

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 separately reported on the Trust Funds Statements of Continuity and Financial Position.

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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#### (a) Reporting Entities (continued)

##### (v) Government Business Enterprises

Government business enterprises, consisting of Brant Municipal Enterprises Inc., are 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 policies 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. Expenditures 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 (liabilities) for the year.

##### (a) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to 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 following:

Land	No amortization
Land improvements	12 - 25 years
Infrastructure (road - right of way)	15 - 50 years
Infrastructure (water/wastewater/storm)	25 - 75 years
Buildings	50 years
Building improvements	10 - 50 years
Machinery and equipment	5 - 25 years
Vehicles	7 - 15 years

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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#### (b) Basis of Accounting (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.

##### (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. LAND INVENTORY FOR SALE

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The land for sale is recorded at the lower of cost and net realizable value.

### 3. OPERATIONS OF SCHOOL BOARDS

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Further to Note 1(a)(iii), during 2017, the County made property tax transfers to school boards. The amount collected and remitted is summarized below by Board:

	2017	2016
Public English	12,125,733	12,057,069
Separate English	2,770,997	2,783,923
Public French	24,712	22,784
Separate French	71,509	66,485

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

### 4. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT BOARDS

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

	2017	2016
Brant County Health Unit	900,774	932,973
John Noble Home	738,698	695,698

### 5. TRUST FUNDS

Trust funds administered by the County amounting to \$1,354,705 (2016 - \$1,297,879) have not been included in the consolidated statement of financial position, nor have their operations been included in the consolidated statement of operations.

### 6. CASH AND INVESTMENTS

Total cash and investments are comprised as follows:

	2017		2016	
	Cost	Market Value	Cost	Market Value
<b>Cash</b>	16,038,303	16,038,303	1,088,787	1,088,787
<b>Investments</b>				
Bond Fund	27,165,398	26,408,925	26,523,388	26,193,175
Equity Fund	3,150,298	3,940,872	3,150,298	3,582,095
Money Market Fund	3,212,974	3,206,903	3,192,837	3,187,794
Other	1,645,914	1,635,774	1,649,814	1,665,789
	35,174,584	35,192,474	34,516,337	34,628,853
	51,212,887	51,230,777	35,605,124	35,717,640

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

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### 7. BOUNDARY ADJUSTMENT

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On January 1, 2017, the County's boundary lines were reduced by 2,720 hectares of land transferred to the City of Brantford ("the City") from the County's jurisdiction. Using a present value technique with a discount rate of 3.15%, a receivable was recognized on January 1, 2017 for compensation due to the County from the City in the amount of \$20,036,148. The undiscounted balance is \$22,892,644. 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 transferred area in 2016. The first installment in the amount of \$1,876,524 was received January 2018. This amount will be received in annual installments that will decline on a straight-line basis until 2027.

As part of the agreement, the County transferred assets to the City in the amount of \$4,408,376 which resulted in a significant increase in loss on disposal of assets for 2017. The assets were mainly linear assets, traffic signals, traffic signs, land, and stormwater management ponds.

### 8. AFFORDABLE HOUSING LOAN

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The County has loaned funds to the 120 West River Street affordable housing project. The loan is forgivable at \$14,786 per year as long as the borrower is in compliance with all terms and conditions of its Municipal Facilities Agreement. The agreement also allows for a reduction in property tax on the project if the borrower is in compliance with the agreement.

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

### 9. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

#### **Brant Municipal Enterprises Inc.**

On August 31, 2013, Brant County Power Services Inc.'s net assets were transferred to the County through a dividend paid to the County. The County then transferred the net assets to this new corporation. The Company provides various non-regulated services to customers in Brant County and surrounding service areas. The services presently include: fibre optic, sentinel light rentals, and renewable energy services.

#### **Brant Municipal Enterprises Inc.**

	2017	2016
<b>Financial Position</b>		
Current assets	967,036	815,250
Long term assets	637,225	609,415
<b>Total assets</b>	<b>1,604,261</b>	<b>1,424,665</b>
Current liabilities	638,385	623,614
<b>Total liabilities</b>	<b>638,385</b>	<b>623,614</b>
<b>Net Equity</b>	<b>965,876</b>	<b>801,051</b>

	2017	2016
<b>Results of Operations</b>		
Revenues	3,155,851	3,031,357
Expenses	2,991,026	2,780,336
<b>Net Income/(Loss)</b>	<b>164,825</b>	<b>251,021</b>

The County's investment is comprised of the following:

Common shares	475,329	475,329
Prior year retained earnings/(deficit)	325,722	74,701
<b>Net Investment- Beginning of Year</b>	<b>801,051</b>	<b>550,030</b>
Net income (loss) for the year	164,825	251,021
<b>Net Investment- End of Year</b>	<b>965,876</b>	<b>801,051</b>

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

### 10. DEFERRED REVENUES - OBLIGATORY RESERVE FUNDS

A requirement of Canadian public sector accounting standards 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 County are summarized as follows:

<b>2017</b>	<b>Opening balance</b>	<b>Contributions received</b>	<b>Investment income</b>	<b>Revenue recognized</b>	<b>Ending balance</b>
Federal Gas Tax transfer	1,142,842	2,205,381	28,835	2,184,256	1,192,802
OCIF Formula Funding	-	462,136	3,069	64,756	400,449
Building Department charges	1,418,518	9,493	33,751	146,441	1,315,321
Development charges	1,014,387	451,042	18,512	690,488	793,453
Recreational land (The Planning Act)	833,617	186,320	19,279	311,227	727,989
	<b>4,409,364</b>	<b>3,314,372</b>	<b>103,446</b>	<b>3,397,168</b>	<b>4,430,014</b>

<b>2016</b>	<b>Opening balance</b>	<b>Contributions received</b>	<b>Investment income</b>	<b>Revenue recognized</b>	<b>Ending balance</b>
Federal Gas Tax transfer	836,155	2,167,017	46,798	1,907,128	1,142,842
Building Department charges	1,354,430	30,146	34,234	292	1,418,518
Development charges	1,115,967	394,247	22,747	518,574	1,014,387
Recreational land (The Planning Act)	958,329	80,800	22,123	227,635	833,617
	<b>4,264,881</b>	<b>2,672,210</b>	<b>125,902</b>	<b>2,653,629</b>	<b>4,409,364</b>

The County has accumulated total net expenditures of \$16,635,357 (2016 - \$17,455,981) related to public works, sanitary sewer and water infrastructure development. Development charges to recover these expenditures are recorded as revenue when levied and received.

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

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### 11. FUTURE EMPLOYEE BENEFITS

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The County provides certain employee benefits which will require funding in future periods. An actuarial valuation was completed in March 2017 for the year ended December 31, 2016 and forms the basis for the estimated liability reported in these financial statements.

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

	<b>2017</b>	<b>2016</b>
Discount Rate	3.30%	3.40%
Healthcare cost increases		
Dental health care increases	4.00%	4.00%
Healthcare increases - initial	7.30%	7.48%
Healthcare increases - ultimate rate	4.00%	4.00%
Grading period	5 years	5 years

#### Future Employee Benefits

	<b>2017</b>	<b>2016</b>
Accrued Benefit - January 1	1,561,746	1,246,420
Current Period Benefit Cost	110,096	106,688
Interest accrued	55,148	52,900
Estimated Benefit Payment	(101,347)	(94,013)
Actuarial (Gain)/Loss in Year (beginning of year)	-	249,751
Liability as at December 31	1,625,643	1,561,746

### 12. PENSION AGREEMENTS

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The County makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of its 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. 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 will be required in the future.

In 2017, the County of Brant contributed \$2,063,309 (2016 - \$1,953,570) 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, 2017

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### 13. LANDFILL CLOSURE AND POST CLOSURE COSTS

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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 145,000 cubic metres of capacity left and at present consumption levels, Biggar's Lane should be operational for approximately six years.

It is estimated that the total cost to close and maintain all three sites is approximately \$5,499,911 with \$599,149 still to be recognized in the financial statements as capacity of the Biggar's Lane site is used up.

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

### 14. NET LONG TERM LIABILITIES

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

	<b>2017</b>	<b>2016</b>
Total long term liabilities incurred by the County, outstanding at year end	52,787,715	42,375,885
Loans where the responsibility for the payment of principal and interest charges for tile drainage assistance loans has been assumed by others	(9,330)	(11,570)
<b>Net Long Term Liabilities - End of Year</b>	<b>52,778,385</b>	<b>42,364,315</b>

- (b) Of the net long term liabilities reported above, future principal payments are summarized as follows:

	<b>2018 - 2022</b>	<b>Thereafter</b>
Principal payments on long term debt	15,943,565	36,834,820

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

### 14. NET LONG TERM LIABILITIES (continued)

(c) Loans outstanding as at December 31, 2017:

Name	Maturity	Amount
<b>Ontario Infrastructure Projects Corporation (OIPC)</b>		
OIPC, interest at 4.52%, semi-annual principal and interest payments of \$61,990	2025	781,253
OIPC, interest at 4.14%, semi-annual principal and interest payments of \$31,559	2026	448,409
OIPC, interest at 4.86%, semi-annual principal and interest payments of \$291,243	2030	5,409,191
OIPC, interest at 4.41%, semi-annual principal and interest payments of \$234,056	2031	4,724,154
OIPC, interest at 2.69%, semi-annual principal and interest payments of \$129,940	2022	1,094,538
OIPC, interest at 3.14%, semi-annual principal and interest payments of \$124,902	2027	2,038,210
OIPC, interest at 3.41%, semi-annual principal and interest payments of \$277,985	2032	6,318,620
OIPC, interest at 2.83%, semi-annual principal and interest payments of \$136,380	2023	690,126
OIPC, interest at 2.94%, semi-annual principal and interest payments of \$77,280	2027	1,330,721
OIPC, interest at 3.26%, semi-annual principal and interest payments of \$165,762	2028	1,463,908
OIPC, interest at 3.56%, semi-annual principal and interest payments of \$188,649	2033	2,232,447
OIPC, interest at 3.40%, semi-annual principal and interest payments of \$415,920	2034	10,673,201
OIPC, interest at 3.40%, semi-annual principal and interest payments of \$398,084	2037	11,485,411
OIPC, interest at 3.58%, semi-annual principal and interest payments of \$127,341	2039	3,854,970
Vendor take back mortgage, interest 2.60%, monthly principal and interest payments of \$6,225	2021	233,226
		52,778,385

(d) Interest expense paid on long term liabilities for the year was \$1,553,307 (2016 - \$1,635,023).

(e) 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, 2017 is \$9,330 (2016 - \$11,570) and is not recorded on the consolidated statement of financial position.

**THE CORPORATION OF THE COUNTY OF BRANT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2017**

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**15. ACCUMULATED SURPLUS**

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Accumulated surplus is comprised of the following amounts:

	<b>2017</b>	<b>2016</b>
Operations	(54,819,672)	(73,036,422)
County of Brant Public Library	18,749	87,537
Paris Business Improvement Area	54,319	36,400
Government Business Enterprises - net investment (Note 9)	965,876	801,051
Reserves (Note 16)	10,054,951	9,954,660
Reserve Funds (Note 16)	49,228,359	48,498,975
Invested in tangible capital assets	258,234,917	255,940,277
	<b>263,737,499</b>	<b>242,282,478</b>

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

### 16. RESERVES AND RESERVE FUNDS

	2017	2016
<b>Reserves set aside for specific purpose by Council:</b>		
Ambulance - cross border	122,458	141,451
Ambulance - equipment	173,723	403,916
Ambulance - fire station	33,000	30,000
Ambulance - general	107,924	147,924
Ambulance - vehicle	305,818	401,308
Capital expenditures	141,600	342,119
Cemetery land purchase	1,672	1,672
Closure and post closure solid waste facilities reserve	650,000	650,000
Community services	227,241	198,951
Contingency rate stabilization	1,098,300	1,098,300
Corporate services	118,763	162,355
Development service capital	66,569	66,569
Election fund	60,000	40,000
Fire capital	8,329	18,909
Health unit	333,060	288,021
History books	26,587	26,587
Impounded water access	36,668	91,836
Industrial development	2,008,845	2,008,845
Insurance	51,660	74,396
John Noble Home B&C bed	199,894	205,984
John Noble Home general	388,962	230,867
Landfill	-	62,677
Library capital	63,496	98,596
Old Town Hall	-	11,475
Police services	5,728	7,328
Property reserve	300,000	329,219
Public works	1,762,740	1,056,502
Road equipment	1,216,489	1,174,139
Rural fire suppression	9,600	48,889
Vehicle collision and prevention	17,000	17,000
Waste collection	18,825	18,825
Winter control and fleet	500,000	500,000
	<b>10,054,951</b>	<b>9,954,660</b>
<b>Reserve funds set aside for specific purposes by Council:</b>		
Brant County Power Sale	31,516,859	31,516,859
Financing	3,935,109	4,031,751
Water development	8,593,568	7,385,683
Sanitary sewers	5,180,927	5,562,832
Scholarship award	1,896	1,850
	<b>49,228,359</b>	<b>48,498,975</b>
<b>Total Reserves and Reserve Funds</b>	<b>59,283,310</b>	<b>58,453,635</b>

**THE CORPORATION OF THE COUNTY OF BRANT**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2017

**17. OTHER INCOME**

Other revenues are comprised of the following:

	<b>2017 Budget</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
Penalties and interest on taxation	498,000	428,245	501,973
Sale of land held for sale	-	2,952,570	1,757,654
OCIF formula funding	-	64,756	-
Change in equity of BME	-	164,825	251,021
Donations and other	2,000	188,563	164,698
Transfer from trust funds	35,000	39,787	48,493
Federal Transfer - Gas tax	-	2,184,256	1,907,128
Other recoveries, fines and penalties	747,373	1,022,818	1,372,178
	<b>1,282,373</b>	<b>7,045,820</b>	<b>6,003,145</b>

**18. SOURCES (USES) OF CASH**

	<b>2017</b>	<b>2016</b>
Taxes receivable	344,813	(78,996)
Accounts receivable	248,355	(257,275)
Accounts receivable - Boundary adjustment	(20,036,148)	-
Affordable housing loan	14,786	14,786
Land inventory	2,221,745	1,886,470
Accounts payable and accruals	3,348,740	(920,016)
Deferred revenue	20,650	144,483
Deferred revenue - Library	(12,364)	15,693
Employee benefits and accrued interest on long term liabilities	90,256	288,100
Landfill closure and post closure liability	(23,393)	58,463
Inventories and prepaid expenses	(19,303)	(7,432)
	<b>(13,801,863)</b>	<b>1,144,276</b>

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

### 19. BUDGET AMOUNTS

County of Brant Council approves the operating and capital budgets each year on a modified-accrual basis of accounting (sometimes referred to as cash basis). Since the audited financial statements are prepared on a full accrual basis, a reconciliation must be performed in order to present the annual budget. A summary of the reconciliation for 2017 is as follows:

<b>STATEMENT OF OPERATIONS</b>	<b>2017 Approved Operating Budget</b>	<b>Adjustments*</b>	<b>2017 Full Accrual Budget</b>
<b>Source of Revenue</b>			
Taxation	49,739,992	(369,993)	49,369,999
Fees and user charges	14,148,104	-	14,148,104
Grants - Ontario	6,908,078	-	6,908,078
Grants - Canada	-	-	-
Recoveries and other municipalities	4,206,999	-	4,206,999
Licenses, permits and rents	1,212,380	-	1,212,380
Investment income	800,000	-	800,000
Development charges and contributions	-	-	-
Internal recoveries	5,140,082	(5,140,082)	-
Boundary transfer compensation	1,855,752	-	1,855,752
Other income	1,282,373	-	1,282,373
	<b>85,293,760</b>	<b>(5,510,075)</b>	<b>79,783,685</b>
<b>Expenses by Function</b>			
General government	17,773,532	(12,878,732)	4,894,800
Protection to services	10,041,547	442,275	10,483,822
Transportation services	15,309,173	(2,892,288)	12,416,885
Environmental services	14,901,467	(3,401,545)	11,499,922
Health services	11,759,620	241,238	12,000,858
Social and family services	3,771,173	(344,270)	3,426,903
Recreation and cultural services	8,253,792	121,777	8,375,569
Planning and development	3,483,456	(172,437)	3,311,019
	<b>85,293,760</b>	<b>(18,883,982)</b>	<b>66,409,778</b>
<b>Annual Surplus (Deficit)</b>	<b>-</b>	<b>13,373,907</b>	<b>13,373,907</b>

\*Adjustments are required to convert the budget from a modified-accrual (cash) basis to a full accrual basis. These adjustments include the removal of all transfers to and from reserves and reserve funds and capital fund revenue and expenses, removal of debt principal payments from expenses, and the addition of non-cash accounting revenues and expenses such as changes in post-closure landfill liability and asset amortization.

### 20. COMPARATIVE FIGURES

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

**THE CORPORATION OF THE COUNTY OF BRANT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2017**

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**21. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

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The County has entered into the following contracts:

**a) Schulyer Estates Subdivision Municipal Servicing and Roadway**

The total construction cost of this project is \$189,911. Of this amount, \$137,683 has been spent to December 31, 2017 with the remaining balance to be spent in subsequent periods.

**b) Pete Lavoie Softball Diamonds**

The total construction cost of this project is \$790,578. Of this amount, \$564,771 has been spent to December 31, 2017 with the remaining balance to be spent in subsequent periods.

**c) Willow St. Odor Control Upgrades**

The total construction cost of this project is \$150,000. Of this amount, \$138,622 has been spent to December 31, 2017 with the remaining balance to be spent in subsequent periods.

**d) Mill Street Bridge**

The total construction cost of this project is \$2,415,249. Of this amount, \$1,769,673 has been spent to December 31, 2017 with the remaining balance to be spent in subsequent periods.

**e) Howell Road**

The total construction cost of this project is \$375,960. Of this amount, \$297,053 has been spent to December 31, 2017 with the remaining balance to be spent in subsequent periods.

**f) Miscellaneous Bridge Repairs**

The total construction cost of this project is \$171,508. Of this amount, \$26,726 has been spent to December 31, 2017 with the remaining balance to be spent in subsequent periods.

**g) Rouse Culvert Repairs**

The total construction cost of this project is \$306,045. Of this amount, \$268,282 has been spent to December 31, 2017 with the remaining balance to be spent in subsequent periods.

**h) Paris WPCP Flow Meter Chamber**

The total construction cost of this project is \$132,043. Of this amount, \$5,342 has been spent to December 31, 2017 with the remaining balance to be spent in subsequent periods.

**i) Brant 403 Business Park Phase 2**

The total construction cost of this project is \$1,577,530. Of this amount, \$1,245,651 has been spent to December 31, 2017 with the remaining balance to be spent in subsequent periods.

**j) Biosolids Storage Facility**

The total construction cost of this project is \$576,500. Of this amount, \$514,572 has been spent to December 31, 2017 with the remaining balance to be spent in subsequent periods.

# THE CORPORATION OF THE COUNTY OF BRANT

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2017

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### 22. SEGMENTED INFORMATION

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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

## SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2017

	Police Services	Ambulance Services	Transportation Services	Environmental Services	Recreational & Cultural Services	Social Services and Housing	Other Services	Total 2017
<b>Revenue</b>								
Taxation	-	-	-	-	-	-	49,309,913	49,309,913
Grants	175,932	4,873,043	133,745	357,492	173,206	322,077	1,612,260	7,647,755
Revenue from other municipalities	-	4,414,169	807,674	64,844	36,082	-	442,888	5,765,657
Other revenue	48,644	3,536	25	10,213,852	1,839,620	-	14,000,228	26,105,905
Government business enterprise income and dividends	-	-	-	-	-	-	164,825	164,825
Gain on sale of Brant County Power	-	-	-	-	-	-	20,036,148	20,036,148
	224,576	9,290,748	941,444	10,636,188	2,048,908	322,077	85,566,262	109,030,203
<b>Expenses</b>								
Salaries and benefits	14,537	8,728,185	5,041,960	1,959,202	3,512,589	163,396	10,526,068	29,945,937
Materials and supplies	144,612	1,023,465	3,598,746	2,954,641	2,308,459	108,032	6,074,148	16,212,103
Contracted services	5,251,505	206,141	3,518,459	4,465,599	446,437	-	1,524,447	15,412,588
External transfers	-	34,122	-	316,150	1,958,747	3,146,001	1,403,242	6,858,262
Debt servicing	-	-	226,829	554,008	205,791	193,849	399,187	1,579,664
Other expenditures	19,318	160,264	3,851,352	651,590	100,483	14,786	161,425	4,959,218
Amortization	24,084	279,759	6,543,545	2,973,364	1,640,594	-	1,146,064	12,607,410
	5,454,056	10,431,936	22,780,891	13,874,554	10,173,100	3,626,064	21,234,581	87,575,182
<b>Net Surplus (Deficit)</b>	(5,229,480)	(1,141,188)	(21,839,447)	(3,238,366)	(8,124,192)	(3,303,987)	64,331,681	21,455,021

# THE CORPORATION OF THE COUNTY OF BRANT

## SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2016

	Police Services	Ambulance Services	Transportation Services	Environmental Services	Recreational & Cultural Services	Social Services and Housing	Other Services	Total 2016
<b>Revenue</b>								
Taxation	-	-	-	-	-	-	49,240,922	49,240,922
Grants	118,555	4,748,724	353,402	337,929	169,725	368,545	1,873,924	7,970,804
Revenue from other municipalities	-	3,561,363	657,380	-	7,148	-	392,166	4,618,057
Other revenue	51,150	697	-	10,260,386	1,789,313	-	12,712,571	24,814,117
Government business enterprise income and dividends	-	-	-	-	-	-	251,021	251,021
	169,705	8,310,784	1,010,782	10,598,315	1,966,186	368,545	64,470,604	86,894,921
<b>Expenses</b>								
Salaries and benefits	18,602	7,958,987	4,926,847	1,918,993	3,311,729	164,630	10,007,872	28,307,660
Materials and supplies	130,591	922,702	4,237,429	2,422,877	1,950,002	111,189	6,302,395	16,077,185
Contracted services	6,376,926	175,697	4,077,229	4,438,428	376,244	-	1,468,697	16,913,221
External transfers	1,050	22,000	-	514,761	1,833,661	3,273,171	1,436,710	7,081,353
Debt servicing	-	-	227,075	583,176	211,637	187,242	398,667	1,607,797
Other expenditures	6,973	132,711	470,483	284,044	(2,732)	32,178	137,297	1,060,954
Amortization	24,084	217,065	6,411,027	2,885,081	1,586,079	-	1,173,624	12,296,960
	6,558,226	9,429,162	20,350,090	13,047,360	9,266,620	3,768,410	20,925,262	83,345,130
<b>Net Surplus (Deficit)</b>	<b>(6,388,521)</b>	<b>(1,118,378)</b>	<b>(19,339,308)</b>	<b>(2,449,045)</b>	<b>(7,300,434)</b>	<b>(3,399,865)</b>	<b>43,545,342</b>	<b>3,549,791</b>

# THE CORPORATION OF THE COUNTY OF BRANT

## SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2017

	Land	Land Improvements	Building	Machinery & Equipment	Infrastructure	Construction in Progress	Total 2017	Total 2016
<b>Cost</b>								
Balance, beginning of year	12,321,463	17,319,086	74,113,961	67,069,064	239,998,105	3,907,154	414,728,833	409,288,686
Additions during the year	404,213	660,471	1,688,688	4,464,802	9,343,135	4,468,569	21,029,878	23,635,235
Disposals during the year	19,870	261,556	99,159	2,442,846	8,683,894	1,711,039	13,218,364	18,195,088
Balance, end of year	12,705,806	17,718,001	75,703,490	69,091,020	240,657,346	6,664,684	422,540,347	414,728,833
<b>Accumulated Amortization</b>								
Balance, beginning of year	-	4,349,030	15,555,283	27,134,643	111,749,600	-	158,788,556	159,457,905
Amortization during the year	-	742,112	1,694,651	4,098,134	6,072,513	-	12,607,410	12,296,960
Accumulated amortization on disposal	-	186,283	31,731	2,054,438	4,818,084	-	7,090,536	12,966,309
Balance, end of year	-	4,904,859	17,218,203	29,178,339	113,004,029	-	164,305,430	158,788,556
Net Book Value of Tangible Capital Assets	12,705,806	12,813,142	58,485,287	39,912,681	127,653,317	6,664,684	258,234,917	255,940,277