

THE CORPORATION OF THE COUNTY OF BRANT

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

THE CORPORATION OF THE COUNTY OF BRANT

For the year ended December 31, 2015

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MANAGEMENT REPORT
December 31, 2015

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.

Paul Emerson
Chief Administrative Officer
September 27, 2016

Heather L Mifflin
Director of Finance, Treasurer
September 27, 2016

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, 2015, 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, 2015, 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.



September 22, 2016
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

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

As at December 31	2015	2014
Financial Assets		
Cash and short term investments (Note 7)	5,383,879	9,657,638
Investments (Note 7)	33,839,364	32,170,460
Taxes receivable	2,690,985	3,020,761
Accounts receivable	8,849,563	12,008,441
Land inventory for sale, net (Note 2)	5,381,824	5,359,264
Affordable housing loan (Note 8)	236,586	251,372
Investment in Brant Municipal Enterprises Inc. (Note 9)	550,030	355,505
	56,932,231	62,823,441
Financial Liabilities		
Accounts payable and accrued liabilities	12,819,043	12,885,031
Deferred revenues - library bequest	30,011	20,000
Deferred revenues - obligatory reserve funds (Note 10)	4,264,881	7,419,539
Future employee benefits (Note 11)	1,246,420	1,223,425
Accrued interest on long term liabilities	497,905	509,538
Landfill closure and post closure costs (Note 13)	4,865,692	4,238,744
Net long term liabilities (Note 14)	44,315,984	46,512,478
	68,039,936	72,808,755
Net Financial Assets (Debt)	(11,107,705)	(9,985,314)
Non-Financial Assets		
Tangible capital assets - net (Page 27)	253,807,684	242,119,758
Inventories and prepaid expenses	9,611	14,366
	253,817,295	242,134,124
Total Net Assets	242,709,590	232,148,810
Accumulated Surplus - End of Year (Note 15)	242,709,590	232,148,810

THE CORPORATION OF THE COUNTY OF BRANT

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31	Budget <i>(Note 19)</i>	2015	2014
Revenue			
Taxation	46,192,587	46,978,909	43,985,267
Fees and user charges	12,975,066	11,681,081	11,219,568
Grants - Ontario	7,120,002	8,297,230	8,062,967
Grants - Canada	50,000	65,177	509,190
Recoveries from other municipalities	3,432,243	3,639,305	3,695,974
Licenses, permits and rents	1,085,648	2,117,455	1,875,382
Investment income	400,000	766,237	(561)
Development charges and contributions	-	4,983,549	716,729
Gain on sale of Brant County Power Inc.	-	-	15,908,428
Other income (Note 17)	1,812,566	6,490,902	9,717,480
	73,068,112	85,019,845	95,690,424
Expenditures			
General government	4,213,371	2,985,592	2,770,071
Protection services	11,677,047	12,993,194	12,968,229
Transportation services	11,994,021	11,167,655	13,385,158
Environmental services	11,792,719	11,860,869	10,290,777
Health services	10,706,100	11,196,864	10,740,893
Social and family services	3,872,170	3,884,417	3,890,289
Recreation and cultural services	7,743,683	7,978,413	7,212,673
Planning and development	2,767,718	2,536,319	4,247,035
	64,766,829	64,603,323	65,505,125
Income Before Under-noted Items	8,301,283	20,416,522	30,185,299
Other (Income)/Expense			
Contributed tangible capital assets		1,854,136	913,596
Gain/(loss) on disposal of tangible capital assets		(95,174)	(182,815)
Amortization of tangible capital assets		(11,614,704)	(10,864,229)
		(9,855,742)	(10,133,448)
Annual Surplus from Operations		10,560,780	20,051,851
Accumulated Surplus - Beginning of Year		232,148,810	212,096,959
Accumulated Surplus - End of Year (Note 15)		242,709,590	232,148,810

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

For the year ended December 31	2015	2014
Annual Surplus from Operations	10,560,780	20,051,851
Amortization of tangible capital assets	11,614,704	10,864,229
Acquisition of tangible capital assets (net of transferred CIP)	(23,665,146)	(23,235,568)
(Gain)/Loss on disposal of tangible capital assets	95,174	182,815
Proceeds on disposal of tangible capital assets	267,342	140,551
Decrease/(Increase) in inventory and prepaid expense	4,755	(7,423)
Increase/(Decrease) in Net Financial Assets (Debt)	(1,122,391)	7,996,455
Net Financial Assets (Debt) - Beginning of Year	(9,985,314)	(17,981,769)
Net Financial Assets (Debt) - End of Year	(11,107,705)	(9,985,314)

THE CORPORATION OF THE COUNTY OF BRANT
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31	2015	2014
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus from operations	10,560,780	20,051,851
Items not involving cash:		
Amortization of tangible capital assets	11,614,704	10,864,229
Gain on disposal of Brant County Power Inc.	-	(15,908,428)
Loss/(Gain) on disposal of tangible capital assets	95,174	182,815
	<u>22,270,658</u>	<u>15,190,467</u>
Sources (uses) of cash (Note 18)	913,310	992,299
Cash provided by operating transactions	<u>23,183,968</u>	<u>16,182,766</u>
Capital Activities		
Acquisition of tangible capital assets (net of transferred CIP)	(23,665,146)	(23,235,568)
Proceeds on disposal of tangible capital assets	267,342	140,551
Cash provided by (applied to) capital transactions	<u>(23,397,804)</u>	<u>(23,095,017)</u>
Investing Activities		
Proceeds on disposition of Brant County Power Inc.	-	33,751,319
Investment in Brant County Power Inc.	-	(769,987)
Investment in Brant Municipal Enterprises Inc.	(194,525)	(35,533)
Cash provided by (applied to) investing transactions	<u>(194,525)</u>	<u>32,945,799</u>
Financing Activities		
Proceeds from new debt	-	8,184,068
Repayment of long-term liabilities	(2,196,494)	(1,628,454)
	<u>(2,196,494)</u>	<u>6,555,614</u>
Net Change in Cash and Cash Equivalents	<u>(2,604,855)</u>	<u>32,589,162</u>
Cash and Cash Equivalents - Beginning of Year	<u>41,828,098</u>	<u>9,238,936</u>
Cash and Cash Equivalents - End of Year	<u>39,223,243</u>	<u>41,828,098</u>
Cash and Cash Equivalents are Comprised of:		
Cash (Note 7)	5,383,879	9,657,638
Investments (Note 7)	33,839,364	32,170,460
	<u>39,223,243</u>	<u>41,828,098</u>

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

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 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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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

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

3. ADOPTION OF NEW ACCOUNTING POLICY

Effective January 1, 2015, the County adopted Public Sector Accounting Standard Section PS 3260, Liability for Contaminated Sites. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The County adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

4. OPERATIONS OF SCHOOL BOARDS

Further to Note 1(a)(iii), during 2015, the County made property tax transfers to school boards. The amount collected and remitted is summarized below by Board:

	2015	2014
Public English	12,019,213	11,329,990
Separate English	2,855,563	2,652,782
Public French	19,775	17,026
Separate French	71,732	61,647

5. 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:

	2015	2014
Brant County Health Unit	914,679	884,246
John Noble Home	980,884	1,126,067

6. TRUST FUNDS

Trust funds administered by the County amounting to \$1,273,900 (2014 - \$1,204,713) have not been included in the consolidated statement of financial position, nor have their operations been included in the consolidated statement of operations.

7. CASH AND INVESTMENTS

Total cash and investments are comprised as follows:

	2015		2014	
	Cost	Market Value	Cost	Market Value
Cash	5,383,879	5,383,879	9,657,638	9,657,638
Investments				
Bond Fund	25,886,842	25,915,883	25,215,804	25,313,037
Equity Fund	3,150,298	3,133,696	3,150,298	3,153,532
Money Market Fund	3,175,640	3,171,870	3,185,861	3,185,820
Other	1,626,584	1,692,938	618,497	635,484
	33,839,364	33,914,387	32,170,460	32,287,873
	39,223,243	39,298,266	41,828,098	41,945,511

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

8. AFFORDABLE HOUSING LOAN

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, 2015

9. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Brant County Power Inc.

On November 28, 2014, the County sold all of the outstanding shares of Brant County Power Inc. to Cambridge and North Dumfries Hydro Inc.

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.

Brant County Power Inc.

	2015	2014
Financial Position		
Current assets	-	-
Long term assets	-	-
Total assets	-	-
Current liabilities	-	-
Notes payable	-	-
Other liabilities	-	-
Total liabilities	-	-
Net Equity	-	-

	2015	2014 <i>(332 days)</i>
Results of Operations		
Revenues (net)	-	5,888,612
Expenses	-	4,979,975
Net Income (Loss)	-	908,637

The County's investment is comprised of the following:

Common shares	-	12,250,258
Prior year retained earnings	-	4,822,646
Net Investment - Beginning of Year	-	17,072,904
Net income (loss) for the year	-	908,637
Dividends	-	(138,650)
Sale of company	-	(17,842,891)
Change in equity	-	(17,072,904)
Net Investment - End of Year	-	-

THE CORPORATION OF THE COUNTY OF BRANT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

9. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (continued)

Brant Municipal Enterprises Inc.

	2015	2014
Financial Position		
Current assets	1,002,925	1,172,267
Long term assets	631,980	555,451
Total assets	1,634,905	1,727,718
Current liabilities	1,084,875	1,372,213
Total liabilities	1,084,875	1,372,213
Net Equity	550,030	355,505

	2015	2014
Results of Operations		
Revenues	2,861,058	2,406,345
Expenses	2,666,533	2,370,812
Net Income/(Loss)	194,525	35,533

The County's investment is comprised of the following:

Common shares	475,329	475,329
Prior year deficit	(119,824)	(155,357)
Net Investment- Beginning of Year	355,505	319,972
Net income (loss) for the year	194,525	35,533
Net Investment- End of Year	550,030	355,505

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

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:

	Opening balance	Contributions received	Investment income	Revenue recognized	Ending balance
Federal Gas Tax transfer	987,989	2,063,826	-	2,215,660	836,155
Provincial Gas Tax transfer	11,469	-	-	11,469	-
Building Department charges	1,203,688	164,678	31,582	45,518	1,354,430
Development charges	4,284,008	1,462,633	352,875	4,983,549	1,115,967
Recreational land (The Planning Act)	932,385	99,500	23,342	96,898	958,329
	7,419,539	3,790,637	407,799	7,353,094	4,264,881

The County has accumulated total net expenditures of \$15,802,689 (2014 - \$20,131,583) 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, 2015

11. FUTURE EMPLOYEE BENEFITS

The County provides certain employee benefits which will require funding in future periods. An actuarial valuation was completed in May 2014 for the year ended December 31, 2013 and forms the basis for the estimated liability reported in these financial statements.

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

	2015
Discount Rate	4.75%
Average compensation increase	3.00%
Healthcare cost increases	
Dental health care increases	4.00%
Healthcare increases - initial	5.667%
Healthcare increases - ultimate rate	4.00%
Grading period	5 years

Future Employee Benefits

	2015
Accrued Benefit - January 1	1,223,425
Current Period Benefit Cost	45,279
Interest accrued	57,304
Estimated Benefit Payment	(79,588)
Accrued Benefit Obligation as at December 31	1,246,420
Unrecognized Gains (Losses)	-
Liability as at December 31	1,246,420

12. PENSION AGREEMENTS

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 2015, the County of Brant contributed \$1,872,512 (2014 - \$1,739,665) 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, 2015

13. 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 181,204 cubic metres of capacity left and at present consumption levels, Biggar's Lane should be operational for approximately seven years.

It is estimated that the total cost to close and maintain all three sites is approximately \$4,865,692 with \$742,318 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

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

	2015	2014
Total long term liabilities incurred by the County, outstanding at year end	44,329,668	46,556,640
Loans where the responsibility for the payment of principal and interest charges for tile drainage assistance loans has been assumed by others	(13,684)	(44,162)
Net Long Term Liabilities - End of Year	44,315,984	46,512,478

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

	2016 - 2020	Thereafter
Principal payments on long term debt	12,121,146	32,194,838

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

14. NET LONG TERM LIABILITIES (continued)

(c) Loans outstanding as at December 31, 2015:

<u>Name</u>	<u>Maturity</u>	<u>Amount</u>
Ontario Infrastructure Projects Corporation (OIPC)		
OIPC, interest at 4.52%, semi-annual principal and interest payments of \$61,990	2025	949,006
OIPC, interest at 4.14%, semi-annual principal and interest payments of \$31,559	2026	533,090
OIPC, interest at 4.86%, semi-annual principal and interest payments of \$291,243	2030	6,011,369
OIPC, interest at 4.41%, semi-annual principal and interest payments of \$234,056	2031	5,216,287
OIPC, interest at 2.69%, semi-annual principal and interest payments of \$129,940	2022	1,540,321
OIPC, interest at 3.14%, semi-annual principal and interest payments of \$124,902	2027	2,395,680
OIPC, interest at 3.41%, semi-annual principal and interest payments of \$277,985	2032	6,971,566
OIPC, interest at 2.83%, semi-annual principal and interest payments of \$136,380	2023	915,786
OIPC, interest at 3.26%, semi-annual principal and interest payments of \$165,762	2028	1,690,671
OIPC, interest at 3.56%, semi-annual principal and interest payments of \$188,649	2033	2,441,413
OIPC, interest at 3.40%, semi-annual principal and interest payments of \$415,920	2034	11,572,557
OIPC, interest at 3.58%, semi-annual principal and interest payments of \$127,341	2039	4,078,238
		44,315,984

(d) Interest expense paid on long term liabilities for the year was \$1,708,744 (2014 - \$1,354,456).

(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, 2015 is \$13,684 (2014 - \$44,162) 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, 2015

15. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following amounts:

	2015	2014
Operations	(66,936,954)	(66,944,938)
County of Brant Public Library	51,050	48,126
Paris Business Improvement Area	26,454	21,962
Government Business Enterprises - net investment (Note 9)	550,030	355,505
Reserves (Note 16)	8,562,363	8,731,429
Reserve Funds (Note 16)	46,648,963	47,816,968
Invested in tangible capital assets	253,807,684	242,119,758
	<hr/>	<hr/>
	242,709,590	232,148,810
	<hr/>	<hr/>

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

16. RESERVES AND RESERVE FUNDS

	2015	2014
Reserves set aside for specific purpose by Council:		
Ambulance - cross border	191,451	253,451
Ambulance - equipment	378,707	352,309
Ambulance - fire station	27,000	24,000
Ambulance - general	147,924	17,118
Ambulance - vehicle	466,109	439,237
Capital expenditures	991,841	1,727,328
Cemetery land purchase	1,672	11,809
Closure and post closure solid waste facilities reserve	650,000	650,000
Community services	227,750	264,825
Contingency rate stabilization	735,417	1,235,417
Corporate services	21,288	66,552
Election fund	20,000	-
Fire capital	18,909	9,161
Health unit	241,019	41,036
History books	26,587	26,468
Impounded water access	91,836	91,836
Industrial development	177,018	177,018
Insurance	126,157	194,576
JNH B&C bed	199,894	224,761
JNH general	28,880	-
Landfill	62,677	62,677
Library capital	95,349	31,304
Old Town Hall	1,000,534	235
Police services	5,728	5,728
Property reserve	372,995	372,995
Public works	845,446	1,025,892
Road equipment	832,661	849,982
Rural fire suppression	41,689	39,889
Vehicle collision and prevention	17,000	17,000
Waste collection	18,825	18,825
Winter control and fleet	500,000	500,000
	8,562,363	8,731,429
Reserve funds set aside for specific purposes by Council:		
Brant County Power Sale	31,516,859	31,516,859
Financing	3,933,416	3,837,479
Water development	6,402,339	7,408,813
Sanitary sewers	4,794,544	5,052,056
Scholarship award	1,805	1,761
	46,648,963	47,816,968
Total Reserves and Reserve Funds	55,211,326	56,548,397

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

17. OTHER INCOME

Other revenues are comprised of the following:

	2015 Budget	2015 Actual	2014 Actual
Penalties and interest on taxation	553,000	512,763	594,883
Sale of land held for sale	-	664,618	2,647,086
Change in equity in Brant County Utility Corporations	-	-	769,987
Change in equity of BME	-	194,525	35,533
Dividend received from Brant County Power Inc.	450,000	-	759,650
Donations and other	4,200	1,257,402	375,987
Transfer from trust funds	35,000	32,970	32,544
Federal Transfer - Gas tax	-	2,215,660	3,474,027
Other recoveries, fines and penalties	770,366	1,612,964	1,027,783
	1,812,566	6,490,902	9,717,480

18. SOURCES (USES) OF CASH

	2015	2014
Taxes receivable	329,776	1,027,655
Accounts receivable	3,158,878	(2,644,046)
Affordable housing loan	14,786	14,786
Land inventory	(22,560)	1,193,449
Accounts payable and accruals	(65,988)	1,899,081
Deferred revenue	(3,154,658)	(219,022)
Deferred revenue - Library	10,011	-
Employee benefits and accrued interest on long term liabilities	11,362	30,648
Landfill closure and post closure liability	626,948	(302,829)
Inventories and prepaid expenses	4,755	(7,423)
	913,310	992,299

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

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 2015 is as follows:

STATEMENT OF OPERATIONS	2015 Approved Operating Budget	Adjustments*	2015 Full Accrual Budget
Source of Revenue			
Taxation	46,578,887	(386,300)	46,192,587
Fees and user charges	12,975,066	-	12,975,066
Grants - Ontario	7,120,002	-	7,120,002
Grants - Canada	50,000	-	50,000
Recoveries and other municipalities	3,432,243	-	3,432,243
Licenses, permits and rents	1,085,648	-	1,085,648
Investment income	400,000	-	400,000
Development charges and contributions	-	-	-
Internal recoveries	5,367,104	(5,367,104)	-
Other income	1,812,566	-	1,812,566
	78,821,516	(5,753,404)	73,068,112
Expenses by Function			
General government	13,383,743	(9,170,372)	4,213,371
Protection to services	11,179,946	497,101	11,677,047
Transportation services	14,904,558	(2,910,537)	11,994,021
Environmental services	14,084,851	(2,292,132)	11,792,719
Health services	10,498,581	207,519	10,706,100
Social and family services	4,075,426	(203,256)	3,872,170
Recreation and cultural services	7,632,530	111,153	7,743,683
Planning and development	3,061,881	(294,163)	2,767,718
	78,821,516	(14,054,687)	64,766,829
Annual Surplus (Deficit)	-	8,301,283	8,301,283

*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, 2015

21. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The County has entered into the following contracts:

a) Brant 403 Business Park Seeding / Site Aesthetics

The total construction cost of this project is \$388,750. Of this amount, \$349,875 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

b) Bethel Road to HWY 403

The total construction cost of this project is \$3,642,476. Of this amount, \$3,107,797 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

c) Paris Wastewater SCADA Implementation

The total construction cost of this project is \$1,266,759. Of this amount, \$824,856 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

d) Paris Elevated Water Storage Tank

The total construction cost of this project is \$2,455,000. Of this amount, \$1,961,799 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

e) Middleport Bridge

The total construction cost of this project is \$997,220. Of this amount, \$908,506 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

f) Bethel WTP Phase 2 Upgrades

The total construction cost of this project is \$423,291. Of this amount, \$355,856 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

g) Hot Mix Paving

The total construction cost of this project is \$2,240,166. Of this amount, \$2,011,249 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

h) Surface Asphalt

The total construction cost of this project is \$1,574,127. Of this amount, \$1,397,090 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

i) Willow St. Watermain Replacement

The total construction cost of this project is \$809,507. Of this amount, \$393,615 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

j) Burford Community Centre Metal Roof Retrofit

The total construction cost of this project is \$253,180. Of this amount, \$184,271 has been spent to December 31, 2015 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, 2015

21. CONTRACTUAL OBLIGATIONS AND COMMITMENTS (continued)

k) Findley Culvert

The total construction cost of this project is \$351,990. Of this amount, \$279,848 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

l) Biggar's Lane Landfill

The total construction cost of this project is \$215,953. Of this amount, \$75,962 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

m) Biggar's Lane Landfill Site Access & Drainage Improvements

The total construction cost of this project is \$253,493. Of this amount, \$119,779 has been spent to December 31, 2015 with the remaining balance to be spent in subsequent periods.

22. CONTINGENT LIABILITY

A claim has been filed against the County related to employment matters. The amount and nature of any outcome cannot be determined at this time and as a result, no provision has been made in these financial statements. The action is being defended by the County.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

23. SEGMENTED INFORMATION

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, 2015

	Police Services	Ambulance Services	Transportation Services	Environmental Services	Recreational & Cultural Services	Social Services and Housing	Other Services	Total 2015
Revenue								
Taxation	-	-	-	-	-	-	46,978,909	46,978,909
Grants	119,863	4,672,039	384,681	410,843	410,659	-	2,364,322	8,362,407
Revenue from other municipalities	-	3,246,751	25,000	-	-	-	367,554	3,639,305
Other revenue	50,230	697	1,382	9,532,891	1,721,287	-	16,392,348	27,698,835
Government business enterprise income and dividends	-	-	-	-	-	-	194,525	194,525
	170,093	7,919,487	411,063	9,943,734	2,131,946	-	66,297,658	86,873,981
Expenses								
Salaries and benefits	8,465	7,679,108	4,549,607	1,822,258	3,270,274	-	9,152,117	26,481,829
Materials and supplies	153,652	768,383	3,159,416	2,079,393	1,860,712	141,576	2,936,812	11,099,944
Contracted services	7,214,681	182,201	3,172,503	5,114,530	443,901	-	1,394,809	17,522,625
External transfers	-	(108,806)	-	504,956	1,773,969	3,500,081	1,467,458	7,137,658
Debt servicing	-	-	227,313	598,272	208,218	216,582	424,164	1,674,549
Other expenditures	3,050	91,067	10,302	403,420	41,470	14,786	217,798	781,893
Amortization	24,084	217,503	6,027,624	2,691,844	1,529,424	-	1,124,224	11,614,703
	7,403,932	8,829,456	17,146,765	13,214,673	9,127,968	3,873,025	16,717,382	76,313,201
Net Surplus (Deficit)	(7,233,839)	(909,969)	(16,735,702)	(3,270,939)	(6,996,022)	(3,873,025)	49,580,276	10,560,780

THE CORPORATION OF THE COUNTY OF BRANT

SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2014

	Police Services	Ambulance Services	Transportation Services	Environmental Services	Recreational & Cultural Services	Social Services and Housing	Other Services	Total 2014
Revenue								
Taxation	-	-	-	-	-	-	43,985,267	43,985,267
Grants	202,210	4,265,183	138,275	296,346	908,923	-	2,761,220	8,572,157
Revenue from other municipalities	-	3,201,315	3,996	-	-	-	490,663	3,695,974
Other revenue	9,900	869	661	9,279,601	1,620,215	-	11,965,778	22,877,024
Government business enterprise income and dividends	-	-	-	-	-	-	1,565,170	1,565,170
Gain on sale of Brant County Power	-	-	-	-	-	-	15,908,428	15,908,428
	212,110	7,467,367	142,932	9,575,947	2,529,138	-	76,676,526	96,604,020
Expenses								
Salaries and benefits	9,846	7,260,364	4,498,722	1,778,849	2,952,370	-	8,754,421	25,254,572
Materials and supplies	130,839	702,338	5,321,535	1,823,498	1,485,423	338,852	4,771,371	14,573,856
Contracted services	7,650,294	212,628	3,131,782	4,032,308	421,782	-	1,186,978	16,635,772
External transfers	-	33,338	-	506,422	1,790,226	3,440,481	1,434,216	7,204,683
Debt servicing	-	-	253,534	640,100	221,306	72,512	157,375	1,344,827
Other expenditures	1,890	116,214	(43,370)	397,232	138,748	14,786	48,730	674,230
Amortization	23,909	218,217	5,675,564	2,482,400	1,492,986	-	971,153	10,864,229
	7,816,778	8,543,099	18,837,767	11,660,809	8,502,841	3,866,631	17,324,244	76,552,169
Net Surplus (Deficit)	(7,604,668)	(1,075,732)	(18,694,835)	(2,084,862)	(5,973,703)	(3,866,631)	59,352,282	20,051,851

THE CORPORATION OF THE COUNTY OF BRANT

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2015

	Land	Land Improvements	Building	Machinery & Equipment	Infrastructure	Construction in Progress	Total 2015	Total 2014
Cost								
Balance, beginning of year	11,722,953	14,775,109	67,986,236	66,762,305	220,768,990	11,716,748	393,732,341	374,054,452
Additions during the year	88,420	963,932	2,876,943	7,357,604	14,022,088	3,604,765	28,913,752	29,018,989
Disposals during the year	3,036	9,684	87,033	2,904,809	1,127,336	5,248,606	9,380,504	9,341,100
Balance, end of year	11,808,337	15,729,357	70,776,146	71,215,100	233,663,742	10,072,907	413,265,589	393,732,341
Accumulated Amortization								
Balance, beginning of year	-	3,109,230	12,481,054	32,904,149	103,118,150	-	151,612,583	143,982,667
Amortization during the year	-	629,970	1,568,710	3,668,809	5,747,215	-	11,614,704	10,864,229
Accumulated amortization on disposal	-	9,684	79,589	2,673,400	1,006,709	-	3,769,382	3,234,313
Balance, end of year	-	3,729,516	13,970,175	33,899,558	107,858,656	-	159,457,905	151,612,583
Net Book Value of Tangible Capital Assets	11,808,337	11,999,841	56,805,971	37,315,542	125,805,086	10,072,907	253,807,684	242,119,758