

THE CORPORATION OF THE COUNTY OF BRANT

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

THE CORPORATION OF THE COUNTY OF BRANT

For the year ended December 31, 2022

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MANAGEMENT REPORT
December 31, 2022

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 Public Sector Accounting Standards. 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 Professional 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 Public Sector Accounting Standards.

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

Alison Newton
Chief Administrative Officer
September 19, 2023

Heather L Mifflin
Director of Finance, Treasurer
September 19, 2023

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of The Corporation of the County of Brant (the 'County'), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the County as at December 31, 2022, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the County in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

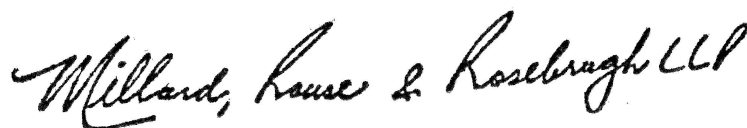
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



September 19, 2023
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

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

As at December 31	2022	2021
Financial Assets		
Cash and cash equivalents	2,131,152	26,129,749
Investments (Note 5)	64,860,044	38,831,099
Taxes receivable	2,885,865	2,094,026
Accounts receivable	17,691,673	11,297,302
Accounts receivable - Boundary adjustment (Note 6)	8,423,679	10,842,236
Affordable housing loan (Note 7)	133,084	147,870
Investment in Brant Municipal Enterprises Inc. (Note 8)	4,561,592	4,716,758
	100,687,089	94,059,040
Financial Liabilities		
Accounts payable and accrued liabilities	29,559,028	22,919,881
Deferred revenues	166,140	85,191
Deferred revenues - obligatory reserve funds (Note 9)	30,873,255	24,301,171
Future employee benefits (Note 10)	2,551,435	2,138,651
Accrued interest on long term liabilities	339,427	376,780
Landfill closure and post closure costs (Note 12)	13,342,724	10,252,413
Net long term liabilities (Note 13)	45,237,277	48,891,807
	122,069,286	108,965,894
Net Financial Assets	(21,382,197)	(14,906,854)
Non-Financial Assets		
Tangible capital assets - net (Page 27)	390,616,059	359,853,975
Inventories and prepaid expenses	1,506,547	1,297,495
	392,122,606	361,151,470
Total Net Assets	370,740,409	346,244,616
Accumulated Surplus - End of Year (Note 14)	370,740,409	346,244,616

THE CORPORATION OF THE COUNTY OF BRANT

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31	Budget	2022	2021
Revenue			
Taxation	63,765,118	65,078,402	61,267,104
Fees and user charges	18,674,053	18,917,014	17,437,777
Grants - Ontario	10,861,836	16,773,959	14,722,634
Grants - Canada	5,986	2,699,616	155,860
Recoveries from other municipalities	5,151,032	6,227,799	5,092,775
Licenses, permits and rents	2,970,869	5,652,062	3,703,756
Investment income	933,617	950,148	917,145
Development charges and contributions	-	9,369,171	9,318,314
Boundary transfer compensation (Note 6)	-	(61,436)	(69,383)
Other income (Note 16)	1,540,947	11,485,939	12,291,967
	103,903,458	137,092,674	124,837,949
Expenditures			
General government	8,432,279	6,067,949	4,865,010
Protection services	12,462,752	14,480,628	14,035,561
Transportation services	13,705,126	15,239,585	12,624,211
Environmental services	16,826,576	16,561,170	15,312,809
Health services	18,013,726	20,096,693	18,616,459
Social and family services	4,412,750	8,446,707	7,473,539
Recreation and cultural services	11,510,167	11,559,598	10,270,245
Planning and development	4,809,655	4,133,733	4,176,798
	90,173,031	96,586,063	87,374,632
Income Before Under-noted Items	13,730,427	40,506,611	37,463,317
Other (Income)/Expense			
Contributed tangible capital assets		2,785,644	4,410,197
Gain/(loss) on disposal of tangible capital assets		(1,197,012)	(1,297,310)
Amortization of tangible capital assets		(17,599,450)	(16,197,197)
		(16,010,818)	(13,084,310)
Annual Surplus from Operations		24,495,793	24,379,007
Accumulated Surplus - Beginning of Year		346,244,616	321,865,609
Accumulated Surplus - End of Year (Note 14)		370,740,409	346,244,616

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

For the year ended December 31	2022	2021
Annual Surplus from Operations	24,495,793	24,379,007
Amortization of tangible capital assets	17,599,450	16,197,197
Adjustment of net assets	(109,709)	(45,688)
Acquisition of tangible capital assets (net of transferred CIP)	(46,893,332)	(35,920,921)
Contributed tangible capital assets	(2,785,644)	(4,410,197)
(Gain)/Loss on disposal of tangible capital assets	1,197,012	1,297,310
Proceeds on disposal of tangible capital assets	230,139	53,839
Decrease/(Increase) in inventory and prepaid expense	(209,052)	(227,316)
Increase/(Decrease) in Net Financial Assets (Debt)	(6,475,343)	1,323,231
Net Financial Assets (Debt) - Beginning of Year	(14,906,854)	(16,230,085)
Net Financial Assets - End of Year	(21,382,197)	(14,906,854)

THE CORPORATION OF THE COUNTY OF BRANT

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31	2022	2021
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus from operations	24,495,793	24,379,007
Items not involving cash:		
Amortization of tangible capital assets	17,599,450	16,197,197
Adjustment of net assets	(109,709)	(45,688)
Contributed tangible capital assets	(2,785,644)	(4,410,197)
Loss/(Gain) on disposal of tangible capital assets	1,197,012	1,297,310
	<u>40,396,902</u>	<u>37,417,629</u>
Sources (uses) of cash (Note 17)	11,796,003	7,757,515
Cash provided by operating transactions	<u>52,192,905</u>	<u>45,175,144</u>
Capital Activities		
Acquisition of tangible capital assets (net of transferred CIP)	(46,893,332)	(35,920,921)
Proceeds on disposal of tangible capital assets	230,139	53,839
Cash provided by (applied to) capital transactions	<u>(46,663,193)</u>	<u>(35,867,082)</u>
Investing Activities		
(Increase) / Decrease in investments	(26,028,945)	(1,298,055)
Investment in Brant Municipal Enterprises Inc.	155,166	(2,704,137)
Cash provided by (applied to) investing transactions	<u>(25,873,779)</u>	<u>(4,002,192)</u>
Financing Activities		
Repayment of long-term liabilities	(3,654,530)	(3,823,368)
	<u>(3,654,530)</u>	<u>(3,823,368)</u>
Net Change in Cash and Cash Equivalents	<u>(23,998,597)</u>	<u>1,482,502</u>
Cash and Cash Equivalents - Beginning of Year	<u>26,129,749</u>	<u>24,647,247</u>
Cash and Cash Equivalents - End of Year	<u>2,131,152</u>	<u>26,129,749</u>

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

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

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

John Noble Home - Proportionate consolidation at 28% (2021 - 27.5%)

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

(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, 2022

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.

(i) 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, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of Accounting (continued)

(ii) 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.

(iii) 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.

(vi) Cash and Cash Equivalents

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

(vii) Employee future benefits and other obligations

Employee future benefits and other obligations for retirement, post employment and pension benefits are reported in the Consolidated Statement of Financial Position. The accrued benefit obligations are determined using management's best estimates of expected investment yields, wage and salary escalation, mortality rates, termination and retirement ages. The actuarial gain or loss is amortized over the expected average remaining life expectancy of the members of the employee groups.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

2. OPERATIONS OF SCHOOL BOARDS

Further to Note 1(a)(iii), during 2022, the County made property tax transfers to school boards. The amount collected and remitted is summarized below by Board:

	2022	2021
Public English	12,865,202	12,266,609
Separate English	2,810,176	2,684,254
Public French	27,789	25,068
Separate French	87,478	81,927

3. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT BOARDS

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

	2022	2021
Brant County Health Unit	1,117,889	1,039,309

4. TRUST FUNDS

Trust funds administered by the County amounting to \$1,699,379 (2021 - \$1,632,355) have not been included in the consolidated statement of financial position, nor have their operations been included in the consolidated statement of operations.

5. INVESTMENTS

Total investments are comprised as follows:

	2022		2021	
	Cost	Market Value	Cost	Market Value
Bond Fund	28,407,681	25,426,842	27,891,730	27,107,507
Equity Fund	7,685,582	9,748,634	7,313,281	10,589,262
Money Market Fund	1,774,422	1,769,364	1,747,288	1,741,956
Other	26,992,359	27,226,666	1,878,800	1,885,149
	64,860,044	64,171,506	38,831,099	41,323,874

THE CORPORATION OF THE COUNTY OF BRANT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

6. BOUNDARY ADJUSTMENT

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 4.60%, a receivable is recognized for compensation due to the County from the City in the amount of \$8,423,679. The undiscounted balance is \$9,399,205. 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. 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. The assets were mainly linear assets, traffic signals, traffic signs, land, and stormwater management ponds.

7. 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, 2022

8. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Brant Municipal Enterprises Inc.

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.

The following table provides condensed financial information in respect to the operations of Brant Municipal Enterprises Inc., for the year ended December 31, 2022.

Brant Municipal Enterprises Inc.	2022	2021
Financial Position		
Current assets	4,614,306	4,737,137
Long term assets	55,575	55,575
Total assets	4,669,881	4,792,712
Current liabilities	108,289	75,954
Total liabilities	108,289	75,954
Net Equity	4,561,592	4,716,758
	2022	2021
Results of Operations		
Revenues	704,255	3,615,393
Expenses	859,420	911,256
Net Income/(Loss)	(155,165)	2,704,137

The County's investment is comprised of the following:

Common shares	475,329	475,329
Prior year retained earnings/(deficit)	4,241,428	1,537,292
Net Investment - Beginning of Year	4,716,757	2,012,621
Net income (loss) for the year	(155,165)	2,704,137
Net Investment - End of Year	4,561,592	4,716,758

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

9. 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:

2022	Opening balance	Contributions received	Investment income	Revenue recognized	Ending balance
Federal Gas Tax transfer	5,346,114	2,328,336	91,423	5,580,793	2,185,080
Provincial Gas Tax transfer	66,851	280,774	556	338,794	9,387
Cannabis Reserve Fund	52,444	-	949	28,960	24,433
OCIF Formula Funding	50,715	2,450,381	29,998	293,483	2,237,611
Building Department charges	5,469,617	-	147,824	(886,658)	6,504,099
Development charges	12,083,884	11,587,195	368,147	5,379,972	18,659,254
Recreational land (The Planning Act)	1,231,546	206,854	30,678	215,687	1,253,391
	24,301,171	16,853,540	669,575	10,951,031	30,873,255

2021	Opening balance	Contributions received	Investment income	Revenue recognized	Ending balance
Federal Gas Tax transfer	1,969,445	4,566,632	23,865	1,213,828	5,346,114
Provincial Gas Tax transfer	135,390	169,524	561	238,624	66,851
Provincial Grant Safe Restart Funding	557,949	781,382	-	1,339,331	-
Cannabis Reserve Fund	59,567	8,893	1,383	17,399	52,444
OCIF Formula Funding	238,031	1,097,617	1,849	1,286,782	50,715
Building Department charges	4,941,078	-	128,527	(400,012)	5,469,617
Development charges	9,791,482	5,562,873	256,044	3,526,515	12,083,884
Recreational land (The Planning Act)	943,500	310,596	26,852	49,402	1,231,546
	18,636,442	12,497,517	439,081	7,271,869	24,301,171

The County has accumulated total net expenditures of \$2,868,989 (2021 - \$5,653,135) related to fire protection, storm water, 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, 2022

10. FUTURE EMPLOYEE BENEFITS

The County provides certain employee benefits which will require funding in future periods. An actuarial valuation was completed in April 2023 for the year ended December 31, 2022 and forms the basis for the estimated liability reported in these financial statements.

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

	2022	2021
Discount Rate	4.60%	2.90%
Healthcare cost increases		
Dental health care increases	4.50%	4.00%
Healthcare increases - initial	7.26%	6.88%
Healthcare increases - ultimate rate	4.00%	4.00%
Grading period	5 years	5 years

Future Employee Benefits

	2022	2021
Accrued Benefit Obligation as at January 1	2,325,632	2,142,036
Current Period Benefit Cost	324,426	202,973
Interest accrued	97,830	66,756
Estimated Benefit Payment	(110,792)	(86,133)
Actuarial (Gain)/Loss in Year	119,479	-
Accrued Benefit Obligation as at December 31	2,756,575	2,325,632
Unrecognized (Gains) / Losses	(205,140)	(186,981)
Liability as at December 31	2,551,435	2,138,651

11. 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 2022, the County of Brant contributed \$3,047,392 (2021 - \$2,828,073) 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, 2022

12. 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 62,500 cubic metres of capacity left and at present consumption levels, Biggar's Lane should be operational for approximately 1.97 years.

It is estimated that the total cost to close and maintain all three sites is approximately \$13,342,724 with \$555,305 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.

13. NET LONG TERM LIABILITIES

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

	2022	2021
Total long term liabilities incurred by the County, outstanding at year end	45,237,277	48,891,807

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

	2023 - 2027	Thereafter
Principal payments on long term debt	18,439,628	26,797,649

- (c) Interest expense paid on long term liabilities for the year was \$1,682,339 (2021 - \$1,812,355).

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

13. NET LONG TERM LIABILITIES (continued)

(d) Loans outstanding as at December 31, 2022:

Name	Maturity	Amount
Ontario Infrastructure Projects Corporation (OIPC)		
OIPC, interest at 2.83%, semi-annual principal and interest payments of \$68,190	2023	67,238
OIPC, interest at 4.52%, semi-annual principal and interest payments of \$61,990	2025	289,997
OIPC, interest at 4.14%, semi-annual principal and interest payments of \$31,559	2026	203,701
OIPC, interest at 3.14%, semi-annual principal and interest payments of \$124,902	2027	1,040,727
OIPC, interest at 2.94%, semi-annual principal and interest payments of \$77,280	2027	713,822
OIPC, interest at 3.26%, semi-annual principal and interest payments of \$82,881	2028	828,486
OIPC, interest at 4.86%, semi-annual principal and interest payments of \$291,243	2030	3,624,631
OIPC, interest at 4.41%, semi-annual principal and interest payments of \$234,056	2031	3,288,498
OIPC, interest at 3.41%, semi-annual principal and interest payments of \$277,985	2032	4,479,338
OIPC, interest at 3.56%, semi-annual principal and interest payments of \$94,324	2033	1,640,712
OIPC, interest at 3.40%, semi-annual principal and interest payments of \$415,920	2034	8,140,696
OIPC, interest at 3.40%, semi-annual principal and interest payments of \$398,084	2037	9,294,676
OIPC, interest at 3.58%, semi-annual principal and interest payments of \$127,341	2039	3,222,298
OIPC, interest at 2.66%, semi-annual principal and interest payments of \$308,817	2039	8,402,457
		45,237,277

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

14. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following amounts:

	2022	2021
Operations	(107,259,654)	(95,314,947)
County of Brant Public Library	2,820,004	2,626,416
Paris Business Improvement Area	53,761	52,194
Government Business Enterprises - net investment (Note 8)	4,561,592	4,716,758
Reserves (Note 15)	18,440,281	17,018,170
Reserve Funds (Note 15)	61,508,366	57,292,050
Invested in tangible capital assets	390,616,059	359,853,975
	370,740,409	346,244,616

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

15. RESERVES AND RESERVE FUNDS

	2022	2021
Reserves set aside for specific purpose by Council:		
Ambulance - cross border	39,798	122,458
Ambulance - equipment	211,404	69,154
Ambulance - fire station	48,000	45,000
Ambulance - vehicle	199,685	359,685
Brant Trail Improvement & River Access Reserve	366,767	431,827
Capital expenditures	866,592	698,137
Cemetery land purchase	1,672	1,672
Closure and post closure solid waste facilities reserve	650,000	650,000
Community services capital	586,646	335,783
Contingency rate stabilization	3,679,462	2,819,211
Corporate services capital	25,421	27,415
Development service capital	120,031	162,482
Economic Development Capital Reserve	37,500	-
Election fund	-	70,000
Fire capital	119,130	143,973
Health unit	400,260	400,260
History books	-	26,587
Impounded water access	36,668	36,668
Industrial development	2,038,373	2,038,373
Insurance	345,473	449,028
John Noble Home B&C bed	199,894	199,894
John Noble Home general	1,215,902	1,137,499
Library capital	441,587	367,086
Police services	7,518	7,518
Property reserve	1,441,889	1,446,308
Public works capital	3,543,336	3,042,575
Road equipment	1,778,892	1,798,710
Rural fire suppression	29,274	17,883
Vehicle for hire access	392	-
Waste collection	6,778	8,686
Winter control and fleet	1,937	104,298
	18,440,281	17,018,170
Reserve funds set aside for specific purposes by Council:		
Brant County Power Sale	31,516,859	31,516,859
Financing	4,452,214	4,343,623
Water development	14,595,137	12,155,580
Sanitary sewers	9,734,605	8,576,174
Scholarship award	2,145	2,093
Trees	40,004	-
Russel Heights	208,898	369,273
Affordable housing	958,504	328,448
	61,508,366	57,292,050
Total Reserves and Reserve Funds	79,948,647	74,310,220

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

16. OTHER INCOME

Other revenues are comprised of the following:

	2022 Budget	2022 Actual	2021 Actual
Penalties and interest on taxation	386,000	435,241	326,525
OCIF formula funding	-	293,483	1,286,782
Change in equity of BME	-	(155,165)	2,704,137
Sale of equipment and land	-	2,616,365	1,136,325
Safe Restart Funding grant transfer	-	-	1,339,331
Donations and other	1,700	1,042,775	1,989,174
Transfer from trust funds	38,000	44,752	35,465
Federal Gas Tax transfer	-	5,580,793	1,213,828
Provincial Gas Tax transfer	-	338,794	238,624
Other recoveries, fines and penalties	1,115,247	1,288,901	2,021,776
	1,540,947	11,485,939	12,291,967

17. SOURCES (USES) OF CASH

	2022	2021
Taxes receivable	(791,839)	1,159,084
Accounts receivable	(6,394,371)	212,097
Accounts receivable - Boundary adjustment	2,418,557	2,597,042
Affordable housing loan	14,786	14,786
Land inventory	-	2,432
Accounts payable and accruals	6,639,147	(4,000,071)
Deferred revenue	6,572,084	5,664,729
Deferred revenue - Library	80,949	73
Employee benefits and accrued interest on long term liabilities	375,431	(44,316)
Landfill closure and post closure liability	3,090,311	2,378,975
Inventories and prepaid expenses	(209,052)	(227,316)
	11,796,003	7,757,515

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

18. 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 2022 is as follows:

STATEMENT OF OPERATIONS	2022 Approved Operating Budget	Adjustments*	2022 Full Accrual Budget
Source of Revenue			
Taxation	64,291,418	(526,300)	63,765,118
Fees and user charges	18,674,053	-	18,674,053
Grants - Ontario	10,861,836	-	10,861,836
Grants - Canada	5,986	-	5,986
Recoveries and other municipalities	5,151,032	-	5,151,032
Licenses, permits and rents	2,970,869	-	2,970,869
Investment income	933,617	-	933,617
Internal recoveries	9,685,824	(9,685,824)	-
Boundary transfer compensation	2,186,909	(2,186,909)	-
Other income	1,540,947	-	1,540,947
	116,302,491	(12,399,033)	103,903,458
Expenses by Function			
General government	27,059,266	(18,626,987)	8,432,279
Protection to services	12,423,452	39,300	12,462,752
Transportation services	18,047,560	(4,342,434)	13,705,126
Environmental services	19,803,668	(2,977,092)	16,826,576
Health services	17,537,748	475,978	18,013,726
Social and family services	4,934,072	(521,322)	4,412,750
Recreation and cultural services	11,381,403	128,764	11,510,167
Planning and development	5,115,322	(305,667)	4,809,655
	116,302,491	(26,129,460)	90,173,031
Annual Surplus (Deficit)	-	13,730,427	13,730,427

*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.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The County has entered into the following contracts:

a) Rest Acres Road Roundabout at Hutchings Drive

The total construction cost of this project is \$5,021,021. Of this amount, \$35,040 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

b) Brant 403 Business Park

The total construction cost of this project is \$49,750. Of this amount, \$33,716 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

c) Pavement Markings -2022

The total construction cost of this project is \$577,905. Of this amount, \$309,633 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

d) Woodslee Linear Park

The total construction cost of this project is \$156,597. Of this amount, \$148,270 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

e) Market Street Reconstruction

The total construction cost of this project is \$4,281,822. Of this amount, \$2,893,475 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

f) Woodslee Avenue Reconstruction

The total construction cost of this project is \$3,276,577. Of this amount, \$2,939,594 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

g) Cauley Bridge, Morley Attleberry Bridge & Potter Drain Culvert Rehabilitation

The total construction cost of this project is \$1,409,495. Of this amount, \$1,387,339 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

h) Falkland Intersection Improvements & Highway 2 King Edward Resurfacing

The total construction cost of this project is \$6,146,043. Of this amount, \$4,951,681 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

i) Pavement Markings - 2021

The total construction cost of this project is \$276,945. Of this amount, \$261,910 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

j) Rest Acres, King Edward, Powerline & Arlington

The total construction cost of this project is \$16,426,587. Of this amount, \$16,274,595 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

k) Cainsville Community Centre

The total construction cost of this project is \$5,171,491. Of this amount, \$4,547,745 has been spent to December 31, 2022 with the remaining balance to be spent in subsequent periods.

l) Low Volume Roads

The total construction cost of this project is \$3,026,791. Of this amount, \$2,472,289 has been spent to December 31, 2022 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, 2022

20. CONTINGENT LIABILITY

A claim has been filed against the County related to construction 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.

21. CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The County's contractual rights consist of contracts entered into for operating leases.

22. CONVERTIBLE DEBT AGREEMENT

The County and Six Nations of the Grand River have entered into a joint venture agreement. The agreement calls for a loan in the amount of \$193,500. The loan will bear interest at a rate of 9.189% and will have interest only payments semi annually. Principal repayment will be due on March 4, 2023, at that time Six Nations of the Grand River has the option to convert the loan into a 15% interest in the joint venture in lieu of repayment. The funds were advanced to the County in 2020.

23. COVID-19 PANDEMIC

The County continues to experience some financial impacts of the world-wide coronavirus pandemic, in the form of revenue losses related to recreation facilities and programs as well as some additional costs related to facilities, health and safety measures and paramedics. For 2022, the County received some Federal and Provincial funding assistance.

THE CORPORATION OF THE COUNTY OF BRANT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

24. 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, 2022

	Police Services	Ambulance Services	Transportation Services	Environmental Services	Recreational & Cultural Services	Social Services and Housing	Other Services	Total 2022
Revenue								
Taxation	-	-	-	-	-	-	65,078,402	65,078,402
Grants	113,075	9,188,777	9,164,942	514,140	1,063,822	3,860,097	1,810,752	25,715,605
Revenue from other municipalities	-	5,535,556	432,117	-	-	-	260,126	6,227,799
Other revenue	90,219	1,635	101,026	14,529,054	1,678,901	273,814	26,337,028	43,011,677
Government business enterprise income and dividends	-	-	-	-	-	-	(155,165)	(155,165)
	203,294	14,725,968	9,698,085	15,043,194	2,742,723	4,133,911	93,331,143	139,878,318
Expenses								
Salaries and benefits	12,178	13,701,093	6,311,824	2,209,660	7,061,872	3,250,305	16,730,523	49,277,455
Materials and supplies	122,846	1,545,813	5,830,546	2,524,666	2,623,645	796,923	3,715,219	17,159,658
Contracted services	5,931,093	347,567	2,991,831	8,190,723	591,932	191,295	2,045,922	20,290,363
External transfers	6,159	131,160	-	330,997	274,324	3,942,679	2,195,904	6,881,223
Debt servicing	-	-	432,172	574,747	190,673	147,531	299,864	1,644,987
Other expenditures	2,622	217,098	534,673	885,275	96,394	57,511	735,816	2,529,389
Amortization	303,444	442,335	8,868,597	3,658,496	1,900,695	398,225	2,027,658	17,599,450
	6,378,342	16,385,066	24,969,643	18,374,564	12,739,535	8,784,469	27,750,906	115,382,525
Net Surplus (Deficit)	(6,175,048)	(1,659,098)	(15,271,558)	(3,331,370)	(9,996,812)	(4,650,558)	65,580,237	24,495,793

THE CORPORATION OF THE COUNTY OF BRANT

SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2021

	Police Services	Ambulance Services	Transportation Services	Environmental Services	Recreational & Cultural Services	Social Services and Housing	Other Services	Total 2021
Revenue								
Taxation	-	-	-	-	-	-	61,267,104	61,267,104
Grants	141,252	8,720,558	2,739,234	323,887	127,143	3,887,167	3,035,217	18,974,458
Revenue from other municipalities	-	4,841,239	136,101	-	-	-	115,435	5,092,775
Other revenue	56,534	4,760	79,454	13,657,518	1,029,787	236,709	26,144,910	41,209,672
Government business enterprise income and dividends	-	-	-	-	-	-	2,704,137	2,704,137
	197,786	13,566,557	2,954,789	13,981,405	1,156,930	4,123,876	93,266,803	129,248,146
Expenses								
Salaries and benefits	60,679	12,427,387	5,492,766	2,026,384	6,219,073	3,841,875	15,405,017	45,473,181
Materials and supplies	138,748	1,695,165	4,423,723	2,282,034	2,084,661	813,926	3,886,016	15,324,273
Contracted services	5,843,455	241,770	2,446,762	7,476,539	641,494	237,032	1,840,358	18,727,410
External transfers	-	59,616	-	308,646	315,030	2,339,246	2,033,533	5,056,071
Debt servicing	-	-	456,567	632,314	206,905	154,316	321,323	1,771,425
Other expenditures	580,331	203,631	378,339	386,507	13,654	49,257	707,863	2,319,582
Amortization	314,682	422,260	8,196,360	3,601,439	1,861,067	394,680	1,406,709	16,197,197
	6,937,895	15,049,829	21,394,517	16,713,863	11,341,884	7,830,332	25,600,819	104,869,139
Net Surplus (Deficit)	(6,740,109)	(1,483,272)	(18,439,728)	(2,732,458)	10,184,954)	(3,706,456)	67,665,984	24,379,007

THE CORPORATION OF THE COUNTY OF BRANT

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2022

	Land	Land Improvements	Building	Machinery & Equipment	Infrastructure	Construction in Progress	Total 2022	Total 2021
Cost								
Balance, beginning of year	20,537,240	25,444,223	120,308,923	89,588,198	302,954,256	16,849,649	575,682,489	539,358,466
Additions during the year	2,552,224	1,405,953	1,241,090	4,433,112	17,091,959	46,612,860	73,337,198	76,379,989
Disposals during the year	2,509	140,221	506,046	1,739,825	2,795,294	23,658,222	28,842,117	40,139,534
Adjustments	-	2,859	192,854	15,097	-	-	210,810	83,568
Balance, end of year	23,086,955	26,712,814	121,236,821	92,296,582	317,250,921	39,804,287	620,388,380	575,682,489
Accumulated Amortization								
Balance, beginning of year	-	7,788,066	29,036,667	41,486,659	137,517,122	-	215,828,514	202,332,951
Amortization during the year	-	1,112,583	2,749,780	4,933,892	8,803,195	-	17,599,450	16,197,197
Adjustments	-	1,164	88,093	11,844	-	-	101,101	37,880
Accumulated amortization on disposal	-	87,735	166,631	1,720,870	1,781,508	-	3,756,744	2,739,514
Balance, end of year	-	8,814,078	31,707,909	44,711,525	144,538,809	-	229,772,321	215,828,514
Net Book Value of Tangible Capital Assets	23,086,955	17,898,736	89,528,912	47,585,057	172,712,112	39,804,287	390,616,059	359,853,975