

CONTENTS

	<u>Page</u>
CONSOLIDATED FINANCIAL STATEMENTS	
Auditors' Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations	2
Consolidated Statement of Change in Net Financial Assets	3
Consolidated Statement of Remeasurement Gains and Losses	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	6
Tangible Capital Assets - Continuity Schedule	34
Segmented Information	35

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Brantford

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Brantford (the 'City'), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, change in net financial assets, remeasurement gains and losses and cash flows for the year then ended, and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2025, and its consolidated results of operations, its consolidated changes in net financial assets, its remeasurement gains and losses and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 2 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2024, has been restated. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Millard, Rose & Rosebrugh LLP

September 9, 2026
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants



CORPORATION OF THE CITY OF BRANTFORD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

	2025	2024
	\$	(Restated - Note 2)
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	33,090,372	129,876,038
Taxes receivable (Note 5)	22,266,854	21,032,960
Accounts and grants receivable (Note 6)	42,861,986	44,065,717
Inventories held for resale	67,917	68,034
Land held for resale	-	420,000
Development charge installments receivable	16,246,726	7,617,552
Investments (Note 7)	460,140,031	405,366,443
Investment in GrandBridge Corporation (Note 11)	105,985,631	105,985,631
Total Financial Assets	680,659,517	714,432,375
LIABILITIES		
Accounts payable and accrued liabilities (Note 30)	110,833,860	93,338,083
Deferred revenues (Note 12)	164,721,092	171,985,175
Vested sick leave (Note 13)	4,084,600	3,929,900
Post-employment/retirement benefits (Note 13)	25,834,500	24,339,500
Accrued interest on long term liabilities	409,188	452,226
Asset retirement obligations (Note 9)	65,427,363	62,888,508
Contaminated sites liability (Note 14)	31,459,357	17,961,696
Boundary adjustment liability (Note 15)	2,657,422	4,156,917
Long-term commitments payable (Note 16)	-	521,000
Net long-term liabilities (Note 17)	67,478,076	72,865,625
Total Liabilities	472,905,458	452,438,630
NET FINANCIAL ASSETS	207,754,059	261,993,745
NON-FINANCIAL ASSETS		
Tangible capital assets (net) (Schedule 1)	1,063,828,099	934,626,227
Inventories	2,784,964	3,046,866
Prepaid expenses (Note 19)	8,018,174	8,916,405
Total Non-Financial Assets	1,074,631,237	946,589,498
ACCUMULATED SURPLUS (NOTE 20)	1,273,861,135	1,205,004,427
Accumulated Remeasurement Gains (Losses)	8,524,161	3,578,816
ACCUMULATED SURPLUS AND REMEASUREMENT GAINS (LOSSES)	1,282,385,296	1,208,583,243

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

Page 1

CONSOLIDATED STATEMENT OF OPERATIONS

	Budget (Note 26)	2025	2024 (Restated - Note 2)
For the year ended December 31	\$	\$	\$
REVENUES			
Taxation (Note 21)	217,998,105	218,883,860	204,592,993
User fees and service charges (Note 22)	70,863,110	81,361,626	75,717,431
Government transfers (Note 25)	91,223,833	129,073,362	123,103,586
Rents and concessions	15,588,047	16,308,200	14,718,003
Investment Income	18,132,058	22,295,041	16,621,455
Building permit revenue	3,914,084	3,747,419	2,409,155
Casino revenue	5,000,000	4,634,229	4,759,488
Development and other contributions applied	-	33,930,353	16,827,883
Provincial Offences Act and other fines	3,300,610	3,524,678	3,438,890
Licences and permits	851,210	872,319	879,923
Penalties and interest on taxes	1,900,000	3,392,358	2,975,032
Municipal accomodation tax revenue	-	731,821	616,976
Contributed tangible capital assets (Schedule 1)	-	9,527,703	9,461,152
Income from GrandBridge Corporation	3,649,000	3,705,298	3,587,348
Other revenues (Note 23)	8,495,448	18,372,988	12,985,645
Total Revenues	440,915,505	550,361,255	492,694,960
EXPENSES			
General government	14,024,368	18,035,553	16,752,619
Protection services	103,847,286	102,285,623	99,347,293
Transportation services	69,506,931	61,821,380	52,921,185
Environmental services	86,978,176	89,834,844	67,391,970
Health services	12,895,237	13,343,595	13,073,194
Social and family services	94,725,995	108,558,430	96,336,551
Social housing	27,732,829	28,005,823	25,606,424
Recreation and cultural services	52,166,205	49,164,649	50,286,844
Planning and development	12,086,190	10,454,650	10,587,714
Total Expenses	473,963,217	481,504,547	432,303,794
ANNUAL SURPLUS FROM OPERATIONS	(33,047,712)	68,856,708	60,391,166
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,205,004,427	1,205,004,427	1,144,613,261
ACCUMULATED SURPLUS, END OF YEAR	1,171,956,715	1,273,861,135	1,205,004,427



CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31

	Budget	2025	2024 (Restated - Note 2)
	\$	\$	\$
Annual surplus	(33,047,712)	68,856,708	60,391,166
Amortization	39,009,649	41,333,197	39,771,421
Contributed tangible capital assets	-	(9,527,703)	(9,461,152)
Acquisition of tangible capital assets, net of reclassification	-	(161,299,652)	(90,519,408)
(Gain)/Loss on disposal of tangible capital assets and land held for resale	-	(143,529)	(1,175,646)
Proceeds on disposal of tangible capital assets and land held for resale	-	435,676	3,227,335
(Increase)/Consumption of inventory and prepaid expense	-	1,160,272	(3,175)
Net change in remeasurement gains (losses)	-	4,945,345	4,612,876
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	5,961,937	(54,239,686)	6,843,417
NET FINANCIAL ASSETS, BEGINNING OF YEAR	261,993,745	261,993,745	255,150,328
NET FINANCIAL ASSETS, END OF YEAR	267,955,682	207,754,059	261,993,745



CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the year ended December 31

	2025	2024
	\$	\$
Accumulated remeasurement gains (losses), beginning of year	3,578,816	(1,034,060)
Unrealized gains (losses) attributed to:		
Portfolio Investments	6,718,925	4,612,876
Realized (gains) losses, reclassified to the statement of operations:		
Portfolio Investments	(1,773,580)	-
NET CHANGE IN REMEASUREMENT GAINS (LOSSES) FOR THE YEAR	4,945,345	4,612,876
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	8,524,161	3,578,816

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31

	2025 \$	2024 (Restated - Note 2) \$
OPERATING ACTIVITIES		
Annual surplus	68,856,708	60,391,166
Items not affecting cash:		
Amortization	41,333,197	39,771,421
Realized (gain)/loss on portfolio investments	(1,773,580)	-
(Gain)/Loss on disposal of tangible capital assets and land held for resale	(143,529)	(1,175,646)
Contributed tangible capital assets	(9,527,703)	(9,461,152)
Asset retirement obligations accretion	2,548,889	2,413,918
Remeasurement gain/(loss) on portfolio investments	6,718,925	4,612,876
Change in non-cash assets and liabilities		
Taxes receivable	(1,233,895)	(6,271,632)
Accounts receivable	1,203,729	(5,177,231)
Accounts payable and accruals	17,495,781	17,478,820
Deferred revenues - obligatory reserve funds	(7,264,083)	9,648,178
Employee benefits and interest	1,606,662	1,460,094
Asset retirement obligations	(10,035)	(876,949)
Contaminated sites liability	13,497,661	(1,069,108)
Other financial assets	(8,209,057)	(6,989,023)
Inventories and prepaid expenses	1,160,272	(3,175)
Cash provided by operating activities	126,259,942	104,752,557
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets, net of reclassification	(161,299,652)	(90,519,408)
Proceeds on disposal of tangible capital assets	435,676	3,227,335
Cash applied to capital activities	(160,863,976)	(87,292,073)
INVESTING ACTIVITIES		
(Increase)/Decrease in investments	(54,773,588)	52,413,916
Cash provided by (applied to) investing activities	(54,773,588)	52,413,916
FINANCING ACTIVITIES		
Principal repayments on long-term debt	(5,387,549)	(5,199,515)
Payments on long-term commitments and boundary adjustment	(2,020,495)	(2,126,294)
Cash provided by (applied to) financing activities	(7,408,044)	(7,325,809)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(96,785,666)	62,548,591
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	129,876,038	67,327,447
CASH AND CASH EQUIVALENTS, END OF YEAR	33,090,372	129,876,038

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

NATURE OF THE ORGANIZATION

The Corporation of the City of Brantford is a Municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the City of Brantford (the "City") are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of CPA Canada.

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment. Actual results could differ from these estimates. Significant aspects of the accounting policies adopted by the City are as follows:

(a) Reporting entities

(i) Consolidated entities

The consolidated financial statements include the assets, liabilities, revenues, and expenses of the City. The reporting entity is composed of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These consolidated financial statements include:

Brant and Brantford Local Housing Corporation
Brantford Downtown Business Improvement Area
Brantford Municipal Non-Profit Housing Corporation
Brantford Police Services Board
Brantford Public Library
Brantford Tourism Development Corporation

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

(ii) Proportionate consolidation

The John Noble Home is operated jointly by the City of Brantford and the County of Brant and has been consolidated on a proportionate basis, based upon the population of the City of Brantford in proportion to the entire population of the City of Brantford and County of Brant combined.

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Reporting entities (Continued)

(iii) Brant and Brantford Local Housing Corporation

Effective January 1, 2002, the City entered into a service agreement with the Brant and Brantford Local Housing Corporation whereby the Housing Corporation transferred all operations to the City. The Housing Corporation has retained title to its physical assets in the capacity of bare trustee for the benefit of the City. On February 28, 2025, as part of the dissolution process, the Housing Corporation transferred all legal and equitable interest in the housing units to the City. The Housing Corporation was subsequently dissolved effective October 31, 2025.

(iv) Grand Erie Public Health

The assets, liabilities, revenues and expenses relating to the operations of the health unit are not reflected in these consolidated financial statements.

(v) Accounting for school board transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these financial statements.

(vi) Trust funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds statement of continuity and statement of financial position.

(vii) GrandBridge Corporation

The portfolio investment represents a 41% interest in an organization that amalgamated with an entity previously accounted for as a government business enterprise. As of January 1, 2024, the carrying value of the previous investment in the government business enterprise under the modified equity method became the City's cost of the portfolio investment. The carrying value will be reduced if the accumulated dividends received by the City in subsequent periods exceeds its share of accumulated earnings for the period. Portfolio investments are recorded at cost and are written down where there has been a loss in value that is other than a temporary decline.

(b) Basis of accounting

(i) Accrual basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting (Continued)

(ii) Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(iii) Taxation revenue

Taxation revenue is recorded when property tax bills are levied. Taxation revenue recognized each year is adjusted for estimates for expected supplementary taxes, appeals and non-collectible taxes.

(iv) Deferred revenues - obligatory reserve funds

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

(v) Asset retirement obligations

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

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

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

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

(vi) Investment income

Investment income is reported as revenue in the period it is earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting (Continued)

(vii) Cash and cash equivalents

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

(viii) Loans and other receivables

Loans and other receivables are valued at cost. Recoverability is reviewed annually and a valuation allowance is recorded when recoverability is impaired. A loan receivable is written off when it is no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized as it is earned.

(ix) Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

(x) Employee future benefits

The City provides certain employee benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, life insurance, and extended health and dental benefits for early retirees.

The costs of sick leave, benefits under the WSIB Act, life insurance, and extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discounted rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Actuarial gains and losses arising in a year are amortized into future years' expenses over the average remaining service period of active employees. Past service costs (if any) arising from a plan amendment are immediately recognized.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation, life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period when the events occur. Any actuarial gains or losses that are related to these benefits are recognized immediately in the period they arise.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting (Continued)

(xi) Contaminated sites

Contaminated sites are defined as the result of contamination being introduced that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the organization is directly responsible or accepts responsibility for the liability;
- iv. future economic benefits will be given up; and
- v. a reasonable estimate of the liability can be made.

(xii) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statement, and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, carrying value of tangible capital assets, provisions for accrued liabilities, contaminated sites liability, landfill closure and post-closure liability, and obligations related to employee future benefits.

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

Actual results could differ from these estimates.

(xiii) Financial instruments

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting (Continued)

(xiii) Financial instruments (Continued)

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

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

Long term debt is recorded at cost.

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

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

(xiv) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

a) Tangible capital assets

Under Canadian public sector accounting standards guidelines, tangible capital assets are recorded at their historical cost and amortized over their estimated useful life. Tangible capital assets are defined as non-financial assets with an estimated useful life greater than one year, held for use in the production or supply of goods and services, not held for resale, in continuous use, and valued in excess of an established financial threshold.

The capitalization threshold for general assets is \$5,000 and \$25,000 for infrastructure assets. Individual tangible capital assets with lesser value are expensed or recorded as pooled assets if the collective value of the homogeneous assets is greater than \$25,000 in the year of acquisition.

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting (Continued)

(xiv) Non-financial assets (Continued)

a) Tangible capital assets (Continued)

Tangible capital assets are recorded at cost which includes amounts directly attributable to the acquisition, construction, development or betterment of the assets. The cost is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	10 - 60 years
Vehicles:	
Transit buses	12 years
Vehicles	5 - 15 years
Computer hardware and software	4 - 15 years
Other:	
Machinery and equipment	10 - 20 years
Land improvements	10 - 30 years
Waste, wastewater plants and networks:	
Underground networks	50 - 75 years
Water and wastewater plants and facilities	30 - 100 years
Transportation	
Roads	15 - 50 years
Bridges, culverts, etc.	20 - 40 years

Expected useful lives are determined based on experience with the asset. Revisions to the estimates may be caused by upgrades or renewal expenditures that result in a change in the service level of the asset or may revise the life expectancy. These estimates and potential impairment of the tangible capital assets are reviewed annually.

Amortization is calculated beginning in the month the asset is put into service. Assets under construction are not amortized until the asset is available for productive use.

The city does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Contributed tangible capital assets

Tangible capital assets received as contributions are recorded at their fair market value at the date of contribution or at a nominal value if the fair market value of a contributed asset is not known.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting (Continued)

(xiv) Non-financial assets (Continued)

a) Tangible capital assets (Continued)

Tangible capital assets recognized at nominal value

Tangible capital assets are recognized at nominal value whenever fair value cannot be determined. Land, machinery and equipment, land improvements, and buildings are tangible capital asset categories that include nominal values.

Capital leases

Leases are classified as capital leases if they transfer substantially all of the benefits and risks incidental to ownership of property. Leased capital assets are recorded as tangible capital assets.

Inventories

Inventories held for consumption are not considered tangible capital assets.

(xv) Revenue recognition

Effective January 1, 2024, the City adopted Public Sector Accounting Standard PS3400 – Revenue, which establishes standards for recognizing revenue from exchange and non-exchange transactions. This standard was applied prospectively, and no prior period amounts were restated.

Under PS3400, exchange transactions involve the provision of goods or services to a specific payor in return for consideration and include performance obligations. Revenue from these transactions is recognized as the City satisfies its enforceable promises to deliver goods or services.

Non-exchange transactions are those in which the City receives economic resources without directly providing goods or services to a specific payor. These are recognized as revenue when the authority to claim or receive the asset exists, the amount can be reasonably estimated, and collectability is reasonably assured.

As a result of this new standard, building permit revenue is now recognized over the period in which related services, such as inspections and application reviews, are performed, rather than at the time of payment. This change better aligns revenue recognition with the satisfaction of performance obligations associated with permit issuance.

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

2. RESTATEMENT OF 2024 COMPARATIVE FIGURES

(a) Asset Retirement Obligations (ARO)

During 2025, the City identified an error in the measurement of asset retirement obligations reported in the prior year. The error resulted in an overstatement of the asset retirement obligation liability, tangible capital assets and asset retirement accretion expense. The 2024 comparative figures have been restated to correct the error.

(b) Local Board Reclassification

During 2025, a prior-period classification error was identified relating to the special purpose and investment funds of one of the City's local boards. The 2024 comparative figures have been restated to correct the classification.

	As previously stated	ARO adjustment	Local board adjustment	2024 As restated
Accounts payable and accrued liabilities	93,062,035	-	276,048	93,338,083
Tangible capital assets (net)	935,664,967	(1,038,740)	-	934,626,227
Asset retirement obligations	64,048,512	(1,160,004)	-	62,888,508
Asset retirement obligations accretion expense	2,535,181	(121,263)	-	2,413,918
Annual surplus from operations	60,262,300	121,263	7,603	60,391,166
Accumulated surplus - beginning of year	1,144,805,636	-	(192,375)	1,144,613,261
Accumulated surplus - end of year	1,205,067,938	121,263	(184,774)	1,205,004,427
Cash and cash equivalents - Beginning of year	67,519,820	-	(192,375)	67,327,447
Cash and cash equivalents - End of year	129,784,763	-	91,275	129,876,038
Net financial assets - Beginning of year	255,342,705	-	(192,375)	255,150,328
Net financial assets - End of year	261,018,515	1,160,004	(184,774)	261,993,745

3. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT BOARDS

Contributions amounting to \$3,281,600 (2024 - \$3,174,796) which are included as an expense in the consolidated statement of operations were made by the municipality to Grand Erie Public Health.

4. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$4,833,069 (2024 - \$4,742,913) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

5. TAXES RECEIVABLE

	2025	2024
Taxes Receivable	23,817,504	22,315,889
Allowance for uncollectibles	(1,550,650)	(1,282,929)
	22,266,854	21,032,960

6. ACCOUNTS AND GRANTS RECEIVABLE

	2025	2024
Accounts receivable	35,213,637	30,182,928
Grant receivable - Federal	5,900,996	10,688,917
Grant receivable - Provincial	1,747,353	3,193,872
	42,861,986	44,065,717

7. INVESTMENTS

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

The ONE Canadian Equity Portfolio and principal-protected notes (PPNs) are both measured at fair value and classified as Level 2 assets within this hierarchy. There were no transfers between Levels 1 and 2 during the year. There were no transfers in or out of Level 3.

	2025	2024
Portfolio investments, amortized cost	397,664,345	350,526,381
Portfolio investments, designated to the fair value category	62,475,686	54,840,062
	460,140,031	405,366,443

8. EMPLOYEE COMPENSATION

The *Public Sector Salary Disclosure Act*, 1996, requires municipalities to disclose annually the names, positions, salaries, and taxable benefits of employees paid \$100,000 or more in 2025. In 2025 the City of Brantford and its local boards had 549 employees paid \$100,000 or more in the calendar year (2024 - 458 employees). This information can be found on the Ministry of Finance website at:

<https://www.ontario.ca/public-sector-salary-disclosure/2025/all-sectors-and-seconded-employees>

9. ASSET RETIREMENT OBLIGATIONS

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

As at December 31, 2025, the City's ARO liability amounted to \$65,427,363. The ARO liability is recorded at the present value of the estimated future cash flows using an inflation rate of 4.40% and a discount rate of 4.40%.

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

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

a) Asbestos obligation:

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

b) Fuel tank obligation:

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

c) Landfill closure and post-closure obligation:

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

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

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

9. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

Changes to the asset retirement obligation in 2025 and 2024 are as follows:

	Asbestos removal	Fuel storage tank removal	Landfill closure and post-closure	2025 Total
Balance, beginning of year	21,401,622	85,917	41,400,970	62,888,509
Liability settled during the year	(10,035)	-	-	(10,035)
Increase in liabilities due to accretion expense	767,251	1,396	1,780,242	2,548,889
Balance, end of year	22,158,838	87,313	43,181,212	65,427,363

	Asbestos removal	Fuel storage tank removal	Landfill closure and post-closure	2024 Total (Restated - Note 2)
Balance, beginning of year	21,572,564	84,852	39,694,123	61,351,539
Liability settled during the year	(193,329)	-	-	(193,329)
Increase in liabilities due to accretion expense	705,752	1,319	1,706,847	2,413,918
Increase (decrease) reflecting change in the estimate of liability	(683,366)	(254)	-	(683,620)
Balance, end of year	21,401,621	85,917	41,400,970	62,888,508

10. FINANCIAL INSTRUMENTS

(a) Credit Risk

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

The City assesses on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the City at December 31, 2025 is the carrying value of these assets. The risk of significant loss is considered remote.

(b) Fair Value

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

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

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

11. INVESTMENT IN GRANDBRIDGE CORPORATION

On September 1, 2021, Brantford Energy Corporation entered into a Merger Participation Agreement (“MPA”) with: The Corporation of the City of Cambridge (“Cambridge”); The Corporation of the Township of North Dumfries (“North Dumfries”); The Corporation of the City of Brantford (“Brantford”); Cambridge and North Dumfries Energy Plus Inc. (“Energy Plus”); Brantford Power Inc. (“BPI”); and Brantford Hydro Inc. (“BHI”). At the closing date, Brantford Energy Corporation issued a total of 100,000,000 Common Shares to Cambridge, North Dumfries, and Brantford, as well as certain Class A, B, C, and D Special Shares. The issuance of such common shares by the Corporation represents a 54.339% ownership interest by Cambridge, a 41.0% ownership interest by Brantford, and a 4.661% ownership interest by North Dumfries. The merger was approved by the Ontario Energy Board and closed on May 2, 2022. The newly formed company is called GrandBridge Corporation and was incorporated under the Business Corporations Act (Ontario) by legal amalgamation of the former entities: Energy Plus and Brantford Energy Corporation.

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

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

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

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

Upon review of the agreement and corporate structure effective January 1, 2024 it was determined that the City's interest in GrandBridge Energy Inc. no longer represents a government business enterprise. As a result, the City has discontinued the modified equity method as of January 1, 2024 and began accounting for the investment as a portfolio investment. The carrying value of the investment at that date became the City's cost of its portfolio investment in GrandBridge Energy Inc. Accumulated dividends received by the City in subsequent periods that exceed its share of accumulated earnings for the period will be applied as a reduction of the carrying value of the investment.

Details of the investment are as follows:

Investment in Grandbridge Corporation

Investment in common shares

2025	2024
105,985,631	105,985,631

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

12. DEFERRED REVENUES - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting standards of CPA Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the City are summarized as follows:

	2025	2024
Development charges	105,773,218	109,519,031
Subdivision contributions	3,593,019	3,902,427
Recreational land (The Planning Act)	1,930,495	945,261
Canada Community - Building Fund	29,429,357	30,196,787
Provincial Gas Tax	1,920,213	1,478,691
B-Home Housing Program	941,852	872,866
Cash in lieu of Parking	1,879	1,775
Ontario Community Infrastructure Fund	10,494,466	14,240,635
Building Code Act	10,636,593	10,827,702
	164,721,092	171,985,175

Continuity of deferred revenue is as follows:

	2025	2024
Balance, beginning of year	171,985,175	162,336,997
Contributions from:		
Canada Community - Building Fund	6,857,090	6,679,149
Provincial Gas Tax	1,790,790	1,074,474
Development charges	22,241,569	19,704,615
Ontario Community Infrastructure Fund	-	6,764,388
Building Faster Fund	3,066,849	-
Other	460,494	787,687
Interest earned	10,658,656	7,039,081
Total revenue	45,075,448	42,049,394
Deferred revenue utilized:		
Canada Community - Building Fund	9,319,021	5,399,182
Provincial Gas Tax	1,445,861	1,445,861
Development charges	33,067,262	15,079,052
Ontario Community Infrastructure Fund	4,449,109	8,579,419
Building Faster Fund	3,195,189	-
Other	863,089	1,897,702
Total deferred revenue utilized	52,339,531	32,401,216
Balance, end of year	164,721,092	171,985,175

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

13. POST-EMPLOYMENT/RETIREMENT BENEFITS

The City provides certain employee benefits which will require funding in future periods. Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a lump-sum payment when they leave the City's employment. The City also has obligations for amounts owing to former employees under the Workplace Safety and Insurance Board permanent partial disability pension and for amounts owing under various benefit programs. An actuarial valuation of future liabilities was conducted as at December 31, 2025, and forms the basis for the estimated liability reported in these financial statements.

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

	2025	2024
Discount rate	4.60%	4.40%
Average compensation increase	3.00%	3.00%
Healthcare cost increases		
Initial rate	6.98%	7.12%
Ultimate rate	4.25%	4.25%
Dental care cost increase	4.25%	4.25%

	Post-Employment/Retirement Benefits				
	Medical, Dental, Life Insurance	Sick Leave Gratuity	Disability Benefits	Total Benefits 2025	Total Benefits 2024
December 31, 2025					
Liability as at January 1	23,744,800	3,929,900	594,700	28,269,400	26,761,200
Net Service Cost	1,542,800	203,400	-	1,746,200	1,702,700
Net Interest Cost	1,128,300	156,400	10,700	1,295,400	1,215,800
Recognition of (Gains) / Losses	253,200	515,400	(322,900)	445,700	147,500
Amortization of (Gains) / Losses	121,600	(21,600)	(46,600)	53,400	86,000
Benefit Payments	(1,250,400)	(183,500)	(11,400)	(1,445,300)	(1,496,300)
Accrued Benefit Obligation as at December 31	25,540,300	4,600,000	224,500	30,364,800	28,416,900
Unrecognized Gains / (Losses)	(253,200)	(515,400)	322,900	(445,700)	(147,500)
Liability as at December 31	25,287,100	4,084,600	547,400	29,919,100	28,269,400

The City and the Brantford Public Library have established reserves to mitigate the future impact of these obligations, as disclosed in Note 27. The balance at the end of the year is \$3,690,237 (2024 - \$3,656,796).

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

14. CONTAMINATED SITES LIABILITY

The City has recognized a contaminated sites liability of \$31,459,357 as at December 31, 2025 (2024 - \$17,961,696) for remediation of known contaminated sites where an assessment has been conducted, or where available information on sites is sufficient to estimate the costs.

The liability is comprised of the following:

	2025	2024
Mohawk Lake	30,495,088	16,573,669
Other sites	964,269	1,388,027
	31,459,357	17,961,696

The nature of the contamination includes chemicals, heavy metals, and other organic and inorganic contaminants. The liability has been estimated using a risk-based approach and was calculated using a present value technique with a discount rate of 4.40%. The estimated total undiscounted expenditures for 2025 is \$37,820,500 (2024 - \$20,336,500). The assumptions and basis of measurement used in estimating the liability include past land usage, the nature and level of contamination, current land use, length of time to remediate the site, engineer cost estimates, environmental site assessments and analysis from staff reports.

15. BOUNDARY ADJUSTMENT - COUNTY OF BRANT

On January 1, 2017, the City's boundary lines were expanded to include 2,720 hectares of land transferred from the County of Brant ("the County") to the City's jurisdiction. Using a present value technique with a current discount rate of 4.60%, a liability is recognized for the compensation due to the County in the amount of \$2,657,422 (2024 - \$4,156,917). The undiscounted balance is \$2,838,324 (2024 - \$4,513,293). The City is required to pay the County \$11,633,500 by way of 10 equal annual installments from January 2018 to January 2027. In addition, the City must pay the County \$11,259,144 for the phase-out of County Taxes based on the amount of the County municipal taxes levied on the lands in the annexed area in 2016. This amount is paid in annual installments that will decline on a straight-line basis until 2027.

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

16. LONG-TERM COMMITMENTS PAYABLE

Wilfrid Laurier University and YMCA project Grant

Grant payable to Wilfrid Laurier University and the YMCA of Hamilton/Burlington/Brantford for the construction of the Laurier Brantford YMCA facility. The grant represents 10% of eligible expenses totaling \$5,210,000. The liability is payable in annual installments of \$521,000 and matured on November 1, 2025.

2025	2024
-	521,000

17. NET LONG TERM LIABILITIES

(a) The long term liabilities consist of a mortgage, amortizing debentures and loans. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing. The long-term liabilities reported in (c) of this note carry interest rates ranging from 2.27% to 5.87% and maturity dates ranging from December 2029 to December 2044.

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

	2026 to 2030	After 2030
From benefiting landowners and user rates	29,340,498	37,589,594
From consolidated municipal enterprises	235,856	-
From the County of Brant	88,453	223,675
	29,664,807	37,813,269

(c) For the long-term liabilities in (a) of this note, the annual principal payments over the next five years and thereafter until the year 2044 are as follows:

Year 2026	5,582,614
Year 2027	5,785,031
Year 2028	5,899,175
Year 2029	6,093,881
Year 2030	6,304,106
Thereafter	37,813,269
	67,478,076

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

17. NET LONG TERM LIABILITIES (CONTINUED)

(d) Included in the long term liabilities is the Brantford Municipal Non-Profit Housing Corporation mortgage payable for the corporation's property: Branlyn Meadows Project. The building is pledged as security for the mortgage.

	2025	2024
Branlyn Meadows Project		
3.81% first mortgage loan to Canada Mortgage and Housing Corporation, due February 2028, payable in monthly installments of \$9,459 on account of principal and interest	235,856	338,348

(e) As at December 31, 2025, the City held \$21,473,348 (2024 - \$22,561,911) of the net long term liabilities outstanding.

18. CHARGES FOR NET LONG TERM LIABILITIES AND OTHER LIABILITIES

	2025	2024
Total charges for the year for net long term liabilities are as follows:		
Debt Principal	5,387,549	5,199,515
Due to County - Boundary Adjustment	1,499,495	1,605,294
Due to YMCA/Wilfrid Laurier - Grant	521,000	521,000
Interest	2,477,533	2,659,673
	9,885,577	9,985,482

19. PREPAID EXPENSES

Prepaid expenses are comprised of the following:

	2025	2024
Capital improvement projects	-	1,065,738
Information technology software subscriptions	1,835,671	1,426,243
Insurance premiums	2,172,833	2,298,191
Canada-Wide Early Learning and Child Care program	2,628,417	2,187,361
Other	1,381,253	1,938,872
	8,018,174	8,916,405

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

20. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2025	2024 <i>(Restated - Note 2)</i>
For the General Reduction of Taxation:		
City - operating fund	11,485,632	8,952,964
Local Boards	538,348	525,453
Brantford Tourism Development Corporation	521,382	274,315
	12,545,362	9,752,732
Capital fund balance	16,956,679	88,595,336
GrandBridge Corporation, net investment	105,985,631	105,985,631
Reserves (Note 27)	81,287,767	76,472,445
Reserve funds (Note 27)	189,833,419	175,620,807
Equity in tangible capital assets	1,063,828,099	934,626,226
Invested in land inventory	850,544	850,544
Land held for resale	-	420,000
Accrued Rent - Brant Community Healthcare System	903,989	664,005
	1,459,646,128	1,383,234,994
Unfunded liabilities	198,330,355	187,983,299
	1,273,861,135	1,205,004,427

21. TAXATION

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

	2025	2024
Municipal and school property taxes	253,623,614	238,440,618
Payments in lieu of taxes	3,844,595	3,955,090
Net property taxes	257,468,209	242,395,708
School board requisitions	38,584,349	37,802,715
Taxation revenue available for municipal purposes	218,883,860	204,592,993

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

22. USER FEES AND SERVICE CHARGES

User fees and service charges are comprised of the following:

	2025	2024
Environmental services	62,866,648	58,852,902
General government	1,938,218	1,132,983
Health services	384,963	373,502
Planning and development	2,268,389	2,122,475
Protection services	1,260,566	1,589,798
Recreation and cultural services	6,763,785	5,851,964
Social and family services	1,314,310	1,047,509
Social housing	327,408	178,304
Transportation services	4,237,339	4,567,994
	81,361,626	75,717,431

23. OTHER REVENUES

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

	2025	2024
Sale of non-inventory items	2,190,550	2,217,219
Donations	259,171	310,468
Transfer from trust funds	659,948	158,147
Gain/(Loss) on disposal of tangible capital assets, inventory, and land held for resale	143,529	1,175,646
Workplace Safety and Insurance Board Surplus Allocation	7,803,664	-
Service Level Agreements	87,581	223,589
Other recoveries and rebates	6,818,679	7,084,367
Stewardship Ontario funding	409,866	1,816,209
	18,372,988	12,985,645

24. RELATED PARTY TRANSACTIONS

All related party transactions are considered to be in the normal course of operations and are recorded at the exchange amount agreed to by the related parties.

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

25. GOVERNMENT TRANSFERS

The sources of government funding by function are as follows:

	2025	2024
Provincial Grants:		
General government	3,195,189	16,467
Protection services	4,404,280	4,387,561
Transportation services	5,476,147	9,598,759
Environmental services	17,072	773,910
Social and family services	90,689,716	80,503,636
Social housing	1,341,707	1,473,229
Recreation and cultural services	267,578	436,026
Planning and development	271,574	474,664
Provincial Total	105,663,263	97,664,252
Federal Grants:		
General government	170,213	-
Transportation services	6,939,543	3,588,303
Environmental services	2,106,974	789,666
Social and family services	2,405,972	1,959,003
Social housing	2,160,148	4,235,199
Recreation and cultural services	585,894	2,096,182
Planning and development	-	1,000
Federal Total	14,368,744	12,669,353
Other Municipalities Grants:		
General government	1,223	3,873
Protection services	251,319	157,326
Transportation services	542	2,965
Environmental services	529,637	398,781
Social and family services	4,371,530	3,806,013
Social housing	3,867,997	8,379,751
Recreation and cultural services	6,772	8,937
Planning and development	12,335	12,335
Other Municipalities Total	9,041,355	12,769,981
Total	129,073,362	123,103,586

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

26. BUDGET FIGURES

The budget data presented in these consolidated financial statements are based upon the 2025 operating budget approved by Council. The budget that was approved by Council was not prepared on a basis consistent with that used to report actual consolidated financial statement results. The budget was approved on a modified accrual basis while Public Sector Accounting Standards (PSAS) now require a full accrual basis. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements. In addition, to ensure comparability of expenses, the allocation of program support costs completed for actual reporting was also applied to the budget amounts.

City Council net approved budget	\$ 0
Approved Consolidated Local Board budgets	(1,461,971)
Add:	
Capital project revenues	2,625,599
Interest earned on reserve funds	10,449,058
Operating expenses resulting in tangible capital assets	659,884
Net transfers (from) to reserves and reserve funds	41,692,880
Debt principal repayments	5,292,354
Long-term commitments	521,000
Boundary adjustment liability repayment	1,859,495
Accrued interest	43,037
Accrued Rent - Brant Community Healthcare Services	239,983
Less:	
Capital project operating expenses	38,025,832
Amortization	39,009,649
Post-employment benefits	1,625,700
Asset retirement obligations	2,390,189
Land held for resale	420,000
Contaminated sites liability	13,497,661
Budget Surplus (Full Accrual)	<u>(33,047,712)</u>

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

27. RESERVES AND RESERVE FUNDS

The total balance of reserves and reserve funds of \$81,287,767 (2024 - \$76,472,445) and \$189,833,419 (2024 - \$175,620,807) respectively is made up of the following:

	2025	2024
Reserves set aside for specific purposes:		
Contingencies	8,276,081	6,416,566
Replacement of equipment	3,214,282	2,309,959
Sick leave	3,690,237	3,656,796
Insurance	4,902,865	5,300,442
General government	2,974,343	4,093,169
Protection services	3,951,799	2,014,038
Roadways	7,311,367	8,540,961
Winter control	2,392,871	3,912,489
Transit	175,646	362,445
Air transportation	12,684	311,758
Storm water system	-	36,679
Solid waste disposal	716,919	659,445
Waste diversion	109,500	109,500
Health services	18,006	20,135
Social and family services	20,462	1,042,885
Social housing	14,316,508	14,412,158
Recreation facilities - Golf	935,003	615,136
Recreation facilities - Other	1,111,431	527,187
Libraries	977,503	1,232,999
Cultural services	73,770	98,770
Planning and development	4,833,080	6,261,519
Other corporate financing	21,273,410	14,537,409
Total Reserves	81,287,767	76,472,445
Reserve funds set aside for specific purposes by Council:		
Wastewater	83,896,291	81,202,831
Water	90,536,819	82,089,016
Health services	15,248,330	12,255,390
Building Fleet	151,979	73,570
Total Reserve Funds	189,833,419	175,620,807
Total Reserves and Reserve Funds	271,121,186	252,093,252

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

28. LANDFILL GAS ELECTRICITY GENERATION PROJECT

On June 14, 2016, the City was assigned all of the assets and undertakings of the Brantford Generation Inc. landfill gas electricity generation project for a purchase price of \$3,250,000. Ontario Infrastructure and Lands Corporation (IO) has provided financing to the City in the amount of \$3,250,000 for purposes of acquiring the project.

On August 18, 2016, a revenue sharing agreement was established between IO and the City requiring the City to pay to IO a cash amount equal to 50% of the project's excess cash flow for the fiscal year to a maximum amount of \$8,662,883 (plus accrued interest) within 210 days following the City's year-end. It is expected that this payment will be \$NIL for 2025 (2024 - \$NIL).

29. PENSION AGREEMENTS

Contributions are made to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff and other qualifying employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The employer's amount contributed to OMERS for 2025 was \$14,274,647 (2024 - \$13,287,600) for current and past service. Employees' contributions to OMERS in 2025 totaled \$14,274,647 (2024 - \$13,287,600).

The OMERS pension plan has a deficit. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions may be required in the future. The program deficit in 2025 is \$1.3 billion (2024 - \$2.9 billion).

30. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	2025	2024 <i>(Restated - Note 2)</i>
Trade payables	60,947,701	48,853,579
Deposits/Unearned revenue	31,116,350	31,242,512
Payable to the provincial and federal government	10,683,655	4,822,255
Payable to other municipalities	7,150,206	8,419,737
Payable to school boards	935,948	-
	110,833,860	93,338,083

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

31. BELL HOMESTEAD STATEMENT OF REVENUE AND EXPENSES

As a National Historic Site, the Bell Homestead provides public programs for residents and visitors to the community as well as preservation and maintenance requirements for the historic buildings and artifacts it holds in trust. Operating costs are supported by earned revenues and the financial support of Bell Canada, the County of Brant, and the Ministry of Tourism, Culture and Sport–Heritage Programs Unit. The latter requires the disclosure of this information for the purposes of the Community Museum Grant application.

	Budget 2025	Actual 2025	Actual 2024
Revenue			
Government Transfers - Federal	2,480	2,356	-
Government Transfers - Provincial	24,125	24,124	24,124
Government Transfers - Municipal	8,930	6,772	16,449
Merchandise sales	6,850	6,632	7,466
Café	8,360	6,644	4,488
Admissions	25,000	27,148	24,910
Registration fees	19,300	25,584	26,835
Donation - Bell Canada	60,000	60,000	50,000
General donations and fundraising	2,000	5,723	5,124
Rentals	435	1,126	283
Memberships	2,000	1,105	1,071
	159,480	167,214	160,750
Expenses			
Salaries, wages, and benefits	346,953	387,281	347,563
Materials and supplies	7,845	8,525	17,779
Food	1,250	3,041	1,341
Heat, light, and water	12,860	10,767	10,968
Repairs and maintenance	23,400	14,635	26,666
Janitorial Services	9,000	10,200	10,094
Security	795	756	756
Telephone	270	196	250
Advertising	-	-	2,005
Travel, conventions, and seminars	440	-	224
Registration fees	850	533	795
Memberships and subscriptions	250	423	920
Concession supplies	3,420	3,625	2,658
Other purchased services	800	1,636	1,127
Bank charges	715	1,844	1,640
Administration	-	32	189
	408,848	443,494	424,975
Deficit	(249,368)	(276,280)	(264,225)

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

32. COMPARATIVE FIGURES

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

33. CONTINGENT ASSETS

As at December 31, 2025, the City has contingent assets relating to the commencement of legal action against various parties. The amount and nature of the possible outcomes are not determinable at this time and, as a result, no provision has been made in the financial statements. Where management has assessed the likelihood of future economic benefits as being more likely than not, and is able to reasonably assess the benefit, an amount is provided for in these consolidated financial statements.

As at December 31, 2025, the City has contingent assets relating to forgivable loan arrangements valued at \$8,106,468 (2024 - \$8,730,045). Forgivable loan repayment is not expected unless certain conditions are not met. If the conditions on a forgivable loan are no longer met, the loan would be recorded as a financial asset on the balance sheet.

34. CONTINGENT LIABILITIES

As at December 31, 2025, there are legal claims commenced against the City that remain outstanding. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed the likelihood of exposure as being more likely than not and is able to reasonably assess the exposure, an amount is provided for in these consolidated financial statements. For the majority of claims against the City, the amount and nature of the possible outcome is not determinable at this time and, as a result, no provision has been made in the financial statements.

35. CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights consist of contracts entered into for operating leases and cost share agreements with the County of Brant. The City has also entered into an agreement with the Ontario Lottery and Gaming Corporation (OLG) whereby quarterly contributions are received based on a percentage of gaming revenues at Elements Casino Brantford.

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

36. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

(i) Operating Leases

The City has entered into operating leases for various equipment, vehicles, and properties with expected annual lease payments as follows:

2026 - \$1,491,610	2027 - \$1,207,109	2028 - \$1,183,817
2029 - \$1,136,292	2030 & Thereafter - \$4,499,927	

(ii) The City has outstanding contractual obligations of approximately \$163.7 million as at December 31, 2025 for capital works (2024 - \$204.0 million). City Council has authorized the financing of these obligations.

(iii) The City has entered into a contract for the management, operation, and maintenance of the Landfill Gas Utilization Facility. The contract expires on January 8, 2031. The annual cost of the contract is estimated to be approximately \$1,050,000.

(iv) The City has entered into a contract for the operation of a Housing Resource Centre. The contract expires on January 31, 2027. The annual cost of the contract is estimated to be approximately \$750,000.

(v) The City has entered into a contract for the haulage of biosolids from the Wastewater Treatment Plant. The contract expires on April 14, 2027. The total contract value is estimated to be approximately \$2,045,000.

(vi) The City has entered into a contract for the operation of the Mohawk Street Landfill. The contract expires on October 31, 2027. The annual cost of the contract is estimated to be approximately \$1,835,800.

(vii) The City has entered into a contract for the collection of solid waste and yard waste. The contract expires on October 31, 2027. The annual cost of the contract is estimated to be approximately \$2,218,100.

(viii) The City has entered into a contract for winter road maintenance. The contract expires on April 15, 2027. The annual cost of the contract is estimated to be approximately \$1,043,500.

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

36. CONTRACTUAL OBLIGATIONS AND COMMITMENTS (CONTINUED)

(ix) The City has entered into a contract for the receipt, processing, and marketing of organic materials collected within the City of Brantford. The contract expires on October 31, 2027. The annual cost of the contract is estimated to range from approximately \$303,570 to \$791,622, depending on program uptake.

(x) The City has entered into a contract for the supply and delivery of bulk fuels. The contract expires on May 31, 2028. The annual cost of the contract is estimated to be approximately \$2,306,500.

(xi) The City has entered into a contract for trenchless structural rehabilitation of sewers using cured-in-place pipe lining. The contract expires on May 14, 2029. The total contract value is estimated to be approximately \$2,803,850.

(xii) The John Noble Home has committed to a construction contract to continue renovations. The total contract value is \$25,400,304. As at December 31, 2025, work completed under the contract was valued at \$20,689,036.

CORPORATION OF THE CITY OF BRANTFORD

TANGIBLE CAPITAL ASSETS - CONTINUITY SCHEDULE SCHEDULE 1

For the year ended December 31

	Land	Land Improvements	Building	Machinery & Equipment	Infrastructure	Assets Under Construction (WIP)	2025 Total (incl WIP)	2024 Total (incl WIP) (Restated - Note 2)
Total Historical Cost:								
Balance: Beginning of year	43,789,888	119,015,969	367,447,587	103,514,504	1,056,228,660	100,353,863	1,790,350,471	1,700,793,882
Add: Additions during the year	2,060,584	4,958,786	18,638,519	11,808,655	30,433,283	138,902,988	206,802,815	119,875,373
Less: Disposals during the year	15,204	79,925	833,020	3,752,084	821,656	35,965,565	41,467,454	30,318,784
Balance: End of year	45,835,268	123,894,830	385,253,086	111,571,075	1,085,840,287	203,291,286	1,955,685,832	1,790,350,471
Accumulated Amortization:								
Balance: Beginning of year	407,666	62,247,669	209,025,896	59,203,661	524,839,352	-	855,724,244	825,363,839
Add: Amortization expense	24,439	3,135,709	8,598,058	8,388,451	21,186,540	-	41,333,197	39,771,421
Less: Accumulated amortization on disposals	-	65,845	689,711	3,688,442	755,710	-	5,199,708	9,411,016
Balance: End of year	432,105	65,317,533	216,934,243	63,903,670	545,270,182	-	891,857,733	855,724,244
TOTAL: NET BOOK VALUE	45,403,163	58,577,297	168,318,843	47,667,405	540,570,105	203,291,286	1,063,828,099	934,626,227

a) Assets under construction:

Assets under construction, having a value of \$203,291,286 (2024 - \$100,353,863), have not been amortized. Amortization of these assets will commence when the assets are put into service. Additions to assets under construction are reported net of assets whose construction is complete and have been put into service.

b) Contributed tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair market value at the date of contribution. The value of contributed assets received during the year is \$9,527,703 (2024 - \$9,461,152) and is comprised of infrastructure valued at \$8,684,255 (2024 - \$8,978,963), land and building valued at \$NIL (2024 - \$2), culverts valued at \$781,048 (2024 - \$NIL), trails valued at \$62,400 (2024 - \$NIL), and a detention pond valued at \$NIL (2024 - \$482,187).

c) Asset retirement obligation:

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

d) Reclassification of land:

The costs and accumulated amortization relating to Land Improvements for the Brant Municipal Non-Profit Housing local board was reclassified to Land in accordance with the classification used in the entity's own financial statements.

e) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$NIL (2024 - \$NIL).

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

CORPORATION OF THE CITY OF BRANTFORD SEGMENTED INFORMATION SCHEDULE 2

The City of Brantford is a single tier municipality that provides a wide range of services to its citizens. The major services chosen for segmented disclosure are those for which the percentage of annual operating expenditures is greater than 10% of the Corporation's total operating expenditures. The revenues and expenditures reported for each segment includes directly attributable amounts as well as internal charges and recoveries allocated on a reasonable basis. A description of each major service and the activities each provide are as follows:

Protection Services

Protection services enhances the quality of life for all citizens and responds to their changing needs by ensuring and promoting public safety in partnership with our community. Services provided include fire prevention and suppression, crime prevention, bylaw enforcement, court security, prisoner transportation, protective inspection and control, building permit and inspection services, emergency measures, and administration of the Provincial Offences Act.

Transportation Services

Transportation services includes the safe and efficient movement of people and goods within the City of Brantford. Responsibilities include road construction and maintenance, traffic signals and signs, winter control, transit operation, developing parking and traffic control bylaws, implementation and maintenance of street lighting, and management and maintenance of parking garages and lots.

Environmental Services

Environmental services include sanitary sewer system, storm sewer system, waterworks, waste collection, waste disposal and recycling. Responsibilities include water treatment and maintenance, water distribution, water quality, water conservation, the water pollution control plant, pumping stations, pollution control, storm and sanitary sewer maintenance, curbside garbage collection, waste diversion, yard waste management, household hazardous waste day events and landfill site operations.

Social and Family Services

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

Recreation and Cultural Services

This segment includes parks, recreation programs, recreation facilities, golf courses, libraries and cultural services. Responsibilities include management and provision of recreational services, facilities and programs, administration and maintenance of the main library and St. Paul Avenue branch, operation and maintenance of a public golf course, preservation of art galleries, museums and the Sanderson Centre for the Performing Arts.

**CORPORATION OF THE CITY OF BRANTFORD
SEGMENTED INFORMATION**

SCHEDULE 2

For the year ended December 31	Protection Services	Transportation Services	Environmental Services	Social and Family Services	Recreation & Cultural Services	Other Services ^[1]	Consolidated 2025
Revenues							
Taxation	-	-	-	-	-	218,883,860	218,883,860
Grants	4,655,597	12,416,231	3,063,549	97,469,095	944,662	11,692,840	130,241,974
Other revenues ^[2]	19,780,999	12,359,905	86,022,560	1,830,833	30,274,016	47,261,810	197,530,123
Portfolio Investment	-	-	-	-	-	3,705,298	3,705,298
Total Revenues	24,436,596	24,776,136	89,086,109	99,299,928	31,218,678	281,543,808	550,361,255
Expenses							
Salaries, wages, and benefits	82,561,831	25,454,739	12,858,504	24,547,283	24,718,793	38,160,038	208,301,188
Materials	5,777,117	18,920,571	19,693,114	2,961,898	11,823,957	25,668,537	84,845,194
Contracted services	2,004,471	4,691,359	25,528,872	10,715,521	773,203	12,766,023	56,479,449
External transfers	550,128	1,395	1,204,977	64,493,508	389,941	15,357,832	81,997,781
Amortization	2,197,834	11,725,999	15,260,093	866,992	7,218,472	4,063,807	41,333,197
Debt servicing	71,675	55,930	561,092	234,516	1,234	1,553,086	2,477,533
Other expenses ^[3]	9,122,567	971,387	14,728,192	4,738,712	4,239,049	(27,729,702)	6,070,205
Total Expenses	102,285,623	61,821,380	89,834,844	108,558,430	49,164,649	69,839,621	481,504,547
ANNUAL SURPLUS (DEFICIT)	(77,849,027)	(37,045,244)	(748,735)	(9,258,502)	(17,945,971)	211,704,187	68,856,708

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

^[2] Other revenues - Includes licenses, permits, interest, donations, sale of land, sale of equipment, sale of publications, proceeds on disposal, contributed capital assets, gaming revenues, investment income, fines and penalties, recoveries and rebates, and user charges.

^[3] Other expenses - Includes tax write-offs, rents and financial expenses, inter-functional adjustments, allocation of program support, and loss on disposal of tangible capital assets.

**CORPORATION OF THE CITY OF BRANTFORD
SEGMENTED INFORMATION**

SCHEDULE 2

For the year ended December 31

	Protection Services	Transportation Services	Environmental Services	Social and Family Services	Recreation & Cultural Services	Other Services ^[1]	Consolidated 2024 (Restated - Note 2)
Revenues							
Taxation	-	-	-	-	-	204,592,993	204,592,993
Grants	4,544,885	13,190,028	3,778,564	86,269,653	2,731,306	16,649,657	127,164,093
Other revenues ^[2]	13,577,827	11,960,318	75,060,146	1,408,272	18,194,468	37,149,495	157,350,526
Government Business Enterprise	-	-	-	-	-	3,587,348	3,587,348
Total Revenues	18,122,712	25,150,346	78,838,710	87,677,925	20,925,774	261,979,493	492,694,960
Expenses							
Salaries, wages, and benefits	77,618,974	23,393,203	12,059,378	23,331,017	23,793,000	34,580,902	194,776,474
Materials	5,814,709	13,368,194	15,491,097	3,107,800	13,398,030	24,128,719	75,308,549
Contracted services	2,297,370	3,453,582	13,409,866	17,604,792	804,722	12,041,817	49,612,149
External transfers	767,827	6,710	1,137,706	47,567,764	339,327	14,429,881	64,249,215
Amortization	2,156,268	11,380,779	15,378,367	839,926	6,266,185	3,749,894	39,771,419
Debt servicing	77,044	60,363	643,086	248,119	1,480	1,629,581	2,659,673
Other expenses ^[3]	10,615,101	1,258,354	9,272,470	3,637,133	5,684,100	(24,540,843)	5,926,315
Total Expenses	99,347,293	52,921,185	67,391,970	96,336,551	50,286,844	66,019,951	432,303,794
ANNUAL SURPLUS (DEFICIT)	(81,224,581)	(27,770,839)	11,446,740	(8,658,626)	(29,361,070)	195,959,542	60,391,166

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

^[2] Other revenues - Includes licenses, permits, interest, donations, sale of land, sale of equipment, sale of publications, proceeds on disposal, contributed capital assets, gaming revenues, investment income, fines and penalties, recoveries and rebates, and user charges.

^[3] Other expenses - Includes tax write-offs, rents and financial expenses, inter-functional adjustments, allocation of program support, and loss on disposal of tangible capital assets.

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

Page 37