

Appendix A

Consolidated Financial Statements of

THE CORPORATION OF THE CITY OF BRAMPTON

And Independent Auditors' Report thereon

Year ended December 31, 2021



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Brampton (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2021, and its consolidated results of operations, its consolidated change in net financial assets 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 the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 the 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 financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity's internal control.



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- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 26, 2022

THE CORPORATION OF THE CITY OF BRAMPTON

Consolidated Statement of Financial Position
(Expressed in thousands of dollars)

December 31, 2021, with comparative information for 2020

	2021	2020
Financial Assets		
Cash and short-term investments (note 3)	\$ 414,431	\$ 311,400
Taxes receivable	58,538	77,499
User charges receivable	3,175	1,306
Accounts receivable	47,542	50,711
Long-term investments (note 3)	876,553	767,608
Other assets (note 4)	8,242	8,243
	<u>1,408,481</u>	<u>1,216,767</u>
Financial Liabilities		
Accounts payable and accrued liabilities	141,295	138,389
Capital lease obligation (note 5)	80,991	83,113
Deferred revenue - general (note 7(a))	35,273	12,282
Deferred revenue - obligatory reserve funds (note 7(b))	525,613	435,355
Employee benefits and other liabilities (note 8)	107,498	102,626
Long-term liabilities (note 6)	42,288	24,554
	<u>932,958</u>	<u>796,319</u>
Net financial assets	475,523	420,448
Non-Financial Assets		
Tangible capital assets (note 14)	4,031,167	3,971,096
Inventory and prepaids	11,673	18,841
	<u>4,042,840</u>	<u>3,989,937</u>
Guarantee (note 4)		
Commitments and contingencies (note 15)		
Contractual rights (note 18)		
Subsequent event (note 20)		
Accumulated surplus (note 10)	<u>\$ 4,518,363</u>	<u>\$ 4,410,385</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

Consolidated Statement of Operations and Accumulated Surplus
(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	Budget 2021 (notes 1(q) and 16)	2021	2020
Revenue:			
Property taxation	\$ 498,131	\$ 493,126	\$ 488,783
Taxation from other governments	3,705	3,967	4,572
User charges	180,447	131,095	98,428
Government transfers (note 19)	1,672	37,570	79,738
Development levies earned and other restricted capital contributions	106,500	95,294	88,110
Investment income	5,007	3,614	3,785
Interest earned on reserves	11,170	25,210	22,866
Penalties, fines and interest	30,581	32,682	13,345
Developer contributed tangible capital assets (note 14(b))	68,521	126,182	72,790
Other	4,995	8,308	7,564
	910,729	957,048	879,981
Expenses:			
General government	72,693	93,910	94,694
Protection to persons and property	143,084	137,514	133,264
Transportation services	387,890	390,710	339,373
Environmental services	26,945	27,769	29,114
Health services (cemeteries)	797	685	781
Social and family services	3,515	2,534	2,496
Recreation and cultural services	194,195	164,098	168,517
Planning and development services	30,051	31,850	28,845
	859,170	849,070	797,084
Annual surplus	<u>\$ 51,559</u>	107,978	82,897
Accumulated surplus, beginning of year		4,410,385	4,327,488
Accumulated surplus, end of year		<u>\$ 4,518,363</u>	<u>\$ 4,410,385</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

Consolidated Statement of Change in Net Financial Assets
(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	Budget 2021 (notes 1(q) and 16)	2021	2020
Annual surplus	\$ 51,559	\$ 107,978	\$ 82,897
Acquisition of tangible capital assets	—	(91,162)	(175,275)
Developer contributed tangible capital assets	(68,521)	(126,182)	(72,790)
Amortization of tangible capital assets	144,500	155,987	152,148
Loss on disposal of tangible capital assets	—	1,286	13
Acquisition of inventory and prepaids	—	(14,775)	(21,746)
Use of inventory and prepaids	—	21,943	13,453
Change in net financial assets	127,538	55,075	(21,300)
Net financial assets, beginning of year	420,448	420,448	441,748
Net financial assets, end of year	\$ 547,986	\$ 475,523	\$ 420,448

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

Consolidated Statement of Cash Flows
(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 107,978	\$ 82,897
Items not involving cash:		
Amortization of tangible capital assets	155,987	152,148
Loss on disposal of tangible capital assets	1,286	13
Developer contributed tangible capital assets	(126,182)	(72,790)
Change in non-cash assets and liabilities:		
Taxes receivable	18,961	(21,804)
User charges receivable	(1,869)	1,332
Accounts receivable and other assets	3,170	(1,105)
Accounts payable and accrued liabilities	2,906	(2,860)
Deferred revenue - general	22,991	7,353
Deferred revenue - obligatory reserve funds	90,258	36,379
Employee benefits and other liabilities	4,872	7,558
Inventory and prepaids	7,168	(8,293)
	287,526	180,828
Capital activities:		
Acquisition of tangible capital assets	(91,162)	(175,275)
Financing activities:		
Repayment of capital lease obligation	(2,122)	(1,968)
Receipt of funds through sinking fund debentures	18,471	—
Sinking fund deposits made	(737)	(737)
	15,612	(2,705)
Investing activities:		
Net decrease (increase) in long-term investments	(108,945)	7,066
Increase in cash and short-term investments	103,031	9,914
Cash and short-term investments, beginning of year	311,400	301,486
Cash and short-term investments, end of year	\$ 414,431	\$ 311,400

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements
(Expressed in thousands of dollars)

Year ended December 31, 2021

The Corporation of the City of Brampton (the "City") 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, 2001, Municipal Affairs Act, Development Charges Act and related legislation.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Since the first quarter of 2020, COVID-19 pandemic has impacted the global economic environment due to government-imposed lockdowns and social distancing requirements. The economic conditions and City's response to the COVID-19 pandemic had an operational and financial impact on the City. The full extent of the financial impact is currently indeterminable due to the evolving nature of the COVID-19 pandemic.

1. Significant accounting policies:

The consolidated financial statements of the City are prepared by management in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA Canada"). Significant aspects of the accounting policies adopted by the City are as follows:

(a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprising 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:

- Brampton Public Library Board (the "Library"); and
- Downtown Brampton Business Improvement Area.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(b) Non-consolidated entities:

The following regional municipality and local boards are not consolidated and should be contacted directly if examination of their annual audited financial statements is desired:

- The Regional Municipality of Peel ("Region of Peel");
- The Peel District School Board;
- The Dufferin-Peel Catholic District School Board;
- Conseil Scolaire de District du Centre-Sud Ouest; and
- Conseil Scolaire de District Catholique Centre-Sud.

Trust funds and their related operations administered by the City are not included in these consolidated financial statements but are reported separately on the trust funds' financial statements.

(c) Accounting for region and school board transactions:

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of The Region of Peel and the school boards are not reflected in the consolidated financial statements.

(d) Basis of accounting:

The City follows the accrual method of accounting. Under the accrual method of accounting, revenue are recognized in the period in which the transactions or events that gave rise to the revenue occurred.

Expenses are the cost of goods or services acquired in the period whether or not payment has been made or invoices received.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(e) Cash and short-term investments:

Cash and short-term investments include short-term highly liquid investments with terms to maturity of 90 days or less. Cash and short-term investments are recorded at cost with write down to market when there is a decrease in value.

(f) Long-term investments:

Long-term investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss of value that is other than a temporary decline in value, the respective investment is written down to market value to recognize the loss in the consolidated statement of operations and accumulated surplus.

(g) Other assets:

Other assets are valued at cost and include long-term receivables. Recoverability is assessed annually, and a valuation allowance is recorded when recoverability has been impaired. Other assets including long-term receivables are written off when they are no longer recoverable. Recoveries of other assets including long-term receivables that have been previously written off are recognized in the year received. Other assets including long-term receivables with significant concessionary terms are reported as an expense on the consolidated statement of operations and accumulated surplus.

(h) 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, net of any expected recoveries, 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;

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(iv) future economic benefits will be given up; and

(v) a reasonable estimate of the liability can be made.

The liability is estimated based upon information that is available when the consolidated financial statements are prepared. It is based upon the costs directly attributable to the remediation activities required using a present value measurement technique.

(i) Non-financial assets:

Non-financial assets include tangible capital assets, inventory and prepaids. They are not available to discharge existing liabilities and are held for use in the provision of services.

Inventory and prepaid expenses held for consumption are recorded at the lower of cost and replacement cost.

(j) Tangible capital assets:

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

Land	Unlimited
Buildings and building improvements	10 - 40
Furniture, computer and office equipment	2 - 20
Infrastructure	10 - 40
Land improvements	10 - 30
Vehicles and machinery	7 - 15
Assets under capital lease	Lesser of useful life and lease term

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(i) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(ii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements. The City owns both works of art and historical treasures at various City-owned facilities. These assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community.

(iii) Interest capitalization:

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

(iv) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(v) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

(k) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenue in the year 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.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(l) Deferred revenue - general:

Deferred revenue represents 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 revenue in the fiscal year the services are performed.

(m) Deferred revenue - obligatory reserve funds:

The City receives gas taxes and transfer payments from other levels of government and development charges under the authority of Provincial Legislation and City By-Laws. These funds by their nature are restricted in their use and until applied to applicable capital works are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal year they are expended.

(n) Taxation and user charges revenue:

Tax receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. User charges are recognized when measurable and earned.

(o) Investment income:

Investment income earned on available surplus funds is reported as revenue in the year earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(p) Pensions and employee benefits:

- (i) 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 Act ("WSIB"), and life insurance, extended health and dental benefits for early retirees. The costs of sick leave, benefits under WSIB and life insurance, 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 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. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group. For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and 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 year they arise.
- (ii) The costs of a multi-employer defined benefit pension plan, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions which is accounted for as a defined contribution plan, are the employer's defined contributions to the plan in the year.

Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to WSIB are amortized over the average expected year during which the benefits will be paid.

Costs related to prior period employee services arising out of plan amendments are recognized in the year in which the plan is amended.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(q) Budget figures:

The City budgets for the following items on the consolidated statement of operations and accumulated surplus: interest earned on reserves, developer contributed tangible capital assets and amortization expense.

The City Council completes separate budget reviews for its operating and capital project budgets each year. Both budgets are reflected in the consolidated statement of operations and accumulated surplus.

The operating budget is based on projected operating expenses to be incurred during the current year. Budgets established for capital projects are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years.

(r) Use of estimates:

The preparation of these consolidated financial statements requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, carrying value of tangible capital assets, provisions accrued liabilities and obligations related to employee future benefits. The full extent of the impact that COVID-19 pandemic, including government and regulatory responses to the pandemic, will have on the Canadian economy and the City's operations remains uncertain at this time. Actual results could differ from these estimates.

(s) Related parties disclosure:

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has material effect on the consolidated financial statements. As at December 31, 2021, there are no such related party transactions to disclose.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(t) Contingent assets:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty which will be ultimately resolved when one or more future events occur that are not within the government's control. Disclosure of a contingent asset is required under this standard when the occurrence of a confirming future event is likely. As at December 31, 2021, there are no such contingent assets to disclose.

(u) Contractual rights:

Contractual rights require the disclosure of information in regards to future rights to economic resources arising from contracts or agreements that will result in a future economic benefit. Such disclosure includes the nature, extent and timing of contractual rights. The City is involved with various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources. Contractual rights are reported in note 18.

(v) Assets:

The assets standard provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained. For the year ended December 31, 2021, all material assets have been disclosed and reported within this definition.

(w) Newly adopted accounting standards:

There are no newly adopted accounting standards for the year ended December 31, 2021.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

2. Future accounting pronouncements:

These standards and amendments were not effective for the year ended December 31, 2021, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

- (a) PS 1201, Financial Statement Presentation, was issued in June 2011. This standard requires entities to present a new statement of remeasurement gains and losses separate from the consolidated statement of operations and accumulated surplus. This new statement includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This section is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end) and applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted.
- (b) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. This standard is effective for fiscal periods beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).
- (c) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. This standard is effective for fiscal periods beginning on or after April 1, 2022 (the City's December 31, 2023 year-end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.
- (d) PS 3280, Asset Retirement Obligation, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. This section is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).
- (e) PS 3400, Revenue, establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. This section is effective for fiscal years beginning on or after April 1, 2023 (the City's December 31, 2024 year-end).
- (f) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023 (the City's December 31, 2024 year-end).

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

3. Cash and investments:

Cash and short-term investments of \$414,431 (2020 - \$311,400) includes short-term investments of \$200,593 (2020 - \$234,000) with a market value \$200,593 (2020 - \$234,000) at the end of the year.

Long-term investments of \$876,553 (2020 - \$767,608) have a market value of \$896,070 (2020 - \$825,771) at the end of the year.

4. Other assets:

Included in other assets in the consolidated statement of financial position is \$7,984 (2020 - \$7,984) consisting of a long-term loan receivable of \$6,000 advanced by the City towards the construction of the CAA Centre (formerly the "Powerade Centre") with a due date of August 31, 2034 and a further \$1,984 representing advances under the Loan and Priorities Agreement established in 1998 and bearing interest at the rate of 6.08% per annum.

The City is also the guarantor for the Powerade Centre Term Loan ("Term Loan", previously a mortgage) held by the Royal Bank of Canada. In 2017, the Term Loan, which has an amortization period ending in August 2034, was renegotiated with a 5-year term ending on March 21, 2022. The Term Loan has an outstanding balance of \$6,846 on December 31, 2021 (2020 - \$7,274).

5. Capital lease obligation:

In 2014, the City entered into a capital lease arrangement (the "agreement") for a City Hall West Tower.

The agreement requires equal monthly lease payments over a period of 25 years until 2039. At the expiry of the agreement, the legal title of the building will be transferred to the City.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

5. Capital lease obligation (continued):

Annual lease payments under the agreement are as follows:

2022	\$ 8,354
2023	8,354
2024	8,354
2025	8,354
2026	8,354
2027 and thereafter	105,112
Total minimum lease payments	146,882
Less amount representing implicit interest at 7.59%	65,891
Capital lease obligation	\$ 80,991

Included in interest expense reported in the consolidated statement of operations and accumulated surplus is \$6,231 (2020 - \$6,386) for interest expense related to the capital lease obligation.

6. Long-term liabilities:

The City has long-term debt managed and issued by the Region of Peel. The City has the responsibility for the annual contribution towards sinking funds that would be used to extinguish the debt at maturity. The total long-term liabilities reported on the consolidated statement of financial position include the following:

	2021	2020
Unsecured debenture issued in 2019 by the Regional Municipality of Peel on behalf of the City, bearing interest at 3.85%, maturing on 2042	\$ 24,554	\$ 25,291
Unsecured debenture issued in 2021 by the Regional Municipality of Peel on behalf of the City, bearing interest at 2.5%, maturing on 2042	18,471	—
Less sinking fund deposits bearing interest at 2.5%	(737)	(737)
	\$ 42,288	\$ 24,554

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

6. Long-term liabilities (continued):

Actuarially determined funding contribution requirements for the next six years are as follows:

2022	\$ 1,320
2023	1,339
2024	1,358
2025	1,379
2026	1,399
2027 and thereafter	38,183
Interest to be earned on sinking fund debt	2,290
Unsecured debenture, net of sinking fund deposits	\$ 47,268

Interest expense in the amount of \$886 (2020 - \$886) has been recognized on the consolidated statement of operations and accumulated surplus. The annual sinking fund deposits and interest payments required to service the long-term liabilities of the municipality are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

7. Deferred revenue:

(a) Deferred revenue - general:

Deferred revenue - general is comprised of user charges for parks and recreation programs, transit advertising revenue applicable for the following year and unspent provincial funding for capital projects. As at December 31, 2021, the deferred revenue - general amounted to \$35,273 (2020 - \$12,282).

(b) Deferred revenue - obligatory reserve funds:

Obligatory reserve funds are to be reported as deferred revenue. This requirement is in place as Federal and Provincial legislation and other City by-laws and agreements may restrict how these funds may be used and under certain circumstances these funds may possibly be refunded.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

7. Deferred revenue (continued):

As at December 31, 2021, obligatory reserve funds amounted to \$525,613 (2020 - \$435,355). This balance includes unspent development charges, unspent gas tax receipts as well as unspent funding for specific infrastructure projects received from federal and provincial governments.

Details of these deferred revenue are as follows:

	Opening	Amount received	Amount recognized as revenue (loss)	Closing
Developer	\$ 188,289	\$ 88,326	\$ 41,270	\$ 235,345
Federal gas tax	69,354	71,071	51,216	89,209
Provincial gas tax	3,964	15,834	15,495	4,303
Other	173,748	22,283	(725)	196,756
Total	\$ 435,355	\$ 197,514	\$ 107,256	\$ 525,613

Other deferred revenue includes other obligatory reserves such as developer deposits for subdivision maintenance and future construction.

8. Employee benefits and other liabilities:

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 cash payment when they leave the City's employment. With respect to responsibilities under provisions of the WSIB, the City has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

8. Employee benefits and other liabilities (continued):

Employee benefits and other liabilities included in the consolidated financial statements are summarized below:

	2021	2020
WSIB	\$ 22,904	\$ 19,853
Vested sick leave benefits	27,833	25,300
Vacation pay	11,154	15,656
Non-pension post-employment benefits	36,279	33,619
Self-insurance liability	9,199	7,998
Other	129	200
Total	\$ 107,498	\$ 102,626

As at December 31, 2021, the City has allocated reserves and reserve funds of \$17,172 (2020 - \$16,250) to fund some of these obligations. Any additional requirements to fund these obligations will be covered by General Rate Stabilization Reserve.

The most recent full actuarial valuation for WSIB, vested sick leave benefits and non-pension post employment benefits was performed as at December 31, 2019.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

8. Employee benefits and other liabilities (continued):

The following table sets out the actuarial results for each of the plans as at December 31:

				2021	2020
Item	WSIB	Vested sick leave benefits	Non-pension post-employment benefits	Total	Total
Accrued benefit obligation ("ABO"), beginning of year	\$ 28,732	\$ 33,455	\$ 46,132	\$ 108,319	\$ 91,877
Add:					
Actuarial loss	—	—	—	—	11,975
Current benefit cost	3,782	3,211	2,392	9,385	8,973
Interest cost	1,022	1,258	1,732	4,012	3,838
	33,536	37,924	50,256	121,716	116,663
Less current benefit payments	2,852	3,037	2,295	8,184	8,345
ABO, end of year	30,684	34,887	47,961	113,532	108,318
Unamortized actuarial loss	(7,780)	(7,054)	(11,682)	(26,516)	(29,547)
Liability for benefits, end of year	\$ 22,904	\$ 27,833	\$ 36,279	\$ 87,016	\$ 78,771

The amortization of actuarial gains and losses for the current year is in the amount of \$3,030 (2020 - \$3,016).

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best significant assumptions made estimates. The following represents the more significant assumptions made:

	Non-pension	Sick leave	WSIB
Expected inflation rate	1.75%	1.75%	1.75%
Expected level of salary increases	2.75%	2.75%	n/a
Interest discount rate	3.75%	3.75%	3.50%
Dental premium rates increase	3.75%	n/a	n/a
Health care premium rates increase	6.75%	n/a	6.75%
Expected average remaining service life	15 years	14 years	11 years

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

9. Pension agreements:

The City makes contributions to OMERS, which is a multi-employer plan, on behalf of all permanent, full-time members 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 rates of pay. The City accounts for its participation in OMERS, as a defined contribution plan.

The amount contributed to OMERS for 2021 was \$31,619 (2020 - \$32,084) for current service and is included as an expense on the consolidated statement of operations and accumulated surplus. Employee contributions totaled \$31,619 (2020 - \$32,084).

The City is current with all payments to OMERS, therefore, there is neither a surplus nor deficit with the pension plan contributions. However, the OMERS pension plan had a deficit at December 31, 2021 of \$3.1 billion based on actuarial valuation of plan assets.

10. Accumulated surplus:

Accumulated surplus consists of individual fund surplus, including funds committed for capital projects, and reserves and reserve funds as follows:

	2021	2020
Tangible capital assets	\$ 4,031,167	\$ 3,971,096
Deficit funds from committed capital projects and other	(54,832)	(30,741)
	3,976,335	3,940,355
Reserves	110,180	99,376
Reserve funds	431,848	370,654
Total	\$ 4,518,363	\$ 4,410,385

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

11. Expenses by object:

The following is a summary of the expenses reported on the consolidated statement of operations and accumulated surplus by object:

	Budget 2021	2021	2020
Salaries, wages and fringe benefits	\$ 472,027	\$ 437,509	\$ 428,824
Materials and supplies	88,468	82,625	79,359
Contracted services	126,727	148,957	118,113
Rents and financial expenses	22,271	20,992	17,009
Government transfers	5,177	1,713	1,619
Allocation of corporate expenses to segments	—	2	—
Amortization of tangible capital assets	144,500	155,987	152,147
Other	—	1,285	13
Total expenses	\$ 859,170	\$ 849,070	\$ 797,084

12. Trust funds:

Trust funds administered by the City amounted to \$32,840 (2020 - \$32,818) are presented in the separate financial statements of trust funds balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's consolidated financial position or operations.

- The City administers the following trust funds:
- Cemeteries Care and Maintenance Trust;
- Developers' Performance Deposits Trust;
- Developer Front End Financing Trust;
- Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance;
and
- Brampton Sports Hall of Fame.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

13. Public liability insurance:

The City is self-insured for all lines of coverage including public liability, errors and omissions and Brampton Transit claims up to \$500. This is for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

Claims settled during the year amounting to \$3,775 (2020 - 3,963) have been provided for from the General Rate Stabilization Reserve, and are accordingly reported as expenses on the consolidated statement of operations and accumulated surplus.

In the normal course of its operations, the City is subject to various litigation and claims. Where management has assessed the likelihood of the success of the claim as more likely than not and where a reasonable estimate as to the exposure can be made, an accrual has been recorded in these consolidated financial statements. In some instances, the ultimate outcome of these claims cannot be determined at this time. However, the City's management believes that the ultimate disposition of these matters will not have a material adverse effect on its consolidated financial position.

14. Tangible capital assets:

The City has identified following major asset categories: land; asset under capital lease; buildings and building improvements; furniture, computer and office equipment; infrastructure; land improvements; vehicles and machinery.

	2020	Additions	Disposals	Transfers	2021
Cost					
Land	\$ 1,711,022	\$ 12,647	\$ (30)	\$ —	\$ 1,723,639
Asset under capital lease	93,500	—	—	—	93,500
Buildings and building improvements	847,801	28,110	(3,115)	—	872,796
Furniture, computer and office equipment	92,874	11,072	(11,362)	—	92,584
Infrastructure	2,432,333	187,923	(103,205)	—	2,517,051
Land improvements	116,995	8,287	(1,063)	—	124,219
Vehicles and machinery	420,067	31,663	(703)	—	451,027
Assets under construction	155,271	90,452	—	(152,810)	92,913
Total	\$ 5,869,863	\$ 370,154	\$ (119,478)	\$ (152,810)	\$ 5,967,729

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

14. Tangible capital assets (continued):

	2020	Disposals	Amortization expense	2021
Accumulated amortization				
Land	\$ —	\$ —	\$ —	\$ —
Asset under capital lease	23,998	—	3,740	27,738
Buildings and building improvements	381,945	(1,921)	33,901	413,925
Furniture, computer and office equipment	51,119	(11,362)	12,643	52,400
Infrastructure	1,135,925	(103,205)	69,882	1,102,602
Land improvements	55,654	(1,001)	5,981	60,634
Vehicles and machinery	250,126	(703)	29,840	279,263
Total	\$ 1,898,767	\$ (118,192)	\$ 155,987	\$ 1,936,562

	2020	2021
Net book value		
Land	\$ 1,711,022	\$ 1,723,639
Asset under capital lease	69,502	65,762
Buildings and building improvements	465,856	458,871
Furniture, computer and office equipment	41,755	40,184
Infrastructure	1,296,408	1,414,449
Land improvements	61,341	63,585
Vehicles and machinery	169,941	171,764
Assets under construction	155,271	92,913
Total	\$ 3,971,096	\$ 4,031,167

(a) Assets under construction:

Assets under construction having a value of \$92,913 (2020 - \$155,271) have not been amortized. Amortization of these assets will commence when the assets are put into service.

(b) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. Contributed capital assets are comprised of infrastructure assets acquired through subdivision assumptions. The value of contributed assets received during the year is \$126,182 (2020 - \$72,790).

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

15. Commitments and contingencies:

(a) Commitment for operating leases:

The City leases facilities and equipment under operating leases expiring beyond 2026. The minimum amounts payable under these arrangements are as follows:

2022	\$ 4,767
2023	3,311
2024	2,347
2025	1,579
2026 and thereafter	11,908
	<hr/>
	\$ 23,912

Excluded from these amounts is the capital lease obligation reported in note 5.

(b) Contingent legal liabilities:

As at December 31, 2021, there were various legal claims pending against the City arising in the ordinary course of its operations. The City has recorded a liability for certain uninsured claims, but has made no specific provision for those where the outcome is presently indeterminable. See notes 8 and 13.

16. Budget data:

Budget data presented in these consolidated financial statements are based upon the 2021 operating and capital budgets as approved by Council and adopted by the City at the December 9, 2020 meeting. Adjustments to budgeted values were required to provide comparative budget values based on the components of full accrual basis of accounting. The chart below reconciles the approved operating budget with the budget figures presented in these consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

16. Budget data (continued):

Revenue

Approved operating budget	\$ 766,902
Less:	
Contributions from reserve fund	41,535
Other	829
	<hr/> 42,364
Add:	
Development levies earned and other restricted capital contributions	106,500
Interest earned on reserve	11,170
Developer contributed assets	68,521
	<hr/> 186,191
Total reported on consolidated financial statements	<hr/> \$ 910,729

Expenses

Approved operating budget	\$ 766,902
Less contributions to reserve funds	119,846
Add:	
Other	6,999
Operating projects budget	60,615
Amortization	144,500
	<hr/> 212,114
Total reported on consolidated financial statements	<hr/> \$ 859,170

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

17. Segmented information:

The City is a multifaceted municipal government that delivers a wide range of services that enhance quality of life to its citizens. For additional information see the consolidated schedule of segment disclosure.

Certain allocation methodologies are employed in the preparation of segmented financial information. Services are funded primarily by taxation and user fees. Taxation revenue is allocated to the general government segment. Certain government grants, user charges and other revenue have been allocated based upon the same allocation as the related expenses. User fees are allocated based upon the segment that generated the fee.

City services are provided by various divisions whose activities are organized in the following segments for management reporting purposes:

(a) General government:

General government is comprised of Mayor and Councillor's as well as Corporate Management and Support sections.

The departments within Corporate Management and Support sections are responsible for adopting bylaws and administrative policies; risk management; providing effective financial reporting, planning and controls; developing and maintaining flexible computer networks and resources to deliver information and telecommunications to City employees and the citizens of Brampton; acquiring, managing and disposing City assets; levying and collecting taxes.

(b) Protection to persons and property:

Protection services delivers Fire Emergency Services, By-law and Enforcement and POA administration. The mandate of the Fire department is to provide fire protection and emergency response but also superior level of Fire Prevention and Public Education. By-law and Enforcement assist in maintaining Brampton as a safe, healthy and attractive City by responding to public concerns, patrolling City property and enforcing the City's by-laws.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

17. Segmented information (continued):

POA's mandate encompass the administration and prosecution of provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences.

(c) Transportation services:

The Works department manages various infrastructure projects as part of a 10-year capital program to expand and improve the City's road network and transportation infrastructure. In addition, major functions also include maintenance of road system (road resurfacing and snow clearing) and all associated infrastructure such as sidewalks, bridges and curbs.

Brampton Transit is responsible for providing efficient and effective local public transportation service.

(d) Environmental services:

Environmental services are delivered by staff in the Works department. Primary responsibility of this section is catch basin and storm sewer maintenance. In addition, the department performs watercourse maintenance in order to ensure public safety and environmental controls are in place. Watercourse maintenance activities include controlling erosion, the removal of garbage and debris and responding to spills and illegal dumping to ensure water quality and proper cleanup.

(e) Health, social and family services:

Health, social and family services comprised cemetery operations and assistance to aged persons. Assistance to aged persons includes senior's education tax rebate, senior snow clearing subsidy as well as maintenance of seniors centre.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

17. Segmented information (continued):

(f) Recreation and cultural services:

The community services department is responsible for the delivery of Parks, Recreation and Cultural services. The Parks Operations division maintains all parks, boulevards, sports fields, trees, horticultural displays, pathways and open space. This division provides the residents of Brampton with safe, attractive, outdoor facilities delivered through a highly skilled and versatile workforce.

The Recreation and Culture division is responsible for the delivery of all culture and recreation programs offered by the City and the day-to-day operation of all theatres and recreation buildings. This division provides the City's front-line contact with the citizens of Brampton in Culture, Recreation Facilities and Programs providing many activities that enhance the richness and quality of life for residents.

This section also contributes towards the information needs of the City's citizens through the provision of library services by the Library.

(g) Planning and development services:

The Planning and Development Department responsibilities encompass planning, design and development approvals, management of building permit processes, long-range Brampton official plan and growth management. This department is also responsible for providing advice to City Council, the public, and the development/building industry with respect to a broad range of land use planning, development applications, urban design, public buildings and open space/facility development issues, development engineering, and transportation planning.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

17. Segmented information (continued):

Consolidated schedule of segment disclosure:

								2021	2020
	General government	Protection to persons and property	Transportation services	Environmental services	Health, social and family services	Recreation and cultural services	Planning and development services	Total	Total
Revenue:									
Property taxation and taxation from other governments	\$ 496,761	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 332	\$ 497,093	\$ 493,355
User charges	35,483	22,419	53,693	—	184	7,186	12,130	131,095	98,428
Government grants	10,882	211	25,419	—	102	482	474	37,570	79,738
Development levies earned and other restricted capital contributions	—	—	92,921	—	—	791	1,582	95,294	88,110
Investment income (including - reserves and reserve funds)	28,747	—	—	—	—	74	3	28,824	26,651
Penalties, fines and interest	17,243	15,315	—	—	—	124	—	32,682	13,345
Developer contributed tangible capital assets	—	—	126,182	—	—	—	—	126,182	72,790
Other	443	164	5,798	—	6	582	1,315	8,308	7,564
	589,559	38,109	304,013	—	292	9,239	15,836	957,048	879,981
Expenses (income):									
Salaries, wages and fringe benefits	86,603	109,757	160,649	1,935	1,337	62,758	14,470	437,509	428,824
Materials and supplies	18,248	3,496	49,038	481	191	9,362	1,809	82,625	79,359
Contracted services	36,169	4,098	67,019	5,739	340	25,818	9,774	148,957	118,113
Rents and financial expenses	15,209	320	4,866	—	2	561	34	20,992	17,009
Allocation of corporate expenses to segments	(74,773)	13,224	24,644	1,539	312	32,145	2,911	2	—
Government transfers	296	—	—	—	543	—	874	1,713	1,619
Amortization	12,158	6,619	84,494	18,075	494	32,169	1,978	155,987	152,147
Other	—	—	—	—	—	1,285	—	1,285	13
	93,910	137,514	390,710	27,769	3,219	164,098	31,850	849,070	797,084
Annual surplus (deficit)	\$ 495,649	\$ (99,405)	\$ (86,697)	\$ (27,769)	\$ (2,927)	\$ (154,859)	\$ (16,014)	\$ 107,978	\$ 82,897

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

18. Contractual rights:

The City is involved in various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

Future revenue from incoming lease agreements for City-owned properties are approximately \$6,800 (2020 - \$7,600). The City also has a number of material Federal and Provincial funding agreements with estimated future funding of approximately \$71,583 (2020 - \$179,161).

The timing of these funding agreements is as follows:

2022	\$ 35,631
2023	35,952
	<u>\$ 71,583</u>

19. Government transfers:

Transfers from other governments recognized in the current year:

	2021	2020
General government	\$ 10,882	\$ 30,432
Protection to persons and property	211	8
Transportation services	25,419	46,432
Environmental services	—	1,864
Health, social and family services	102	102
Recreation and cultural services	482	711
Planning and development services	474	189
Total funding	<u>\$ 37,570</u>	<u>\$ 79,738</u>

During 2021, the City received total funding of \$51,836 (2020 - \$62,400) from the provincial government as part of the Safe Restart Agreement. The Safe Restart Agreement is a federal investment to help provinces and territories safely restart their economies. The City recognized \$31,748 (2020 - \$54,208) as government transfers reported for the current year, as per the funding allocation from the Province of Ontario. The remainder \$20,088 is unspent and has been reported in deferred revenue as at December 31, 2021.

THE CORPORATION OF THE CITY OF BRAMPTON

Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2021

20. Subsequent event:

On March 29, 2022, City Council approved the credit facility arrangement with the Canada Infrastructure Bank ("CIB") for financing of Zero Emission Buses ("ZEBs") in the amount of up to \$400 million between January 1, 2022 and December 31, 2027. The CIB is charging the City an interest rate of 1% on funding accessed through the credit facility. Repayment term is 15 years for each round of financing discharged by CIB to the City. Repayments of borrowing through the credit facility arrangement will be funded by operating savings realized as a result of fleet conversion to ZEBs.