

DRAFT #4
May 15, 2023

Consolidated Financial Statements of

**THE CORPORATION OF
THE CITY OF BRAMPTON**

And Independent Auditor's Report thereon

Year ended December 31, 2022

INDEPENDENT AUDITOR'S 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, 2022
- 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, 2022, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's 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 auditor's 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.

- 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 auditor's 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 auditor's 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.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

THE CORPORATION OF THE CITY OF BRAMPTON

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

December 31, 2022, with comparative information for 2021

	2022	2021
		(Restated - note 3)
Financial Assets		
Cash and short-term investments (note 4)	\$ 326,384	\$ 414,431
Taxes receivable	74,243	58,538
User charges receivable	3,814	3,175
Accounts receivable	49,657	47,542
Long-term investments (note 4)	971,530	876,553
Other assets (note 5)	8,255	8,242
	<u>1,433,883</u>	<u>1,408,481</u>
Financial Liabilities		
Accounts payable and accrued liabilities	145,553	141,295
Capital lease obligation (note 6)	78,702	80,991
Deferred revenue - general (note 8(a))	30,553	35,273
Deferred revenue - obligatory reserve funds (note 8(b))	715,746	698,669
Employee benefits and other liabilities (note 9)	122,285	107,498
Long-term liabilities (note 7)	40,943	42,288
	<u>1,133,782</u>	<u>1,106,014</u>
Net financial assets	300,101	302,467
Non-Financial Assets		
Tangible capital assets (note 15)	4,109,507	4,031,167
Inventory and prepaids	12,726	11,673
	<u>4,122,233</u>	<u>4,042,840</u>
Guarantee (note 5)		
Commitments and contingencies (note 16)		
Contractual rights (note 19)		
Subsequent event (note 21)		
Accumulated surplus (note 11)	<u>\$ 4,422,334</u>	<u>\$ 4,345,307</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022, with comparative information for 2021

	Budget 2022 (notes 1(q) and 17)	2022	2021 (Restated - note 3)
Revenue:			
Property taxation	\$ 507,336	\$ 503,328	\$ 493,126
Taxation from other governments	3,910	4,035	3,967
User charges	188,343	173,493	131,095
Government transfers (note 20)	1,598	13,848	37,570
Development levies earned and other restricted capital contributions (note 8)	91,300	149,353	110,800
Investment income	18,984	4,301	3,614
Interest earned on reserves	14,897	12,439	11,881
Penalties, fines and interest	33,307	33,453	32,682
Developer contributed tangible capital assets (note 15(b))	87,100	84,988	126,182
Other	4,897	9,341	8,308
	951,672	988,579	959,225
Expenses (note 12):			
General government	215,287	97,321	93,910
Protection to persons and property	142,899	145,030	137,514
Transportation services	302,632	400,324	390,710
Environmental services	13,156	32,680	27,769
Health services (cemeteries)	667	655	685
Social and family services	3,496	3,345	2,534
Recreation and cultural services	172,302	195,984	164,098
Planning and development services	32,567	36,213	31,850
	883,006	911,552	849,070
Annual surplus	<u>\$ 68,666</u>	77,027	110,155
Accumulated surplus, beginning of year		4,345,307	4,235,152
Accumulated surplus, end of year		<u>\$ 4,422,334</u>	<u>\$ 4,345,307</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022, with comparative information for 2021

	Budget 2022 (notes 1(q) and 17)	2022	2021 (Restated - note 3)
Annual surplus	\$ 53,769	\$ 77,027	\$ 110,155
Acquisition of tangible capital assets	–	(150,613)	(91,162)
Developer contributed tangible capital assets	(87,100)	(84,988)	(126,182)
Amortization of tangible capital assets	148,100	157,246	155,987
Loss on disposal of tangible capital assets	–	15	1,286
Acquisition of inventory and prepaids	–	(17,756)	(14,775)
Use of inventory and prepaids	–	16,703	21,943
Change in net financial assets	114,769	(2,366)	57,252
Net financial assets, beginning of year	302,467	302,467	245,215
Net financial assets, end of year	\$ 417,236	\$ 300,101	\$ 302,467

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
		(Restated - Note 3)
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 77,027	\$ 110,155
Items not involving cash:		
Amortization of tangible capital assets	157,246	155,987
Loss on disposal of tangible capital assets	15	1,286
Developer contributed tangible capital assets	(84,988)	(126,182)
Change in non-cash assets and liabilities:		
Taxes receivable	(15,705)	18,961
User charges receivable	(639)	(1,869)
Accounts receivable and other assets	(2,128)	3,170
Accounts payable and accrued liabilities	4,258	2,906
Deferred revenue - general	(4,720)	22,991
Deferred revenue - obligatory reserve funds	17,077	88,081
Employee benefits and other liabilities	14,787	4,872
Inventory and prepaids	(1,053)	7,168
	<u>161,177</u>	<u>287,526</u>
Capital activities:		
Acquisition of tangible capital assets	(150,613)	(91,162)
Financing activities:		
Repayment of capital lease obligation	(2,289)	(2,122)
Receipt of funds through sinking fund debentures	-	18,471
Sinking fund deposits made	(1,345)	(737)
	<u>(3,634)</u>	<u>15,612</u>
Investing activities:		
Net increase in long-term investments	(94,977)	(108,945)
Increase (decrease) in cash and short-term investments	(88,047)	103,031
Cash and short-term investments, beginning of year	414,431	311,400
Cash and short-term investments, end of year	<u>\$ 326,384</u>	<u>\$ 414,431</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

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.

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

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

Year ended December 31, 2022

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

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

Year ended December 31, 2022

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

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

Year ended December 31, 2022

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 and 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

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

Year ended December 31, 2022

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

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

Year ended December 31, 2022

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

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

Year ended December 31, 2022

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

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

Year ended December 31, 2022

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, 2022, there are no such related party transactions to disclose.

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

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 of 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, 2022, 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 19.

(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, 2022, 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, 2022.

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

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

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

Year ended December 31, 2022

3. Restatement of prior year comparative figures:

The comparative information presented in the consolidated financial statements has been adjusted for prior period adjustments relating to deferred revenue - obligatory reserve funds reported in 2021. The comparative information has been adjusted to reflect an increase in deferred revenue - obligatory reserve funds of \$173,056. The amount previously reported for deferred revenue - obligatory reserve funds was understated. Prior to January 1, 2021, amounts previously reported for development and other contributions applied revenues were overstated by \$173,056. These unspent funds were recognized as revenue in advance of when they were earned.

The impact of these changes has been adjusted and prior periods have been restated as follows:

	As previously reported	Restatement adjustment	As restated
Consolidated statement of financial position:			
Deferred revenue - obligatory reserve funds at December 31, 2021	\$ 525,613	\$ 173,056	\$ 698,669
Total financial liabilities at December 31, 2021	932,958	173,056	1,106,014
Accumulated surplus at December 31, 2021	4,518,363	(173,056)	4,345,307
Consolidated statement of operations:			
Obligatory revenue earned for the year ended December 31, 2021 (including a reclassification of \$13,329 from interest earned on reserves)	\$ 108,623	\$ 2,177	\$ 110,800
Total revenues for the year ended December 31, 2021	957,048	2,177	959,225
Annual surplus for the year ended December 31, 2021	107,978	2,177	110,155
Accumulated surplus at January 1, 2021	4,410,385	(175,233)	4,235,152
Accumulated surplus at December 31, 2021	4,518,363	(173,056)	4,345,307
Consolidated statement of cash flows:			
Annual surplus at December 31, 2021	\$ 107,978	\$ 2,177	\$ 110,155
Deferred revenue - obligatory reserve funds at December 31, 2021	90,258	(2,177)	88,081

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

4. Cash and investments:

Cash and short-term investments of \$326,384 (2021 - \$414,431) includes short-term investments of \$256,817 (2021 - \$200,593) with a market value \$256,817 (2021 - \$200,593) at the end of the year.

Long-term investments of \$971,530 (2021 - \$876,553) have a market value of \$888,167 (2021 - \$896,070) at the end of the year.

As at December 31, 2022, the City's long-term investments measured at amortized cost exceed market value, representing a temporary decline in market value but no decline in the amortized cost value reported. There is no impairment due to the low-risk nature of the investments, the high credit ratings of the issuers, and the City's intention to hold these investments to their maturities.

5. Other assets:

Included in other assets in the consolidated statement of financial position is \$7,984 (2021 - \$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 \$6,432 on December 31, 2022 (2021 - \$6,846).

6. 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

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

Year ended December 31, 2022

6. Capital lease obligation (continued):

Annual lease payments under the agreement are as follows:

2023	\$ 8,354
2024	8,354
2025	8,354
2026	8,354
2027	8,354
2028 and thereafter	96,759
Total minimum lease payments	138,529
Less amount representing implicit interest at 7.59%	59,827
Capital lease obligation	\$ 78,702

Included in interest expense reported in the consolidated statement of operations and accumulated surplus is \$6,065 (2021 - \$6,231) for interest expense related to the capital lease obligation.

7. 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:

	2022	2021
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	\$ 24,554
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	18,471
Less sinking fund deposits bearing interest at 2.5%	2,082	737
	\$ 40,943	\$ 42,288

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

7. Long-term liabilities (continued):

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

2023	\$ 1,338
2024	1,358
2025	1,378
2026	1,399
2027	1,420
2028 and thereafter	29,208
Interest to be earned on sinking fund debt	4,842
<hr/>	
Unsecured debenture, net of sinking fund deposits	\$ 40,943

Interest expense in the amount of \$1,386 (2021 - \$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.

8. 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, 2022, the deferred revenue - general amounted to \$30,553 (2021 - 35,273).

(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

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

Year ended December 31, 2022

8. Deferred revenue (continued):

As at December 31, 2022, obligatory reserve funds amounted to \$715,746 (2021 - \$698,669). 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 (Restated - note 3)	Amount received including interest	Amount recognized as revenue	Closing
Developer	\$ 350,302	\$ 81,716	\$ 48,386	\$ 383,632
Federal gas tax	112,773	37,506	48,013	102,266
Provincial gas tax	5,444	16,284	15,728	6,000
Other	230,150	30,924	37,226	223,848
Total	\$ 698,669	\$ 166,430	\$ 149,353	\$ 715,746

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

9. 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 Workplace Safety and Insurance Board ("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

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

Year ended December 31, 2022

9. Employee benefits and other liabilities (continued):

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

	2022	2021
WSIB	\$ 28,879	\$ 22,904
Vested sick leave benefits	30,398	27,833
Vacation pay	14,892	11,154
Non-pension post-employment benefits	39,176	36,279
Self-insurance liability	8,665	9,199
Other	275	129
Total	\$ 122,285	\$ 107,498

As at December 31, 2022, the City has allocated reserves and reserve funds of \$4,333 (2021 - \$17,172) 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

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

Year ended December 31, 2022

9. Employee benefits and other liabilities (continued):

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

Item				2022	2021
	WSIB	Vested sick leave benefits	Non-pension post-employment benefits	Total	Total
Accrued benefit obligation ("ABO"), beginning of year	\$ 30,684	\$ 34,887	\$ 47,960	\$ 113,531	\$ 108,319
Add:					
Actuarial loss					—
Current benefit cost	3,887	3,398	2,531	9,816	9,385
Increase due to survivor awards	2,865	—	—	2,865	—
Interest cost	1,090	1,311	1,803	4,204	4,012
	38,526	39,596	52,294	130,416	121,716
Less current benefit payments	2,967	3,245	2,266	8,478	8,184
ABO, end of year	35,559	36,351	50,028	121,938	113,532
Unamortized actuarial loss	(6,680)	(5,953)	(10,852)	(23,485)	(26,516)
Liability for benefits, end of year	\$ 28,879	\$ 30,398	\$ 39,176	\$ 98,453	\$ 87,016

The amortization of actuarial gains and losses for the current year is in the amount of \$3,031 (2021 - \$3,031).

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

	WSIB	Vested sick leave benefits	Non-pension post-employment benefits
Expected inflation rate	1.75%	1.75%	1.75%
Expected level of salary increases	n/a	2.75%	2.75%
Interest discount rate	3.50%	3.75%	3.75%
Dental premium rates increase	n/a	n/a	3.75%
Health care premium rates increase	6.75%	n/a	6.75%
Expected average remaining service life	1 years	14 years	15 years

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

10. 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 2022 was \$32,130 (2021 - \$31,619) for current service and is included as an expense on the consolidated statement of operations and accumulated surplus. Employee contributions totaled \$32,130 (2021 - \$31,619).

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, 2022 of \$6.7 billion based on actuarial valuation of plan assets.

11. Accumulated surplus:

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

	2022	2021
Tangible capital assets	\$ 4,109,507	\$ 4,031,167
Deficit funds from committed capital projects and other	(252,583)	(238,888)
	3,856,924	3,792,279
Reserves	103,210	110,180
Reserve funds	462,200	442,848
Total	\$ 4,422,334	\$ 4,345,307

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

12. Expenses by object:

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

	Budget 2022	2022	2021
Salaries, wages and fringe benefits	\$ 495,892	\$ 486,039	\$ 437,509
Materials and supplies	94,073	106,075	82,625
Contracted services	121,640	139,155	148,958
Rents and financial expenses	21,493	21,164	20,993
Government transfers	1,803	1,858	1,713
Amortization of tangible capital assets (note 15)	148,105	157,246	155,987
Other	–	15	1,285
Total expenses	\$ 883,006	\$ 911,552	\$ 849,070

13. Trust funds:

Trust funds administered by the City amounted to \$35,678 (2021 - \$32,840) 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

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

Year ended December 31, 2022

14. 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 \$1,000. 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 \$3,651 (2021 - \$3,775) 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.

15. 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 and vehicles and machinery.

	2021	Additions	Disposals	Transfers	2022
Cost					
Land	\$ 1,723,639	\$ 29,418	\$ –	\$ –	\$ 1,753,057
Asset under capital lease	93,500	–	–	–	93,500
Buildings and building improvements	872,796	58,948	–	–	931,744
Furniture, computer and office equipment	92,584	5,056	(12,298)	–	85,342
Infrastructure	2,517,051	89,706	(167)	–	2,606,590
Land improvements	124,219	5,871	(1,343)	–	128,747
Vehicles and machinery	451,027	22,289	(11,703)	–	461,613
Assets under construction	92,913	151,711	–	(127,398)	117,226
Total	\$ 5,967,729	\$ 362,999	\$ (25,511)	\$ (127,398)	\$ 6,177,819

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

15. Tangible capital assets (continued):

	2021	Disposals	Amortization expense	2022
Accumulated amortization				
Land	\$ –	\$ –	\$ –	\$ –
Asset under capital lease	27,738	–	3,740	31,478
Buildings and building improvements	413,925	–	35,253	449,178
Furniture, computer and office equipment	52,400	(12,293)	10,963	51,070
Infrastructure	1,102,602	(167)	72,118	1,174,553
Land improvements	60,634	(1,343)	5,954	65,245
Vehicles and machinery	279,263	(11,693)	29,218	296,788
Total	\$ 1,936,562	\$ (25,496)	\$ 157,246	\$ 2,068,312

	2021	2022
Net book value		
Land	\$ 1,723,639	\$ 1,753,057
Asset under capital lease	65,762	62,022
Buildings and building improvements	458,871	482,566
Furniture, computer and office equipment	40,184	34,272
Infrastructure	1,414,449	1,432,037
Land improvements	63,585	63,502
Vehicles and machinery	171,764	164,825
Assets under construction	92,913	117,226
Total	\$ 4,031,167	\$ 4,109,507

(a) Assets under construction:

Assets under construction having a value of \$117,226 (2021 - \$92,913) 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 \$84,988 (2021 - \$126,182).

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

16. 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:

2023	\$ 5,984
2024	4,031
2025	3,265
2026	2,626
2027 and thereafter	11,202
	<hr/>
	\$ 27,108

Excluded from these amounts is the capital lease obligation reported in note 6.

(b) Contingent legal liabilities:

As at December 31, 2022, 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 9 and 14.

17. Budget data:

Budget data presented in these consolidated financial statements are based upon the 2022 operating and capital budgets as approved by Council and adopted by the City at the December 8, 2021 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

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

Year ended December 31, 2022

17. Budget data (continued):

Revenue

Approved operating budget	\$ 784,983
Less:	
Contributions from reserve fund	40,816
Other	689
	<u>41,505</u>
Add:	
Development levies earned and other restricted capital contributions	91,300
Interest earned on reserve	14,897
Developer contributed assets	87,100
	<u>193,297</u>
<u>Total reported on consolidated financial statements</u>	<u>\$ 936,775</u>

Expenses

Approved operating budget	\$ 784,983
Less contributions to reserve funds	122,083
Add:	
Other	6,506
Operating projects budget	65,500
Amortization	148,100
	<u>220,106</u>
<u>Total reported on consolidated financial statements</u>	<u>\$ 883,006</u>

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

18. 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 Councilor'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

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

Year ended December 31, 2022

18. 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

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

Year ended December 31, 2022

18. 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

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

Year ended December 31, 2022

18. Segmented information (continued):

Consolidated schedule of segment disclosure:

	2022							2021
	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
Revenue:								
Property taxation and taxation from other governments	\$ 507,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335	\$ 507,363
User charges	34,125	21,603	84,809	-	361	22,857	9,738	173,493
Government transfers (note 20)	4,227	83	4,546	6	83	3,074	1,829	13,848
Development levies earned and other restricted capital contributions	792	25,393	101,753	-	-	20,719	696	149,353
Investment income (including reserves and reserve funds)	16,461	-	-	-	-	265	14	16,740
Penalties, fines and interest	16,443	16,830	-	-	-	180	-	33,453
Developer contributed tangible capital assets	-	-	84,988	-	-	-	-	84,988
Other	951	1,218	3,395	-	23	2,798	956	9,341
	580,027	65,127	279,491	6	467	49,893	13,568	988,579
Expenses (income) (note 12):								
Salaries, wages and fringe benefits	93,759	114,482	172,223	3,741	1,777	83,314	16,743	486,039
Materials and supplies	21,086	4,726	60,655	518	275	14,393	4,422	106,075
Contracted services	40,258	5,336	48,796	7,318	311	28,435	8,701	139,155
Rents and financial expenses	13,212	273	7,144	-	6	501	28	21,164
Allocation of corporate expenses to segments	(83,052)	13,603	26,393	2,074	316	37,081	1,000	(2,585)
Government transfers	26	-	-	-	832	-	3,585	4,443
Amortization	12,032	6,610	85,113	19,029	483	32,245	1,734	157,246
Other	-	-	-	-	-	15	-	15
	97,321	145,030	400,324	32,680	4,000	195,984	36,213	911,552
Annual surplus (deficit)	\$ 482,706	\$ (79,903)	\$ (120,833)	\$ (32,674)	\$ (3,533)	\$ (146,091)	\$ (22,645)	\$ 77,027
								\$ 107,978

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

19. 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 \$7,900 (2021 - \$6,800). The City also has a number of material Federal and Provincial funding agreements with estimated future funding of approximately \$35,952 (2021 - \$71,583).

The timing of these funding agreements is as follows:

2023	\$ 35,952
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In addition, the City has a number of claims based agreements with estimated entitlements of \$34,269 as at December 31, 2022.

20. Government transfers:

Transfers from other governments recognized in the current year:

	2022	2021
General government	\$ 4,227	\$ 10,882
Protection to persons and property	83	211
Transportation services	4,546	25,419
Environmental services	6	-
Health, social and family services	83	102
Recreation and cultural services	3,074	482
Planning and development services	1,829	474
Total funding	\$ 13,848	\$ 37,570

THE CORPORATION OF THE CITY OF BRAMPTON

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

Year ended December 31, 2022

20. Government transfers (continued):

During 2022, the City received total funding of nil (2021 - \$51,836) 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. COVID-19 was a global pandemic that started at the beginning of 2020 and lasted until middle of 2020 fiscal year. The City recognized \$7,420 (2021 - \$31,748) as government transfers reported for the current year, as per the funding allocation from the Province of Ontario. The remaining \$20,860 is unspent and has been reported in deferred revenue - general as at December 31, 2022.

21. 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. As at December 31, 2022, there have been no draws against this credit facility.

22. Comparative information:

Certain 2021 comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.