



BRANTFORD ENERGY CORPORATION

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THE ENERGY BEHIND BRANTFORD

BRANTFORD ENERGY CORPORATION 2013 ANNUAL REPORT



BRANTFORD ENERGY CORPORATION

We provide leadership, guidance and communication links to the corporate family to assist them in developing and fulfilling their mandates pursuant to the Shareholder's Declaration and we facilitate liaison with other corporate stakeholders.

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BRANTFORD ENERGY CORP.



Jim Ryan
Chair,
Brantford Energy
Corp.

It was a year of organizational fitness for the Brantford Energy Inc. group of companies (BEC) in 2013 with a strategic focus on our core businesses and competencies. It was also a year of solid financial performance for two of our businesses, Brantford Power Inc. and Brantford Hydro Inc. and disappointing results from our investment in Generation despite efforts to improve methane gas production levels which are the key drivers of revenue.

Brantford Energy Corporation, the holding company for our three businesses was impacted by results from Brantford Generation. Brantford Energy Corporation finished 2013 with a consolidated net loss of \$8,910,320, compared to a \$2.14 million net income in 2012. The financial results reflect an impairment loss on long-lived assets, specifically Brantford Generation Inc.

BEC's consolidated revenue was \$23,875,541 in 2013, a slight decrease from \$24,129,500 in 2012, partially the result of a decrease in revenue with Brantford Generation. Total assets at year-end 2013 were \$113,658,056, a decrease of 8.1 per cent over 2012.

BEC GROUP OF COMPANIES

As the holding company for Brantford Power Inc., Brantford Hydro Inc. and Brantford Generation, BEC's primary function is to help allocate corporate assets

and resources, and set strategic priorities for the group of companies.

In 2013, Brantford Power was immersed in completing its rate application for Ontario Energy Board approval. It also continued the reorganization and repositioning of the electricity distribution company, which began with the migration of employees from the city of Brantford to Brantford Power.

For Brantford Generation, the priority was to get the Mohawk Street Landfill Gas Collection and Utilization facility operating at electricity production levels set in the business plan. Results to date have been disappointing and unacceptable. While the Board has committed to activity in 2014 to improve production the decision has been made to take an impairment on the net book value of the company.

Brantford Hydro continued the growth of and investment in its highly successful fibre optics telecommunications business, NetOptiks. The company continued to explore opportunities to expand the range of products and services, and continued the expansion of its water heater business. An inter-company loan between Brantford Hydro and Brantford Generation has been declared a bad debt and as such has impacted the financial results of the company.

CREATING VALUE FOR BRANTFORD

Keeping the lights on for Brantford is not a cliché, but rather reflects the sole purpose of our companies – that we are a reliable, cost-effective and safe energy provider for the people and businesses of Brantford. The Brantford Energy group brings great value to the city of Brantford. We believe in local input and control, and decision-making that support the needs and priorities of the city, its residents and businesses and ensure that profits and jobs are maintained in Brantford. Our board members take their responsibility and accountability with the greatest seriousness and concern for the well-being of all our stakeholders.

CONTRIBUTING TO ECONOMIC GROWTH

The city of Brantford has been designated by the province of Ontario to be an urban growth centre in its Places To Grow initiative. We should anticipate continued high levels of growth over the long term, as well as accelerated growth over the next 6 to 15 years with a forecasted population of 120,000 by 2031. A reliable, efficient energy distributor will be critical to this growth.

Supporting the city of Brantford's economic growth strategy, determining our collective energy needs, and ensuring we have the resources to meet those needs, will contribute to our own business growth and profitability. Companies searching for potential expansion locations will evaluate four key requirements before committing to a major investment, including transportation infrastructure, telecommunications capacity and energy infrastructure, accessibility to a skilled labour force, and the overall quality of life the municipality offers. Brantford Power's efficient electricity distribution operations and Brantford Hydro's expanding fibre optics footprint have been and will continue to be important determinants for attracting new business to Brantford.

ENGAGING OUR STAKEHOLDERS

Our organization's decision-making process is truly people-focused – we analyze and consider the impact on our primary stakeholders: customers, employees and our sole shareholder, the City of Brantford. Our approach ensures we have the human resources and organizational capacity to achieve our business decisions and implement the most appropriate actions.

Over the past two decades, unfortunately and unnecessarily Ontario's energy sector has become more complex. As a result, we believe it is more important than ever to keep our customers informed, and to ensure they understand the various roles our companies play in the provision of their electricity and home comfort. Brantford Power's recent strategic planning process identified five priority goals, two of which focus on strengthening service levels and our relationship with customers, as well as enhancing employee engagement.

PREPARING FOR OUR FUTURE

Looking forward, there is a significant pace of change occurring in the energy sector. Emerging issues for LDCs will require integrating new technologies, embracing new customer-centric ways of doing business and communicating, becoming more efficient electricity providers, and contributing to sustainable communities.

One of the most significant issues for our sector is the rising cost of energy Ontario-wide. We believe our green energy initiatives must contribute not only to greenhouse gas reduction, but also be economically sustainable themselves. We must help to ensure that our businesses and customers view Ontario and Brantford as competitive markets.



BRANTFORD POWER INC.

“Business growth will mean more investment in our facilities and infrastructure to ensure we can meet our customers’ expectations.”



Scott Saint
Chair, Brantford
Power Inc.

Profitable and progressive describe 2013 for Brantford Power (BPI). In fact, the net income results represent the best financial performance for BPI since 2007.

Brantford Power’s total revenue in 2013 was \$19,163,097 in 2013. Distribution revenue of \$15.1 million represents a \$710,000 increase over 2012 and \$519,000 better than budget. The positive performance is the result of 2.8 per cent higher than anticipated consumption levels as well as a 4.2 per cent higher than anticipated billed Kw from its larger general service customers. OPA conservation programs revenue decreased by 25.7 per cent over 2012.

Net income after taxes was \$2,679,290 compared to \$1,347,065 in 2012. Among the significant factors that contributed to the strong financial performance in 2013 included the impact of favourable weather conditions combined with the significant one-time tax recovery. The higher than expected net income is largely due to better than expected performance in distribution revenues, operating expenses, amortization and Payments in Lieu of Income Taxes.

This year’s stellar performance reflects a 7.41 per cent return on average equity compared to 3.88 per cent in 2012.

STRENGTHENING THE ORGANIZATION

Brantford Power began the year with a new chief executive officer, Paul Kwasnik, whose first major task was the development of a long-term strategic plan, and the setting of a clear operational direction, mandate and future growth for the organization.

Our board of directors wanted to see a concerted effort and focus on strengthening employee morale and engagement, and a re-alignment of our senior management team to create organizational efficiencies. Having restructured its relationship with the city of Brantford in 2012, with the migration of employees to Brantford Power, the company is building an organizational culture that reflects an outstanding and supportive group of employees.

COMPLETING OEB RATE INCREASE APPLICATION PROCESS

In 2013, Brantford Power dedicated significant time and resources toward the production of our Cost-of-Service Rate Application. We submitted the application in early 2014 in anticipation of a result after adjudication by the OEB, including the scrutiny of interveners representing key customer groups.

The final approved rate increase was 2.25 per cent, which will result in an increase of about \$2.50 per

month for the average residential customer based on 800-kilowatt hours of electricity each month. The new rates were approved by the Ontario Energy Board and came into effect on March 1, 2014. Brantford Power’s distribution costs comprise only 20 per cent of the total electricity bill, which includes building and maintaining electricity lines, towers and poles, as well as delivering local electricity services. The rate increase ensures Brantford Power can continue to deliver safe and reliable services to our customers at prices that are competitive when compared with neighbouring and other utilities.

BUILDING EMPLOYEE ENGAGEMENT

Brantford Power’s third annual employee engagement and satisfaction survey was conducted in 2013. The majority of employee respondents gave a positive rating to BPI’s effectiveness in meeting its customers’ needs, which was consistent with previous surveys. Survey results revealed that approximately 9 out of 10 Brantford Power employees believe that the organization is effective in delivering value to our customers. Familiarity with

the company’s current strategic plan and mission statement, and understanding external factors that have an impact on the organization have all increased over 2012.

STRATEGIC PLANNING PRIORITIES

In 2013, BPI initiated a strategic planning process to guide the organization through 2014-2017. The new strategic plan, which includes five goals and associated strategies, was developed through consultation with all our stakeholders — employees, customers, our shareholder and board members. The strategic plan will drive the organization forward and provide context for directions in setting budgets, establishing organizational and departmental objectives, and building a common message to all stakeholders.

The five strategic goals include (1) investment in human resources, (2) growing our business, (3) pursuing organizational efficiencies, service excellence and quality (4) raising community visibility and establishing the BPI brand, and (5) having an increasing role in energy efficiency and conservation.



HUMAN RESOURCES

Our human resources goal targets a new performance management program, succession planning and greater focus on employee training and development, and health and safety. In 2013, we successfully completed the “Outcomes I Level of ZeroQuest®” through the Infrastructure Health and Safety Association (IHRS). The goal of this navigation tool is to guide participating firms through the process of building a sustainable health and safety system. Having demonstrated an established health and safety management program focused on continual improvement, BPI remains committed to protecting the health and safety of all its workers, and maintaining a proactive approach to eliminating workplace injuries and illnesses.

BUSINESS GROWTH

Business growth will mean more investment in our facilities and infrastructure to ensure we can meet our customers’ expectations. We will also look to expand our distribution, as well as seek out merger and acquisition opportunities.

In 2013, we completed a study of how our customers connect with the organization. As a result we have identified where improvements can be achieved and,

we will pursue greater efficiencies and continue to enhance our customer service levels. We will update our information systems capabilities to reflect new information technologies and more effective ways of improving the customer experience. Last year, we underwent a major assessment of our business systems and identified 16 applications for upgrading — the top three priorities are customer information, financial information and ecommerce.

CORPORATE IMAGE AND COMMUNITY SUPPORT

Strengthening Brantford Power’s corporate image and brand in our community and across the Ontario energy sector will help us further establish our leadership role in electricity distribution. We will increase customer communication and engagement, and our supportive role in the greater Brantford community.

Brantford Power and its employees have a history of giving and have a long-standing commitment to supporting causes and organizations that enrich our community. In 2013, we participated in the Kinsmen Ribfest, City of Brantford Canada Festival at Lions Park, Rotary Airshow, JazzFest, Farmers Market, Participation House and the Children’s Safety

Village. We also contributed to the launch of the 2013 Christmas Baskets Program, which included the donation of 500 hats and mittens. Our support the CRS Food Bank resulted in the donation of 1,832 pounds of non-perishable food.

ENERGY CONSERVATION

Regarding energy efficiency and conservation, our strategic focus means continuing to meet existing Ontario Power Authority (OPA) targets, developing a new business plan to deliver Conservation Demand Management programs, and increasing Brantford Power’s industry level advocacy on energy issues. We will continue to improve our cost-effective distribution system and support customers through existing and new conservation programs that are designed to make it easier for customers to manage their electricity needs and contribute to a green community. Last year, Brantford Power assisted a major industrial client with one of the largest ever conservation management planning initiatives approved by the OPA, guiding them through the application and system requirements.

Brantford Power promoted the OEB’s saveONenergy incentive programs in 2013, which included several initiatives for residential, commercial and industrial customers—the peaksaver PLUS program, Electricity Retrofit Incentive Initiative and High Performance New Construction. The final verified results for 2013 will be available in September 2014 as part of the company’s annual report to the OEB, and will also be posted on the company’s website.

ENHANCING BRANTFORD’S COMPETITIVENESS

Brantford Power continued working with the City of Brantford and its economic development

office to help attract and better serve our new business customers. Our investment in cost-effective infrastructure has improved Brantford’s competitiveness with other municipalities, as well as its attractiveness to businesses seeking new locations.

The competition for new businesses and for businesses relocating is fierce among municipalities. Brantford Power’s role is to demonstrate to businesses that the city of Brantford not only has the necessary infrastructure, skilled labour force but also one of the fastest telecommunications network and a reliable, efficient and cost-effective power source. Energy requirements are a major expense and have a great influence on where a company may locate. Our goal is to ensure there are no obstacles or barriers and the transition to Brantford is smooth. Our size allows us to provide a more personal approach and maintain meaningful relationships with our large commercial and industrial customers.

TOWARD A SUSTAINABLE FUTURE

For Brantford Power, sustainability means being here for the long term. By reinvesting in our assets and infrastructure, our people, our technology and our community means we will be here for Brantford today and tomorrow. It means anticipating trends and changes within the energy sector and in the marketplace. We want to be recognized as one of the premier and best power utilities in the province of Ontario. And most of all, we want to remain both relevant and reliable to all the people and businesses we serve.



BRANTFORD HYDRO INC.

“ Our priorities as we go forward will be to evaluate investment requirements to fortify our fibre network, establish renewed focus on customer service and the provision of products and services to meet the telecommunications and data requirements of our customers; and develop strategies to further enhance our customer experience and improve business continuity levels. ”



Gerry Smits
Chair, Brantford
Hydro Inc.

Brantford Hydro Inc. (BHI) experienced a profitable and progressive year in 2013. NetOptiks maintained its leadership position in providing business with the fastest and efficient telecommunications network. The Enersure division saw continued growth in sales of its natural gas water heaters, as well as new tankless water heaters and water softeners.

NETOPTIKS

Known internationally as the Telephone City in recognition of Alexander Graham Bell's invention, Brantford's strategic investment in fibre optics through its NetOptiks division will make "Telecommunications City" a more appropriate moniker for this evolving smart city. Despite increased competition from other service providers, including telephone and cable companies, NetOptiks has earned dominant market share, serving almost all of Brantford's large business whose needs for high speed, high volume telecommunications are critical to their own success.

Because signals in optical fibers degrade less, lower power and more cost-effective transmitters can be used instead of the high-voltage electrical transmitters needed for copper wires. Unlike electrical signals in copper wires, light signals from one fiber do not interfere with those of other fibers in the same cable. Fibre optic cables can carry digital information over long distances at incredible speeds of 50Mb/second to 100Mb/second.

Our priorities as we go forward will be to evaluate investment requirements to fortify our fibre network, establish renewed focus on customer service and the provision of products and services to meet the telecommunications and data requirements of our customers; and develop strategies to further enhance our customer experience and improve business continuity levels.

In 2013, the NetOptiks division assisted GIZEH Verpackungen GmbH & Co. complete its new Brantford-based production and distribution centre to serve the North American market. A European

market leader specializing in the production and development of innovative and efficient packaging solutions, GIZEH has made over three billion containers for the food industry and body care products. NetOptiks provisioned GIZEH's fibre Internet access so its operations in Germany can communicate and secure data and utilize VoIP technology without experiencing irregular access as is found with cable and DSL providers. The speed and stability of fibre ensures the company is able to efficiently utilize communications between operations on two continents.

ENERSURE

In 2013, we officially launched the "Enersure" brand and experienced solid growth and performance. The business saw a trend with the transition from electric to natural gas water heaters, as well as the introduction of the new "tankless" water heater, which heats water on demand and is both cost- and energy efficient. Enersure will continue to grow its business by adding greater value to the home comfort line of business.

TOWARD SMART CITY STATUS

Looking ahead to the not-so-distant future, smarter cities will drive sustainable economic growth. Smart cities represent an international movement to help cities become sustainable communities in the 21st Century. The City of Brantford's "Smart

Brantford" initiative has aided the city's evolution toward smart city status. The six pillars that provide the foundation to build a smart city include (1) a knowledge workforce, (2) innovation, (3) broadband, (4) digital inclusion, (5) marketing and advocacy, and (6) culture. BHI chief operating officer James Nagle chairs the Broadband Committee of Brantford's smart city initiative. It may take two to three years before the city is ready to make its designation application.

EXPANDING BUSINESS OPPORTUNITIES

Brantford Hydro will focus its efforts on two priorities in the coming year. The first is to modernize the fibre optic network with capital improvements — core electronics that will move the next generation of services to our customers. The second is to improve our overall customer service experience. Consequently, we have formalized an agreement with a network operating centre (NOC) to increase our level of customer service support.

FINANCIALS

Brantford Hydro profited from continued growth in both its Enersure and NetOptiks divisions. Total revenue was \$3,004,205 in 2013, an increase of 10.7 per cent over \$2,714,379 in 2012. Net income declined by 56 per cent, from \$650,974 in 2012 to \$283,668 in 2013.

“The City of Brantford established an economic development strategy that identified the green energy sector as one that can provide significant growth and investment opportunities for the city and region.”

BRANTFORD GENERATION INC



Gerry Smits
Chair, Brantford
Hydro Inc.

The City of Brantford established an economic development strategy that identified the green energy sector as one that can provide significant growth and investment opportunities for the city and region.

Brantford Generation Inc. was established in 2007 as a major renewable energy initiative for Brantford. The \$13 million Mohawk Street Landfill Gas Collection and Utilization was developed to reduce methane and CO2 emissions, and to convert them to enable the generation of electricity. Using landfill methane gas as a fuel has a sound environmental benefit. It recycles a material that would otherwise be burned as a waste and it reduces the amount of energy that must be generated from greenhouse gas-generating fossil fuels. The facility is one of 64 landfill gas recovery projects in Canada diverting more than seven million mega-tonnes of CO2 equivalent a year.

This initiative reflects current public opinion where the overwhelming majority of Ontarians believe it is important to have more renewable, green energy in Ontario to deal with climate change and help reduce record levels of greenhouse gases in the atmosphere.

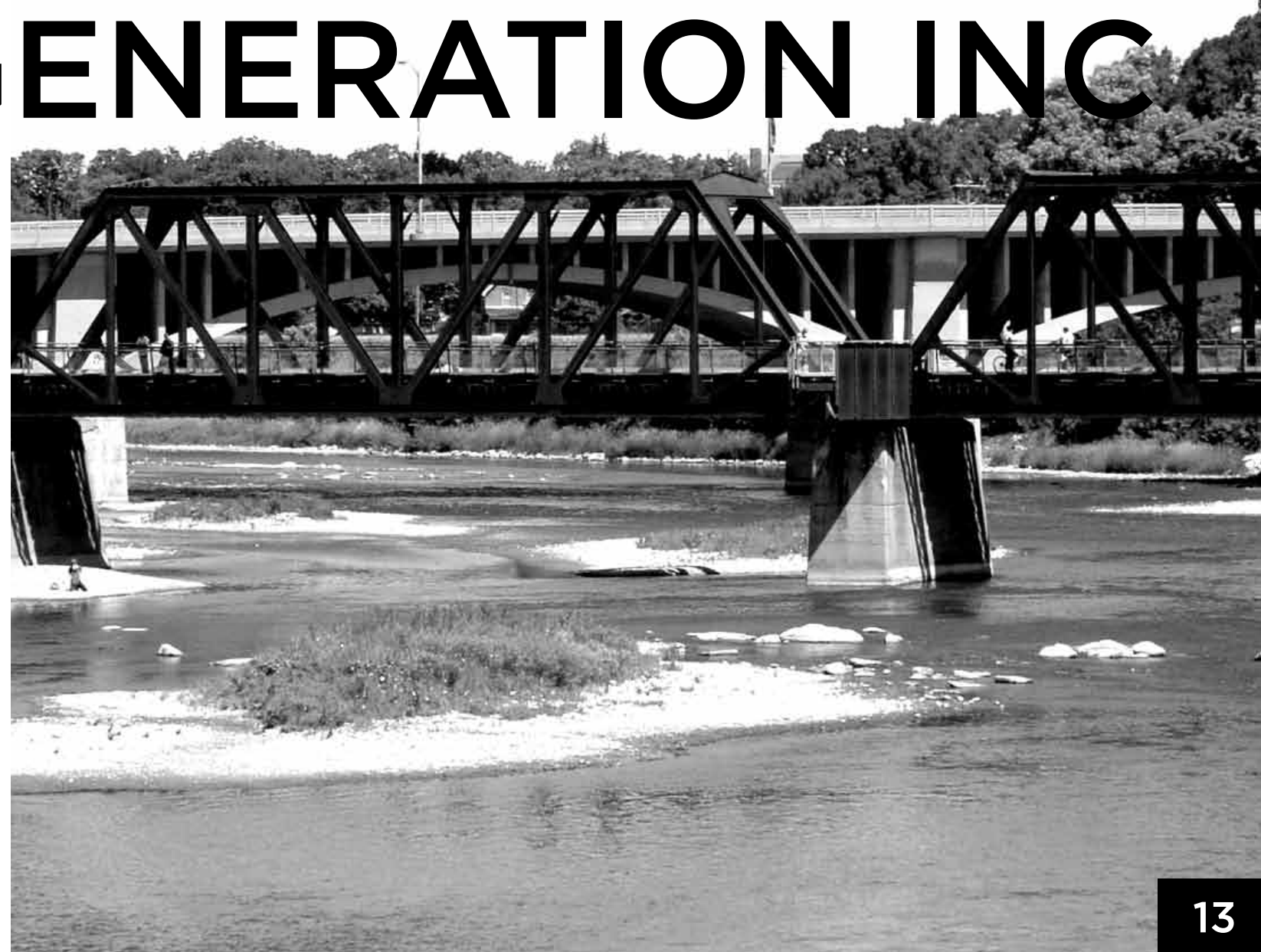
REMEDIATION OF FACILITY PRIORITY

After achieving its first profit in 2012, electricity generation remained at a standstill in 2013 — a result of the flooding of gas wells that began in late 2012 and continued through 2013. Higher than average precipitation and the pooling of excess underground leachate are the contributors to this unfortunate slowdown. Brantford Generation's efforts to remediate the Mohawk Street Landfill Gas Collection and Utilization facility remain its top priority.

BGI staff and our partners are working diligently within Ministry of Environment guidelines to maximize the collection of gas and bring the facility to its full potential. A plan has been established for this and will continue throughout 2014.

FINANCIALS

Brantford Generation experienced a 17.1 per cent decrease in revenue last year—total revenue was \$1,783,632 in 2013 compared to \$2,152,909 in 2012. BGI ended the year with a net loss of \$11,935,903, the result of an impairment loss on long-lived assets. This reflects a prudent approach agreed to by the Board of Directors and Auditors.





FINANCIAL STATEMENTS



The accompanying summary consolidated financial statements, which comprise the summary consolidated balance sheet as at December 31, 2013, the summary consolidated income statement and retained earnings, and summary consolidated statement of flows for the year then ended, and related notes, are derived from the audited financial statements of Brantford Energy Corporation. The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 2013, the summary income statement and retained earnings, and summary statement of flows for the year then ended, and related notes, are derived from the audited financial statements of Brantford Power Inc., Brantford Hydro Inc. and Brantford Generation Inc. (the "Companies") for the year ended December 31, 2013. We expressed unmodified audit opinions on those (consolidated) financial statements in our reports dated March 27, 2014 - Brantford Power Inc., May 21, 2014 - Brantford Hydro Inc., May 21, 2014 - Brantford Generation Inc. (not yet issued), May 21, 2014 - Brantford Energy Corp. (not yet issued). Those (consolidated) financial statements, and the summary (consolidated) financial statements, do not reflect the effects of events that occurred subsequent to the dates of our report on those (consolidated) financial statements.

The summary (consolidated) financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles applied in the preparation of the audited (consolidated) financial statements of the Companies. Reading the summary (consolidated) financial statements, therefore, is not a substitute for reading the audited (consolidated) financial statements of the Companies.

Management's Responsibility for the Summary (Consolidated) Financial Statements

Management is responsible for the preparation of a summary of the audited (consolidated) financial statements in accordance with Canadian generally accepted accounting principles.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary (consolidated) financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Brantford Energy Corporation and the summary financial statements derived from the audited financial statements of Brantford Power Inc., Brantford Hydro Inc. and Brantford Generation Inc. for the year ended December 31, 2013 are a fair summary of those financial (consolidated) statements, in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Professional Accountants,
Chartered Accountants
Licensed Public Accountants
Hamilton, Ontario

BRANTFORD ENERGY CORPORATION

SUMMARIZED CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31	2013 (\$)	2012 (\$)
ASSETS		
Current assets	38,102,322	37,162,013
Property, plant and equipment	62,958,070	74,585,257
Regulatory assets	7,863,847	5,218,627
Other assets	4,733,817	6,673,344
TOTAL ASSETS	113,658,056	123,639,241
LIABILITIES		
Current liabilities	31,738,882	18,049,642
Regulatory liabilities	6,479,604	6,180,082
Long term debt	44,446,920	58,234,516
Other liabilities	3,409,995	3,664,369
TOTAL LIABILITIES	86,075,401	86,128,609
SHAREHOLDER'S EQUITY		
Capital stock	23,895,512	23,895,512
Retained earnings	3,806,647	13,866,967
Contributed surplus	141,319	141,319
Accumulated other comprehensive loss	(260,823)	(393,166)
TOTAL EQUITY	27,582,655	37,510,632
TOTAL LIABILITIES & EQUITY	113,658,056	123,639,241
SUMMARIZED CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDING DECEMBER 31	2013 (\$)	2012 (\$)
REVENUE		
Electricity distribution and service revenue	15,046,982	14,336,994
Fibre optic and retail service revenue	2,966,669	2,676,051
Generation revenue	1,755,752	2,131,230
Other revenue	4,106,138	4,985,225
	23,875,541	24,129,500
EXPENSES		
Operations, maintenance and administration	12,583,437	10,332,822
Other expenses	9,646,399	10,916,885
	22,229,836	21,249,707
Income before the undernoted	1,645,705	2,879,793
Impairment loss on long lived assets	11,359,011	-
Income (loss) before payments in lieu of income taxes	(9,713,306)	2,879,793
Current and future income taxes	(802,986)	739,328
NET INCOME (LOSS)	(8,910,320)	2,140,465
Retained Earnings - Beginning of Year	13,866,967	12,876,502
Dividends	(1,150,000)	(1,150,000)
Retained Earnings - End of Year	3,806,647	13,866,967
SUMMARIZED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING DECEMBER 31	2013 (\$)	2012 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	(8,910,320)	2,140,465
Changes to income not involving cash	16,818,588	6,715,747
Net change in non-cash working capital balances related to operations	(398,775)	885,834
	7,509,493	9,742,046
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and special deposits	(3,891,071)	(5,002,992)
Change in regulatory assets and liabilities	(2,345,698)	(2,221,041)
	(6,236,769)	(7,224,033)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of issuance of long-term debt	-	4,230,000
Repayment of long-term debt	(1,291,134)	(810,501)
Capital contribution, customer deposits and deferred revenues	343,857	375,843
Dividends	(1,150,000)	(1,150,000)
	(2,097,277)	2,645,342
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(824,553)	5,163,355
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	16,441,207	11,277,852
CASH AND CASH EQUIVALENTS, END OF YEAR	15,616,654	16,441,207



BRANTFORD POWER INC

SUMMARIZED BALANCE SHEET AS AT DECEMBER 31	2013 (\$)	2012 (\$)
ASSETS		
Current assets	35,821,765	34,508,159
Property, plant and equipment	60,143,968	59,942,622
Regulatory assets	7,863,847	5,218,627
Other assets	4,430,468	6,310,521
TOTAL ASSETS	108,260,048	105,979,929
LIABILITIES		
Current liabilities	18,174,246	16,973,892
Regulatory liabilities	6,479,604	6,180,082
Long-term debt	43,143,585	44,179,375
Other liabilities	3,259,351	3,504,951
TOTAL LIABILITIES	71,056,786	70,838,300
SHAREHOLDER'S EQUITY		
Capital stock	22,437,505	22,437,505
Retained earnings	14,885,261	12,955,971
Contributed surplus	141,319	141,319
Accumulated other comprehensive loss	(260,823)	(393,166)
TOTAL EQUITY	37,203,262	35,141,629
TOTAL LIABILITIES & EQUITY	108,260,048	105,979,929
SUMMARIZED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31	2013 (\$)	2012 (\$)
REVENUE		
Distribution revenue	15,046,982	14,336,994
OPA conservation programs revenue	2,985,434	4,020,508
Other revenue	1,130,681	979,300
	19,163,097	19,336,802
EXPENSES		
Operations, maintenance and administration	12,246,277	11,560,939
Other expenses	5,333,020	5,931,768
	17,579,297	17,492,707
Income Before Income Taxes	1,583,800	1,844,095
Current and Future Income Taxes	(1,095,490)	497,030
NET INCOME	2,679,290	1,347,065
Retained Earnings - Beginning of Year	12,955,971	12,358,906
Dividends	(750,000)	(750,000)
Retained Earnings - End of Year	14,885,261	12,955,971
SUMMARIZED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31	2013 (\$)	2012 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	2,679,290	1,347,065
Changes to income not involving cash	4,347,791	5,710,164
Net change in non-cash working capital balances related to operations	(750,697)	995,013
	6,276,384	8,052,242
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and special deposits	(3,275,040)	(4,358,084)
Change in regulatory assets and liabilities	(2,345,698)	(2,221,041)
	(5,620,738)	(6,579,125)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of issuance of long-term debt	-	4,230,000
Repayment of long-term debt	(991,134)	(610,501)
Capital contributions and customer deposits	323,003	392,164
Dividends	(750,000)	(750,000)
	(1,418,131)	3,261,663
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(762,485)	4,734,780
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,935,062	9,200,282
CASH AND CASH EQUIVALENTS, END OF YEAR	13,172,577	13,935,062

BRANTFORD HYDRO INC.

SUMMARIZED BALANCE SHEET AS AT DECEMBER 31	2013 (\$)	2012 (\$)
ASSETS		
Current assets	1,540,778	2,072,140
Property, plant and equipment	2,754,102	2,581,893
Other assets	64,561	20,977
TOTAL ASSETS	4,359,441	4,675,010
LIABILITIES		
Current liabilities	251,791	375,254
Long-term debt	1,303,335	1,303,335
Other liabilities	157,599	233,373
TOTAL LIABILITIES	1,712,725	1,911,962
SHAREHOLDER'S EQUITY		
Capital stock	1,338,006	1,338,006
Retained earnings (Deficit)	1,308,710	1,425,042
TOTAL EQUITY	2,646,716	2,763,048
TOTAL LIABILITIES & EQUITY	4,359,441	4,675,010
SUMMARIZED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31	2013 (\$)	2012 (\$)
REVENUE		
Fibre optic and retail service revenue	2,978,609	2,687,991
Other revenue	25,596	26,388
	3,004,205	2,714,379
EXPENSES		
Operations, maintenance and administration	1,781,050	1,450,199
Other expenses	895,579	410,808
	2,676,629	1,861,007
Income Before Income Taxes	327,576	853,372
Current and Future Income Taxes	43,908	202,398
NET INCOME	283,668	650,974
Retained Earnings - Beginning of Year	1,425,042	1,174,068
Dividends	(400,000)	(400,000)
Retained Earnings - End of Year	1,308,710	1,425,042
SUMMARIZED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31	2013 (\$)	2012 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	283,668	650,974
Changes to income not involving cash	254,168	348,115
Net change in non-cash working capital balances related to operations	220,687	(7,490)
	758,523	991,599
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(569,839)	(654,794)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution, customer deposits and deferred revenues	20,854	(9,366)
Dividends	(400,000)	(400,000)
	(379,146)	(409,366)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(190,462)	(72,561)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,386,637	1,451,335
CASH AND CASH EQUIVALENTS, END OF YEAR	1,196,175	1,378,774

BRANTFORD GENERATION INC

SUMMARIZED BALANCE SHEET AS AT DECEMBER 31	2013 (\$)	2012 (\$)
ASSETS		
Current assets	1,253,369	1,112,033
Property, plant and equipment	-	12,063,368
Other assets	245,068	413,358
TOTAL ASSETS	1,498,437	13,588,759
LIABILITIES		
Current liabilities	13,895,757	1,298,370
Long-term debt	-	12,751,806
TOTAL LIABILITIES	13,895,757	14,050,176
CAPITAL DEFICIENCY		
Capital stock	50,000	50,000
Deficit	(12,447,320)	(511,417)
TOTAL CAPITAL DEFICIENCY	(12,397,320)	(461,417)
TOTAL LIABILITIES AND EQUITY	1,498,437	13,588,759
SUMMARIZED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31	2013 (\$)	2012 (\$)
REVENUE		
Generation revenue	1,755,752	2,131,230
Other revenue	27,880	21,679
	1,783,632	2,152,909
EXPENSES		
Operations, maintenance and administration	1,161,121	1,080,231
Other expenses	888,932	891,100
	2,050,053	1,971,331
Income before the undernoted	(266,421)	181,578
Impairment loss on long lived assets	11,420,886	-
Income (loss) before payments in lieu of income taxes	(11,687,307)	181,578
Current and future income taxes	248,596	39,900
NET INCOME (LOSS)	(11,935,903)	141,678
Deficit - Beginning of Year	(511,417)	(653,095)
Deficit - End of Year	(12,447,320)	(511,417)
SUMMARIZED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31	2013 (\$)	2012 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	(11,935,903)	141,678
Changes to income not involving cash	12,277,487	650,144
Net change in non-cash working capital balances related to operations	145,241	(78,130)
	486,825	713,692
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(46,192)	9,886
CASH FLOWS FROM FINANCING ACTIVITY		
Repayment of long-term debt	(300,000)	(200,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	140,633	523,578
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,103,663	580,085
CASH AND CASH EQUIVALENTS, END OF YEAR	1,244,296	1,103,663





BRANTFORD ENERGY CORP.

BRANTFORD HYDRO INC.

Mission

As a growth company, Brantford Hydro Inc. delivers environmentally sustainable telecommunications and energy related services that enhance the competitiveness of businesses and the quality of life for customers.

Vision

The vision of Brantford Hydro Inc. is to become a leader in Brantford and surrounding areas by growing our business lines through strategic investments and partnerships enhancing the value of the company to both our customers and shareholder.

Values

- We value open and honest communication with internal and external stakeholders as we strive for success in a competitive business environment.
- We seek to ensure maximum customer satisfaction by delivering exceptional value through the provision of efficient and dependable products and services.
- We value our customers, business partners and other stakeholders and will treat them with fairness, respect and integrity as they are integral components to our success.
- We value innovation in services, thinking and actions.
- We anticipate and adapt quickly and effectively to the ever changing business landscape.

BRANTFORD POWER INC.

Mission

Brantford Power provides safe, reliable and competitively priced services to our customers while ensuring excellent shareholder returns.

Vision

Brantford Power is driven to be a leading electricity distribution company.

Values

- Safety
- Openness and integrity in all relationships
- Innovation and creativity
- A customer focus
- Employee engagement



BOARD OF DIRECTORS

BRANTFORD ENERGY CORP.

Jim Ryan
Chair
Scott Saint
Gerry Smits
Councillor Vince Bucci
Councillor John Utley
Councillor Larry Kings
Councillor Richard Carpenter
Mayor Chris Friel



BRANTFORD POWER INC.

Scott Saint
Chair
Ron Stewart
Neil Sandford, P. Eng.
Terry Smith
Councillor John Utley



BRANTFORD HYDRO INC. BRANTFORD GENERATION INC.

Leo Renzella
Chair (Until Feb 28, 2013)
Gerry Smits
Chair (As of March 27, 2013)
Rick Sterne (Until March 20, 2013)
Drew Hill
(Until November 27, 2013)
Craig Mann
(As of February 19, 2013)



EXECUTIVE TEAM

MANAGEMENT

Ted Salisbury
CAO, City of Brantford
CEO, Brantford Energy Corporation
Interim CEO, Brantford Hydro Inc.
(As of June 27, 2013)
Interim CEO, Brantford Generation Inc.
(As of June 27, 2013)
Paul Kwasnik
CEO, Brantford Power Inc.
Catherine Barker-Hoyes
CEO & CFO, Brantford Hydro Inc.
CEO & CFO, Brantford Generation Inc.
(Until June 21, 2013)

OFFICERS

Brian D'Amboise
CFO, Brantford Power Inc.
Catherine Brubacher
Interim CFO, Brantford Hydro Inc.
(As of June 27, 2013)
Interim CFO, Brantford Generation Inc.
(As of June 27, 2013)
Brantford Energy Corporation
(As of June 27, 2013)
James Nagle
COO, Brantford Hydro Inc.
COO, Brantford Generation Inc.
Heather Wyatt
Board Secretary, Brantford Power Inc.
Sarah Hewitt
Board Secretary, Brantford Energy Corp.
Board Secretary, Brantford Hydro Inc.
Board Secretary, Brantford Generation Inc.

AUDITOR

KPMG LLP