
Consolidated financial statements of
The Corporation of the
Township of Brock

December 31, 2021

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Independent Auditor's Report

To the Members of Council of
The Corporation of the Township of Brock

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Brock (the "Township"), which comprise the statement of financial position as at December 31, 2021, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2021, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Township 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 PSAS, 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 Township'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 Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township'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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Township'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 Township'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 Township 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accounts
July 15, 2022

The Corporation of the Township of Brock
Consolidated statement of financial position
As at December 31, 2021

	Notes	2021 \$	2020 \$
Assets			
Financial assets			
Cash	3	13,264,417	11,331,761
Investments	3	8,863,958	11,459,745
Taxes receivable	4	2,443,122	2,005,699
Accounts receivable		581,696	758,130
		25,153,193	25,555,335
Liabilities			
Accounts payable and accrued liabilities	5	2,009,913	2,550,159
Deferred revenue	6	8,535,745	9,185,081
Net long-term liabilities	7	—	—
Employee post employment benefits	8	354,400	403,200
		10,900,058	12,138,440
Contingencies	17		
Net financial assets		14,253,135	13,416,895
Non-financial assets			
Tangible capital assets	9	62,853,685	62,091,197
Prepaid expenses		96,222	22,255
		62,949,907	62,113,452
Accumulated surplus	10	77,203,042	75,530,347

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the Township of Brock
Consolidated statement of operations
Year ended December 31, 2021

	Notes	Budget (Note 15) \$	2021 Actual \$	2020 Actual \$
Revenue				
Taxation		9,786,660	9,884,930	9,501,095
User fees and charges		941,642	986,788	1,051,975
Grants	11			
Government of Canada		30,000	73,225	40,629
Province of Ontario		2,548,758	2,021,101	1,712,569
Federal gas tax		369,228	248,423	1,359,526
Investment income		50,000	121,184	256,522
Penalties and interest on taxes		325,000	368,716	252,422
Developer contributions		152,600	1,580,040	397,334
Contributed tangible capital assets	9	—	482,870	—
Gain on sale/disposal of tangible capital assets			(3,834)	17,793
Other		22,250	131,190	125,916
		14,226,138	15,894,633	14,715,781
Expenses				
General government	16	3,184,616	3,199,956	3,243,802
Protection to persons and property		2,251,633	1,919,242	2,004,472
Transportation services		5,147,028	6,515,435	6,583,760
Environmental services		54,600	52,430	53,726
Health services		149,300	138,137	134,494
Recreation and cultural services		3,240,741	2,160,750	2,010,342
Planning and development		198,220	235,988	183,964
		14,226,138	14,221,938	14,214,560
Annual surplus		—	1,672,695	501,221
Accumulated surplus, beginning of year		—	75,530,347	75,029,126
Accumulated surplus, end of year		—	77,203,042	75,530,347

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the Township of Brock
Consolidated statement of change in net financial assets
Year ended December 31, 2021

	Budget (Note 15) \$	2021 Actual \$	2020 Actual \$
Annual surplus	—	1,672,695	501,221
Acquisition of tangible capital assets	(1,481,000)	(4,425,141)	(5,191,684)
Contributed tangible capital assets	—	(482,870)	—
Loss (gain) on sale/disposal of tangible capital assets	—	3,834	(17,793)
Proceeds from sale of tangible capital assets	—	3,539	21,731
Amortization of tangible capital assets	4,100,000	4,138,150	4,088,065
	2,619,000	910,207	(598,460)
Net change in prepaid expenses	—	(73,967)	3,126
Increase (decrease) in net financial assets	2,619,000	836,240	(595,334)
Net financial assets, beginning of year	13,416,895	13,416,895	14,012,229
Net financial assets, end of year	16,035,895	14,253,135	13,416,895

The accompanying notes are an integral part of the consolidated financial statements.

The Corporation of the Township of Brock
Consolidated statement of cash flows
Year ended December 31, 2021

	2021	2020
	\$	\$
Operating activities		
Annual surplus	1,672,695	501,221
Items not involving cash		
Amortization	4,138,150	4,088,065
Contributed tangible capital assets	(482,870)	—
(Loss) gain on sale of tangible capital assets	3,834	(17,793)
Change in non-cash working capital		
Taxes receivable	(437,423)	(162,123)
Accounts receivable	176,434	203,751
Investments	2,595,787	971,691
Prepaid expenses	(73,967)	3,126
Accounts payable and accrued liabilities	(540,246)	310,349
Deferred revenue	(649,336)	1,082,203
Employee post employment benefits	(48,800)	(56,900)
	6,354,258	6,923,590
Capital activities		
Acquisition of tangible capital assets	(4,425,141)	(5,191,684)
Proceeds from sale of tangible capital assets	3,539	21,731
	(4,421,602)	(5,169,953)
Financing activity		
Repayment of long term liabilities	—	(1,006,690)
Net change in cash	1,932,656	746,947
Cash beginning of year	11,331,761	10,584,814
Cash, end of year	13,264,417	11,331,761

The accompanying notes are an integral part of the consolidated financial statements.

1. Significant accounting policies

The consolidated financial statements (the "financial statements") of the Corporation of Township of Brock (the "Township") are the representations of management prepared in accordance with accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Significant accounting policies adopted by the Township are as follows:

(a) (i) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees, which are controlled by the Township including the Township of Brock Public Library Board.

All material inter-entity transactions and balances are eliminated on consolidation.

(ii) Accounting for region and school board transactions

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

(iii) Trust funds

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the Trust Funds Statement of financial position and Statement of financial activities and fund balance.

(b) Basis of accounting

(i) Non-Tax Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenues; expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(ii) Tax revenue

Tax revenue is recognized on all taxable properties within the Township included in the tax roll provided by the Municipal Property Assessment Corporation, using property values included in the tax roll or property values that can be reasonably estimated by the Township as it relates to supplementary or omitted assessments using tax rates authorized by Council for the Township's own purposes in the period for which the tax is levied.

At year end the Township evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognizes a liability if the amount can be reasonably be estimated.

(iii) Investments

Investments are recorded at the lower of cost plus accrued interest and market value.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(iv) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all 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:

	Useful life – years
Land improvements	10–30
Buildings	50
Rolling stock	10–15
Furniture and equipment	5–15
Sidewalks and parking lots	15–30
Roads	20–40
Storm sewer	75
Bridges and structures	60

One-half of the 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. Land is not amortized.

Contribution of tangible capital assets.

Tangible capital assets received as contributions are recorded at their fair value at the date contributed, and that amount is also recorded as revenue.

Intangible assets

Intangible assets are not recognized as assets in the financial statements.

(v) Deferred revenue

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 revenues in the fiscal year the services are performed. In addition, any contributions received with external restrictions are deferred until the related expenses are incurred.

(vi) Employee post-employment benefits

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is determined by management using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(vii) Reserves and Reserve Funds

Certain amounts, as approved by the Township's Council, are set aside in Reserves and Reserve Funds for future operating and capital purposes. Transfers to and/or from Reserves and Reserve Funds are an adjustment to the respective fund when approved. Reserves and Reserve Funds form part of the Township's accumulated surplus.

(viii) Government transfers

Government transfers are recognized as revenues by the Township in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

(ix) Contaminated sites

A liability for the remediation of a contaminated site is recognized as the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Township is either directly responsible or accepts responsibility, it is expected that the future economic benefit will be given up, and a reasonable estimate of the amount is determinable. If the likelihood of the Township's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

(x) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates. Significant estimates relate to taxes receivable, accounts receivable, accrued liabilities, and employee post-employment benefits.

2. Operations of school boards and the Region of Durham

Further to Note 1(a) (ii), the taxation and other revenues raised on behalf of the school boards and the Region of Durham are comprised of the following:

	School boards	Region	2021 Total	2020 Total
	\$	\$	\$	\$
Taxation and user charges	3,936,140	12,436,963	16,373,103	15,660,598
Payments-in-lieu	88,635	189,751	278,386	280,041
	4,024,775	12,626,714	16,651,489	15,940,640

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2021

3. Cash and investments

This represents a consolidation of cash and investments from the Operating Fund and the Reserve Funds (including those funds set aside in respect of deferred revenue as detailed in Note 6). The composition is as follows:

	2021		2020	
	Cash \$	Investments \$	Cash \$	Investments \$
Operating Fund	2,923,291	60,000	3,222,453	60,000
Reserve Fund	10,341,126	8,803,958	8,109,308	11,399,745
	13,264,417	8,863,958	11,331,761	11,459,745

The market value of the investments at December 31, 2021 was \$8,890,791 (\$11,479,395 in 2020).

4. Taxes receivable

The balance in taxes receivable, including penalties and interest, is made up of the following:

	2021 \$	2020 \$
Current year	1,585,845	1,374,704
Arrears, previous years	877,277	650,995
	2,463,122	2,025,699
Less allowance	(20,000)	(20,000)
	2,443,122	2,005,699

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include financial obligations to outside organizations and individuals as a result of transactions and events on or before the end of the fiscal year. They are the result of contracts, invoices, agreements and legislation in force at the end of the fiscal year that require the Township to pay for goods and services acquired or provided on or before December 31, 2021. A further breakdown is provided below:

	2021 \$	2020 \$
Trade account payable	1,289,648	2,009,532
Payroll liabilities	456,700	300,113
Accrued liabilities	142,424	157,459
Refund deposits	121,138	83,055
	2,009,910	2,550,159

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2021

6. Deferred revenue

	2021	2020
	\$	\$
Obligatory reserve funds		
Development charges	6,811,885	7,522,456
Parkland	224,388	213,200
Building Department fees	195,681	340,914
Federal gas tax receipts	987,720	792,029
	8,219,674	8,868,599
Other deferred revenue	316,071	316,482
	8,535,745	9,185,081
Continuity of obligatory reserve funds is as follows		
Balance, beginning of year	8,868,598	7,859,473
Subdividers contributions	390,780	2,122,740
Federal gas tax funding received	724,177	353,174
Interest earned	64,582	110,071
	10,048,137	10,445,458
Earned revenue transferred to operations	(1,828,463)	(1,756,860)
Total obligatory deferred revenue	8,219,674	8,688,598

7. Net long-term liabilities

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

	2021	2020
	\$	\$
The municipality has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by other municipalities. At the end of the year the outstanding principal amount of this liability is	12,430	19,109
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for the tile drainage has been assumed by individuals. At the end of the year the outstanding principal amount of this liability is	(12,430)	(19,109)
	—	—

- (b) The long-term liabilities have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) The Township is contingently liable for long-term liabilities with respect to tile drainage loans. The total amount outstanding as at December 31, 2021 is \$12,430 (\$19,109 in 2020) and is not recorded on the "Consolidated statement of financial position".
- (d) Total interest expense related to the net long-term liabilities amounted to nil (\$39,764 in 2020).

8. Employee post-employment benefits

Under the provisions of certain employee benefit plans, an employee who, has achieved a factor of 85 (age + years of service with the Township), is eligible for a retirement pension from OMERS, and up to the age of 65 will be provided with Extended Health (drug, private hospital and dental plan) coverage.

Information about the Township's post-retirement benefits plan is as follows:

	2021	2020
	\$	\$
Accrued benefit obligation	307,900	320,500
Unamortized actuarial gain	46,500	82,700
Employee post-employment benefits	354,400	403,200
Opening liability for post-employment benefits	403,200	460,100
Current year benefit expense	19,100	15,100
Benefit payments	(38,700)	(41,700)
Amortization of actuarial gain	(36,200)	(39,900)
Interest on accrued benefit obligation	7,000	9,600
	354,400	403,200

The main assumptions employed for these valuations are as follows:

(a) *Interest (discount) rate*

The present values as at December 31, 2021 of the post-employment benefits was determined using a discount rate of 2.2%.

(b) *Health and dental costs*

Health care costs are expected to decrease by 0.20% in the first year after the valuation, decreasing to an ultimate rate of 4% by 2041. Dental costs are assumed to increase by 0% staying consistent at 4%.

9. Tangible capital assets

(a) *Contributed tangible capital assets*

The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are land, roadways and storm sewer lines installed by a developer as part of a subdivision agreement. Contributed tangible capital assets assumed in 2021 totaled \$482,870 (nil in 2020).

(b) *Tangible capital assets recognized at nominal value*

Certain assets have been assigned a nominal value of one Canadian dollar, because of the difficulty of determining a tenable valuation and/or the assets were older than their estimated expected useful lives, and therefore were fully amortized.

9. Tangible capital assets

(c) Works of art and historical treasures

The Township applies efforts to protect and preserve a number of owned historical buildings, collections of equipment, artifacts, documents and exhibits and works of art. These assets are not held for financial gain or to provide service but rather for public exhibition, education or research in furtherance of public service. These historical treasures and works of art are not recognized as tangible capital assets in the financial statements. The acquisition or betterment of such assets is recognized in the financial statements as an operating expense.

(d) Other

During the year, there were nil write-downs of assets (nil in 2020) and nil interest was capitalized during the year (nil in 2020)

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2021

9. Tangible capital assets (continued)

	Land	Land improvements	Buildings	Rolling Stock	Furniture and equipment	Sidewalks and parking	Roads	Storm sewer	Bridges and structures	Construction in progress	2021 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost											
Balance, beginning of year	2,724,452	3,748,676	15,548,243	7,681,169	2,775,780	2,663,256	87,470,137	2,684,088	10,855,702	—	136,151,503
Additions	—	15,010	239,329	1,249,147	136,823	411,776	708,357	287,444	249,265	1,610,860	4,908,011
Disposals	—	—	—	(30,508)	(40,582)	—	—	—	—	—	(71,090)
Balance, end of year	2,724,452	3,763,686	15,787,572	8,899,808	2,872,021	3,075,032	88,178,494	2,971,532	11,104,967	1,610,860	140,988,424
Accumulated amortization											
Balance, beginning of year	—	1,637,577	6,681,158	4,139,650	1,750,344	887,921	55,943,040	603,505	2,417,111	—	74,060,306
Amortization expense	—	118,434	348,103	464,190	182,771	114,914	2,698,482	37,832	173,424	—	4,138,150
Disposals	—	—	—	(23,135)	(40,582)	—	—	—	—	—	(63,717)
Balance, end of year	—	1,756,011	7,029,261	4,580,705	1,892,533	1,002,835	58,641,522	641,337	2,590,535	—	78,134,739
Net book value of tangible capital assets	2,724,452	2,007,675	8,758,311	4,319,103	979,488	2,072,197	29,536,972	2,330,195	8,514,432	1,610,860	62,853,685
2020											
	Land	Land improvements	Buildings	Rolling Stock	Furniture and equipment	Sidewalks and parking	Roads	Storm sewer	Bridges and structures		Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$
Cost											
Balance, beginning of year	2,724,452	3,748,676	13,784,246	7,499,012	2,434,673	2,329,079	86,902,871	2,684,088	9,204,161	—	131,311,258
Additions	—	—	1,763,997	499,205	375,498	334,177	567,266	—	1,651,541	—	5,191,684
Disposals	—	—	—	(317,048)	(34,391)	—	—	—	—	—	(351,439)
Balance, end of year	2,724,452	3,748,676	15,548,243	7,681,169	2,775,780	2,663,256	87,470,137	2,684,088	10,855,702	—	136,151,503
Accumulated amortization											
Balance, beginning of year	—	1,517,539	6,358,862	3,997,018	1,616,252	788,709	53,226,673	567,678	2,247,011	—	70,319,742
Amortization expense	—	120,038	322,296	455,742	168,483	99,212	2,716,367	35,827	170,100	—	4,088,065
Disposals	—	—	—	(313,110)	(34,391)	—	—	—	—	—	(347,501)
Balance, end of year	—	1,637,577	6,681,158	4,139,650	1,750,344	887,921	55,943,040	603,505	2,417,111	—	74,060,306
Net book value of tangible capital assets	2,724,452	2,111,099	8,867,085	3,541,519	1,025,436	1,775,335	31,527,097	2,080,583	8,438,591	—	62,091,197

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2021

10. Accumulated surplus

Accumulated surplus consists of individual fund surplus, reserves and reserve funds and amounts invested in tangible capital assets as follows:

	2021	2020
	\$	\$
Invested in tangible capital assets	62,853,685	62,091,197
Other	3,079,314	1,636,519
Internal Borrowing	(842,000)	(932,000)
Employee future benefits	(354,400)	(403,200)
Total surplus	64,736,599	62,392,516
Reserves		
Acquisition of tangible capital assets	791,771	878,459
Municipal projects	58,320	47,491
Future elections	70,000	40,000
Rate stabilizations	259,033	431,210
Working capital	500,000	500,000
Sub-total reserves	1,679,124	1,897,160
Reserve funds set aside for specific purposes by Council for Reserve funds		
Insurance purposes	232,534	210,472
Post employment	220,074	218,102
Acquisition of tangible capital assets	7,138,147	7,043,891
Road construction	3,196,564	3,768,206
Sub-total reserve funds	10,787,319	11,240,671
Total accumulated surplus	77,203,042	75,530,347

11. Grants

	2021	2020
	\$	\$
Government of Canada	73,225	40,629
Province of Ontario		
Ministry of Municipal Affairs – Ontario Municipal Partnership Fund	883,400	877,400
Modernization Grant	116,416	37,500
Ministry of the Finance - Cannabis	5,000	—
Ministry of Agriculture & Food		—
Wild Life Damage	13,258	8,035
OMAFRA Drainage Grant	463	
Ministry of Municipal Affairs – Ontario Community Infrastructure Grant	464,683	282,947
Ministry of Municipal Affairs – Safe Restart	327,400	323,200
Ministry of Natural Resources – Aggregate Resources Act	187,625	161,770
Ministry of Culture & Recreation – Library Opening Grant	21,717	21,717
Library - Special Provincial Grant	1,140	—
Total	2,021,102	1,712,569

12. Debt principal repayments

Total charges (principal and interest) for the year for net long-term liabilities as reported on the Consolidated statement of operations are as follows:

	2021	2020
	\$	\$
Principal payments	—	1,006,690
Interest	—	39,764
	—	1,046,454

13. Trust funds

Trust funds administered by the Township amounting to \$1,008,335 (\$1,029,327 in 2020) are not included in the Consolidated statement of financial position nor have their operations been included in the Consolidated statement of operations.

14. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, which as of December 31, 2017 was on behalf of 52 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.

An amount of \$318,237 (\$313,434 in 2020) paid to OMERS on behalf of its members has been expensed in the consolidated statement of operations under the appropriate functional expense category. As at December 31, 2021, the OMERS plan with over 541,000 members, has a funding deficit that is approximately \$3.1 billion.

15. Budget figures

The budgets originally approved by Township Council for 2021, adjusted as noted below, are reflected on the Consolidated statement of operations and Consolidated statement of change in net financial assets.

- An amount for amortization expense has been added and is based on management’s best estimate of amortization expense determined at the beginning of the year. Amortization expense was not included in the original council approved budget.
- Amounts included in the original Council approved capital budget which are not recognized as tangible capital assets are included in Consolidated statement of operations under the appropriate functional expense category, while those recognized as tangible capital assets are include in the Consolidated statement of change in net financial assets.

Budget figures have been reclassified for purposes of these consolidated financial statements to comply with PSAB reporting requirements.

16. Classification of expenses by object

The Consolidated statement of operations presents the expenses by function; the following classifies those same expenses by object:

	2021	2020
	\$	\$
Salaries, wages and employee benefits	5,921,934	5,312,515
Operating materials and supplies	3,559,814	4,057,062
Contracted services	575,811	507,541
Rents and financial expenses	23,525	21,547
External transfers to others	2,704	188,066
Debt services	—	39,764
Amortization	4,138,150	4,088,065
	14,221,938	14,214,560

17. Contingencies

The Township has been named in litigation matters, the outcome of which is undeterminable and accordingly, no provision has been proved for any potential liability in these financial statements. Should any loss result from these claims, which is not covered by insurance such loss would be charged to operations in the year of resolution or earlier if the loss is likely and measurable.

18. Segmented information

The Township provides a wide range of services to its citizens, including fire, building inspection, by-law, transportation services, health services, recreation and culture, and planning and development. For management reporting purposes the Township's operations and activities are reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions, or limitations.

Township services are provided by various departments and their activities are reported by department. These departments have been grouped together based on the services that they perform for the purpose of segmented disclosure, as follows:

- Protection to Persons and Property includes Fire Services, Building Inspection, Canine Control, and By-law Enforcement.
- Transportation Services includes Roads Maintenance and Construction, Streetlighting, Sidewalks, Parking Lots, and Traffic Control.
- Environmental Services includes the Collection of Garbage in downtown cores and parks.
- Health Services includes Health Centres and Cemeteries.
- Recreational Services includes Parks, Arenas, Halls, Libraries, and Grants to Local Organizations.
- Planning and Development includes Planning Services, Tourism and Economic Development, and the Committee of Adjustment.
- General Government includes all the other functions that cannot be easily allocated including Administration, Treasury and Tax, Public Buildings and the Municipal Health Safety Program.

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2021

18. Segmented information (continued)

	General Government	Protection of Persons	Transportation Services	Environmental Services	Health Services	Recreational Services	Planning & development	2021 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Salaries, wages and benefits	1,744,422	1,256,362	1,477,097	30,507	5,298	1,294,570	113,678	5,921,934
Operating materials & supplies	978,075	388,339	1,364,056	21,923	105,685	599,776	101,960	3,559,814
Contracted services	241,159	15,180	289,318	—	400	9,404	20,350	575,811
Rents & financial expenses	23,499	—	—	—	—	26	—	23,525
External transfers	—	—	—	—	—	2,704	—	2,704
Amortization	212,801	259,361	3,384,964	—	26,754	254,270	—	4,138,150
	3,199,956	1,919,242	6,515,435	52,430	138,137	2,160,750	235,988	14,221,938
Revenue								
Tax revenue	9,884,930	—	—	—	—	—	—	9,884,930
User fees	159,311	265,810	71,878	—	107,285	212,459	170,045	986,788
Federal grants	54,838	—	—	—	—	18,387	—	73,225
Federal gas tax	—	—	248,423	—	—	—	—	248,423
Provincial grants	1,332,678	13,258	652,308	—	—	22,857	—	2,021,101
Investment	120,892	—	—	—	—	292	—	121,184
Penalties	368,716	—	—	—	—	—	—	368,716
Developers contributions	—	1,580,040	—	—	—	—	—	1,580,040
Contributed tangible capital assets	—	—	482,870	—	—	—	—	482,870
Gain (loss) on sale/disposal of tangible capital assets	—	—	(3,834)	—	—	—	—	(3,834)
Other revenues	14,543	6,500	100,000	—	—	10,147	—	131,190
	11,935,908	1,865,608	1,551,645	—	107,285	264,142	170,045	15,894,633
Annual (deficit) surplus, end of year	8,735,952	(53,634)	(4,963,790)	(52,430)	(30,852)	(1,896,608)	(65,943)	1,672,695

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2021

18. Segmented information (continued)

	General Government	Protection of Persons	Transportation Services	Environmental Services	Health Services	Recreational Services	Planning & development	2020 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Salaries, wages and benefits	1,572,278	1,220,933	1,305,705	28,978	5,989	1,178,632	—	5,312,515
Operating materials & supplies	1,100,271	454,189	1,808,050	24,748	102,170	550,725	16,909	4,057,062
Contracted services	363,116	—	102,917	—	—	20,914	20,594	507,541
Rents & financial expenses	21,547	—	—	—	—	—	—	21,547
External transfers	—	8,035	—	—	—	33,570	146,461	188,066
Debt services	—	39,764	—	—	—	—	—	39,764
Amortization	186,590	281,551	3,367,088	—	26,335	226,501	—	4,088,065
	<u>3,243,802</u>	<u>2,004,472</u>	<u>6,583,760</u>	<u>53,726</u>	<u>134,494</u>	<u>2,010,342</u>	<u>183,964</u>	<u>14,214,560</u>
Revenue								
Tax revenue	9,307,496	—	193,599	—	—	—	—	9,501,095
User fees	168,288	454,758	59,013	—	118,996	229,590	21,330	1,051,975
Federal grants	—	—	24,453	—	—	16,176	—	40,629
Federal gas tax	—	—	1,359,526	—	—	—	—	1,359,526
Provincial grants	1,238,100	8,035	444,717	—	—	21,717	—	1,712,569
Investment	256,522	—	—	—	—	—	—	256,522
Penalties	252,422	—	—	—	—	—	—	252,422
Developers contributions	252,422	—	—	—	—	—	—	397,334
Gain (loss) on sale/disposal of tangible capital assets	—	—	17,793	—	—	—	—	17,793
Other revenues	12,547	6,500	100,000	—	—	6,869	—	125,916
	<u>11,487,797</u>	<u>469,293</u>	<u>2,199,101</u>	<u>—</u>	<u>118,996</u>	<u>274,352</u>	<u>21,330</u>	<u>14,715,781</u>
Annual (deficit) surplus, end of year	<u>8,243,995</u>	<u>(1,535,179)</u>	<u>(4,384,659)</u>	<u>(53,726)</u>	<u>(15,498)</u>	<u>(1,735,990)</u>	<u>(162,634)</u>	<u>501,221</u>

19. Comparative Figures

Certain of prior years comparative figures have been reclassified to conform with current year's presentation.