
Consolidated financial statements of
The Corporation of the
Township of Brock

December 31, 2022

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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, 2022, 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, 2022, 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
September 11, 2023

The Corporation of the Township of Brock
Consolidated statement of financial position
As at December 31, 2022

	Notes	2022	2021
		\$	\$
Assets			
Financial assets			
Cash	3	16,370,793	13,264,417
Investments	3	7,937,737	8,863,958
Taxes receivable	4	2,469,596	2,443,122
Accounts receivable		1,007,379	581,696
		27,785,505	25,153,193
Liabilities			
Accounts payable and accrued liabilities	5	1,764,711	2,009,913
Deferred revenue	6	9,818,154	8,535,745
Employee post employment benefits	7	323,600	354,400
		11,906,465	10,900,058
Contingencies	15		
Net financial assets		15,879,040	14,253,135
Non-financial assets			
Tangible capital assets	8	60,420,095	61,242,825
Construction in Progress		480,213	1,610,860
Prepaid expenses		135,623	96,222
		61,035,931	62,949,907
Accumulated surplus	9	76,914,971	77,203,042

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

_____, Director

_____, Director

The Corporation of the Township of Brock
Consolidated statement of operations
Year ended December 31, 2022

	Notes	Budget \$	2022 Actual \$	2021 Actual \$
		(Note 13)		
Revenue				
Taxation		10,026,191	10,117,495	9,884,930
User fees and charges		1,192,950	1,251,862	986,788
Grants	10			
Government of Canada		10,000	137,255	73,225
Province of Ontario		1,497,800	1,468,590	2,021,101
Federal gas tax		369,300	193,577	248,423
Investment income		50,000	360,302	121,184
Penalties and interest on taxes		325,000	411,841	368,716
Developer contributions and donations		144,000	451,108	1,580,040
Contributed tangible capital assets		—	—	482,870
Gain/(Loss) on sale/disposal of tangible capital assets		—	65,734	(3,834)
Other		19,250	627,373	131,190
		13,634,491	15,085,137	15,894,633
Expenses	14			
General government		3,260,000	3,075,576	3,199,956
Protection to persons and property		2,212,600	2,053,687	1,919,242
Transportation services		5,070,100	7,258,537	6,515,435
Environmental services		56,300	52,203	52,430
Health services		128,000	204,202	138,137
Recreation and cultural services		2,695,191	2,506,854	2,160,750
Planning and development		212,300	222,149	235,988
		13,634,491	15,373,208	14,221,938
Annual (deficit) surplus		—	(288,071)	1,672,695
Accumulated surplus, beginning of year		—	77,203,042	75,530,347
Accumulated surplus, end of year		—	76,914,971	77,203,042

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, 2022

	Budget	2022	2021
	\$	Actual	Actual
	\$	\$	\$
	(Note 13)		
Annual (deficit)/surplus	—	(288,071)	1,672,695
Acquisition of tangible capital assets	(2,908,500)	(2,313,070)	(4,425,141)
Contributed tangible capital assets	—	—	(482,870)
(Gain)/Loss on disposal of tangible capital assets	—	(65,734)	3,834
Proceeds from sale of tangible capital assets	—	66,369	3,539
Amortization of tangible capital assets	4,250,000	4,265,812	4,138,150
	1,341,500	1,665,306	910,207
Net change in prepaid expenses	—	(39,401)	(73,967)
Increase in net financial assets	1,341,500	1,625,905	836,240
Net financial assets, beginning of year	14,253,135	14,253,135	13,416,895
Net financial assets, end of year	15,594,635	15,879,040	14,253,135

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, 2022

	2022	2021
	\$	\$
Operating activities		
Annual (deficit)/surplus	(288,071)	1,672,695
Items not involving cash		
Amortization	4,265,812	4,138,150
Contributed tangible capital assets	—	(482,870)
(Gain)/Loss on sale of tangible capital assets	(65,734)	3,834
Change in non-cash working capital		
Taxes receivable	(26,474)	(437,423)
Accounts receivable	(425,683)	176,434
Investments	926,221	2,595,787
Prepaid expenses	(39,401)	(73,967)
Accounts payable and accrued liabilities	(245,202)	(540,246)
Deferred revenue	1,282,409	(649,336)
Employee post employment benefits	(30,800)	(48,800)
	5,353,077	6,354,258
Capital activities		
Acquisition of tangible capital assets	(2,313,070)	(4,425,141)
Proceeds from sale of tangible capital assets	66,369	3,539
	(2,246,701)	(4,421,602)
Net change in cash	3,106,376	1,932,656
Cash beginning of year	13,264,417	11,331,761
Cash, end of year	16,370,793	13,264,417

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.

(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.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(iv) Non-financial assets (continued)

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.

(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.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(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	2022 Total	2021 Total
	\$	\$	\$	\$
Taxation and user charges	3,960,107	12,851,710	16,811,817	16,373,103
Payments-in-lieu	88,147	193,300	281,447	278,386
	4,048,254	13,045,010	17,093,264	16,651,489

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2022

2. 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:

	2022		2021	
	Cash	Investments	Cash	Investments
	\$	\$	\$	\$
Operating Fund	1,897,532	61,506	2,923,291	60,000
Reserve Fund	14,473,261	7,876,231	10,341,126	8,803,958
	16,370,793	7,937,737	13,264,417	8,863,958

The market value of the investments at December 31, 2022 was \$8,007,240 (\$8,890,791 in 2021).

3. Taxes receivable

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

	2022	2021
	\$	\$
Current year	1,534,337	1,585,845
Arrears, previous years	955,259	877,277
	2,489,596	2,463,122
Less allowance	(20,000)	(20,000)
	2,469,596	2,443,122

4. 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, 2022. A further breakdown is provided below:

	2022	2021
	\$	\$
Trade account payable	1,135,471	1,289,651
Payroll liabilities	363,582	456,700
Accrued liabilities	135,403	142,424
Refund deposits	130,258	121,138
	1,764,714	2,009,913

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2022

5. Deferred revenue

	2022	2021
	\$	\$
Obligatory reserve funds		
Development charges	7,505,499	6,811,885
Parkland	234,351	224,388
Building Department fees	130,491	195,681
Federal gas tax receipts	1,191,098	987,720
	9,061,439	8,219,674
Other deferred revenue	756,715	316,071
	9,818,154	8,535,745
Continuity of obligatory reserve funds is as follows		
Balance, beginning of year	8,219,674	8,868,598
Subdividers contributions	932,246	390,780
Building permit fees in excess of expenditures	—	—
Federal gas tax funding received	369,228	724,177
Interest earned	188,851	64,582
	9,709,999	10,048,137
Earned revenue transferred to operations	(648,560)	(1,828,463)
Total obligatory deferred revenue	9,061,439	8,219,674

6. 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:

	2022	2021
	\$	\$
Accrued benefit obligation	304,300	307,900
Unamortized actuarial gain	19,300	46,500
Employee post-employment benefits	323,600	354,400
Opening liability for post-employment benefits	354,400	403,200
Current year benefit expense	19,500	19,100
Benefit payments	(30,000)	(38,700)
Amortization of actuarial gain	(27,200)	(36,200)
Interest on accrued benefit obligation	6,900	7,000
	323,600	354,400

The main assumptions employed for these valuations are as follows:

(a) Interest (discount) rate

The present values as at December 31, 2022 of the post-employment benefits was determined using a discount rate of 2.2%.

6. Employee post-employment benefits (continued)

(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%.

7. 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 2022 totaled nil (\$482,870 in 2021).

(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.

(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 2021) and nil interest was capitalized during the year (nil in 2021)

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2022

7. Tangible capital assets (continued)

	Land	Land improvements	Buildings	Rolling Stock	Furniture and equipment	Sidewalks and parking	Roads	Storm sewer	Bridges and structures	2022 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
Balance, beginning 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	139,377,564
Additions	—	36,306	206,572	1,770,107	597,373	269,751	563,608	—	—	3,443,717
Disposals	—	—	—	(414,206)	(44,398)	—	—	—	—	(458,604)
Balance, end of year	2,724,452	3,799,992	15,994,144	10,255,709	3,424,996	3,344,783	88,742,102	2,971,532	11,104,967	142,362,677
Accumulated amortization										
Balance, beginning 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
Amortization expense	—	119,769	357,657	554,676	215,394	130,471	2,672,508	39,836	175,501	4,265,812
Disposals	—	—	—	(413,571)	(44,398)	—	—	—	—	(457,969)
Balance, end of year	—	1,875,780	7,386,918	4,721,810	2,063,529	1,133,306	61,314,030	681,173	2,766,036	81,942,582
Net book value of tangible capital assets	2,724,452	1,924,212	8,607,226	5,533,899	1,361,467	2,211,477	27,428,072	2,290,359	8,338,931	60,420,095
2021										
	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	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	3,297,151
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	139,377,564
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	61,242,825

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2022

8. Accumulated surplus

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

	2022	2021
	\$	\$
Invested in tangible capital assets	60,420,098	61,242,825
Construction in Progress	480,213	1,610,860
Other	1,026,829	3,079,314
Internal Debenture	(752,000)	(842,000)
Employee future benefits	(323,600)	(354,400)
Total surplus	60,851,540	64,736,599
Reserves		
Acquisition of tangible capital assets	663,205	791,771
Municipal projects	53,458	58,320
Future elections	25,645	70,000
Rate stabilizations	3,488,436	259,033
Working capital	500,000	500,000
Sub-total reserves	4,730,744	1,679,124
Reserve funds set aside for specific purposes by Council for Reserve funds		
Insurance purposes	258,164	232,534
Post employment	224,343	220,074
Acquisition of tangible capital assets	7,508,439	7,138,147
Road construction	3,341,741	3,196,564
Sub-total reserve funds	11,332,687	10,787,319
Total accumulated surplus	76,914,971	77,203,042

9. Grants

	2022	2021
	\$	\$
Government of Canada	137,255	73,225
Province of Ontario		
Ministry of Municipal Affairs – Ontario Municipal Partnership Fund	885,800	883,400
Modernization Grant	65,058	116,416
Ministry of the Finance - Cannabis	—	5,000
Ministry of Infrastructure - ICIP Grant (provincial portion)	8,657	—
Ministry of Agriculture & Food		
Wild Life Damage	9,992	13,258
OMAFRA Drainage Grant	2,098	463
Ministry of Municipal Affairs – Ontario Community Infrastructure Grant	391,373	464,683
Ministry of Municipal Affairs – Safe Restart	72,000	327,400
Ministry of Natural Resources – Aggregate Resources Act	167,538	187,625
Ministry of Culture & Recreation – Library Operating Grant	21,717	21,717
Library - Program Grants	11,895	1,140
	1,636,128	2,021,102

10. Trust funds

Trust funds administered by the Township amounting to \$1,033,961 (\$1,008,335 in 2021) are not included in the Consolidated statement of financial position nor have their operations been included in the Consolidated statement of operations.

11. 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 \$307,007 (\$318,237 in 2021) 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, 2022, the OMERS plan with over 559,000 members, has a funding deficit that is approximately \$6.7 billion.

12. Budget figures

The budgets originally approved by Township Council for 2022, 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.

12. Budget figures (continued)

- 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.

13. Classification of expenses by object

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

	2022	2021
	\$	\$
Salaries, wages and employee benefits	6,167,897	5,921,934
Operating materials and supplies	4,234,665	3,559,814
Contracted services	638,939	575,811
Rents and financial expenses	28,421	23,525
External transfers to others	37,474	2,704
Amortization	4,265,812	4,138,150
	15,373,208	14,221,938

14. 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.

15. 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.

15. Segmented information (continued)

- 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, 2022

15. Segmented information (continued)

	General Government	Protection of Persons	Transportation Services	Environmental Services	Health Services	Recreational Services	Planning & development	2022 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Salaries, wages and benefits	1,588,896	1,286,183	1,682,384	30,835	7,747	1,445,609	126,243	6,167,897
Operating materials & supplies	941,734	443,114	1,798,244	21,368	168,993	774,928	86,284	4,234,665
Contracted services	253,425	15,246	347,546	—	288	12,812	9,622	638,939
Rents & financial expenses	28,367	—	—	—	—	54	—	28,421
External transfers	29,124	(500)	—	—	—	8,850	—	37,474
Amortization	234,030	309,644	3,430,363	—	27,174	264,601	—	4,265,812
	3,075,576	2,053,687	7,258,537	52,203	204,202	2,506,854	222,149	15,373,208
Revenue								
Tax revenue	10,117,495	—	—	—	—	—	—	10,117,495
User fees	224,521	374,240	30,807	—	113,965	413,218	95,111	1,251,862
Federal grants	13,341	2,020	—	—	—	121,894	—	137,255
Federal gas tax	—	—	193,577	—	—	—	—	193,577
Provincial grants	1,024,955	9,992	558,911	—	—	42,270	—	1,636,128
Investment	357,813	—	—	—	—	2,489	—	360,302
Penalties	411,841	—	—	—	—	—	—	411,841
Developers contributions	—	451,108	—	—	—	—	—	451,108
Gain (loss) on sale/disposal of tangible capital assets	—	—	65,734	—	—	—	—	65,734
Other revenues	339,938	6,500	100,000	—	—	13,397	—	459,835
	12,489,904	843,860	949,029	—	113,965	593,268	95,111	15,085,137
Annual (deficit) surplus, end of year	9,414,328	(1,209,827)	(6,309,508)	(52,203)	(90,237)	(1,913,586)	(127,038)	(288,071)

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2022

15. 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
Debt services	—	—	—	—	—	—	—	—
Amortization	212,801	259,361	3,384,964	—	26,754	254,270	—	4,138,150
	<u>3,199,956</u>	<u>1,919,242</u>	<u>6,515,435</u>	<u>52,430</u>	<u>138,137</u>	<u>2,160,750</u>	<u>235,988</u>	<u>14,221,938</u>
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
	<u>11,935,908</u>	<u>1,865,608</u>	<u>1,551,645</u>	<u>—</u>	<u>107,285</u>	<u>264,142</u>	<u>170,045</u>	<u>15,894,633</u>
Annual (deficit) surplus, end of year	<u>8,735,952</u>	<u>(53,634)</u>	<u>(4,963,790)</u>	<u>(52,430)</u>	<u>(30,852)</u>	<u>(1,896,608)</u>	<u>(65,943)</u>	<u>1,672,695</u>