
Consolidated financial statements of The Corporation of the Township of Brock

December 31, 2024

Independent Auditor's Report	1-2
Consolidated statement of financial position	3
Consolidated statement of operations	4
Consolidated statement of change in net financial assets	5
Consolidated statement of cash flows	6
Notes to the consolidated financial statements	7-21

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 consolidated statement of financial position as at December 31, 2024, 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, 2024, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of entities or business units within the Township as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

The signature "Deloitte LLP" is written in a cursive, handwritten style.

Chartered Professional Accountants
Licensed Public Accounts
June 9, 2025

The Corporation of the Township of Brock
Consolidated statement of financial position
As at December 31, 2024

	Notes	2024 \$	2023 \$
Assets			
Financial assets			
Cash	4	18,703,219	15,207,202
Investments	4	8,949,623	9,228,747
Taxes receivable	5	3,576,870	3,089,761
Accounts receivable		1,101,638	1,226,085
		32,331,350	28,751,795
Liabilities			
Accounts payable and accrued liabilities	6	4,780,610	3,072,213
Deferred revenue	8	10,081,395	9,629,795
Employee post employment benefits	9	321,500	311,400
Asset retirement obligations	10	1,070,455	1,009,863
		16,253,960	14,023,271
Contingencies	18		
Net financial assets		16,077,390	14,728,524
Non-financial assets			
Tangible capital assets	11	57,679,863	59,381,486
Construction in progress		1,465,445	1,953,733
Prepaid expenses		188,418	175,123
		59,333,726	61,510,342
Accumulated surplus	12	75,411,116	76,238,866

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, 2024

	Notes	Budget \$	2024 Actual \$	2023 Actual \$
		(Note 16)		
Revenue				
Taxation		11,088,733	11,009,004	10,583,222
User fees and charges		1,337,808	1,373,412	1,182,608
Grants				
Government of Canada	13	—	60,008	23,636
Province of Ontario	13	917,517	1,363,841	1,400,521
Federal gas tax		—	820,433	218,439
Investment income		172,015	851,733	716,933
Penalties and interest on taxes		370,000	495,826	425,592
Developer contributions and donations		—	321,233	974,222
Gain on sale/disposal of tangible capital assets		—	96,352	67,034
Other		1,000,465	669,022	483,990
		14,886,538	17,060,864	16,076,197
Expenses	17			
General government		3,945,780	3,731,210	3,802,592
Protection to persons and property		2,380,564	2,492,380	2,431,252
Transportation services		8,136,783	7,967,859	7,284,575
Environmental services		58,730	71,005	50,942
Health services		160,180	149,289	160,147
Recreation and cultural services		3,136,429	3,179,654	2,797,462
Planning and development		373,251	297,217	225,332
		18,191,717	17,888,614	16,752,302
Annual deficit		(3,305,179)	(827,750)	(676,105)
Accumulated surplus, beginning of year		76,238,866	76,238,866	76,914,971
Accumulated surplus, end of year		72,933,687	75,411,116	76,238,866

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, 2024

	Budget \$	2024 Actual \$	2023 Actual \$
	(Note 16)		
Annual deficit	(3,305,179)	(827,750)	(676,105)
Acquisition of tangible capital assets	(4,645,000)	(3,897,021)	(2,529,318)
Net change in construction in progress	—	488,288	(1,473,520)
Adjustment for first time adoption of PSAS 3280, Asset Retirement Obligations	—	—	(1,009,863)
Gain on disposal of tangible capital assets	—	(96,352)	(67,034)
Proceeds from sale of tangible capital assets	—	105,299	71,514
Amortization of tangible capital assets	5,590,000	5,589,697	4,573,310
	(2,360,179)	1,362,161	(1,111,016)
Net change in prepaid expenses (Decrease) increase	—	(13,295)	(39,500)
	(2,360,179)	1,348,866	(1,150,516)
Net financial assets, beginning of year	14,728,524	14,728,524	15,879,040
Net financial assets, end of year	12,368,345	16,077,390	14,728,524

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, 2024

	2024 \$	2023 \$
Operating activities		
Annual deficit	(827,750)	(676,105)
Items not involving cash		
Amortization	5,589,697	4,573,310
Accretion	60,592	—
Gain on sale of tangible capital assets	(96,352)	(67,034)
Change in non-cash working capital		
Taxes receivable	(487,109)	(620,165)
Accounts receivable	124,447	(218,706)
Investments	279,124	(1,291,010)
Prepaid expenses	(13,295)	(39,500)
Accounts payable and accrued liabilities	1,708,397	1,307,503
Deferred revenue	451,600	(188,359)
Employee post employment benefits	10,100	(12,200)
	6,799,451	2,767,734
Capital activities		
Acquisition of tangible capital assets	(3,897,021)	(1,519,455)
Net (increase)/decrease in construction in progress	488,288	(1,473,521)
Proceeds from sale of tangible capital assets	105,299	71,514
Increase in tangible capital assets related to adoption of PSAS 3280	—	(1,009,863)
	(3,303,434)	(3,931,325)
Net change in cash	3,496,017	(1,163,591)
Cash, beginning of year	15,207,202	16,370,793
Cash, end of year	18,703,219	15,207,202

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.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(iii) Financial instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument.

Financial instrument	Measurement method
Cash	Cost
Investments	Amortized cost
Taxes receivable	Cost
Accounts receivable	Cost
Accounts payable and accrued liabilities	Cost

Amortized cost: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

(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.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(iv) Non-financial assets (continued)

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.

(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.

1. Significant accounting policies (continued)

(b) Basis of accounting (continued)

(x) Asset retirement obligations

Asset retirement obligations (ARO's) are provisions for legal obligations for the retirement of the Township's tangible capital assets that are either in productive use or no longer in productive use.

An ARO liability is recognized when, as at the financial reporting date:

- (a) there is a statutory, contractual, or legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

The Township recognizes asset retirement obligations in the period in which it incurs a statutory, contractual, or legal obligation associated with the retirement of tangible capital assets resulting from acquisition, construction, development, and or normal operation of tangible capital assets.

The liabilities are measured initially at management's best estimate of the discounted future cash flows required to settle the retirement obligation. For tangible capital assets that are still in productive use, the estimated retirement costs are capitalized and amortized on the same basis as the related tangible capital asset. For assets that are no longer in productive use, the liability is expensed in the period.

In subsequent periods, the liability is accreted over time. The asset retirement obligations estimates are adjusted, if necessary, for changes in the liability estimate or timing of the future cash flows, as applicable. Accretion expenses are included in the Consolidated Statement of Operation. Actual costs incurred are charged against the asset retirement obligation to the extent of the liability recorded. Differences between actual costs incurred and the liability, if any are recognized in the Consolidated Statement of Operations when remediation is complete.

(xi) 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. Adoption of new accounting standards

The Township adopted the following standards concurrently beginning January 1, 2024: PS 3400 Revenue, PS 3160 Public Private Partnerships and PSG 8 Purchased Intangibles.

PS 3400 Revenue was adopted on a prospective basis resulting in an increase in deferred revenue in 2024 of \$47,000.

The adoption of PS 3160 Public Private Partnerships and PSG 8 Purchased Intangibles had no impact on the Financial Statements of the Township.

3. 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	2024 Total	2023 Total
	\$	\$	\$	\$
Taxation and user charges	4,098,004	14,935,812	19,033,816	17,850,569
Payments-in-lieu	165,356	211,388	376,744	288,904
	4,263,360	15,147,200	19,410,560	18,139,473

4. 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:

	Cash	2024 Investments	Cash	2023 Investments
	\$	\$	\$	\$
Operating Fund	4,187,367	60,000	2,197,426	62,106
Reserve Fund	14,515,852	8,889,623	13,009,776	9,166,641
	18,703,219	8,949,623	15,207,202	9,228,747

The market value of the investments at December 31, 2024 was \$9,092,236 (\$9,328,295 in 2023).

5. Taxes receivable

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

	2024	2023
	\$	\$
Current year	2,307,755	2,165,777
Arrears, previous years	1,289,115	943,984
	3,596,870	3,109,761
Less allowance	(20,000)	(20,000)
	3,576,870	3,089,761

6. 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, 2024. A further breakdown is provided below:

	2024	2023
	\$	\$
Trade account payable	3,732,357	2,245,455
Payroll liabilities	419,840	426,516
Accrued liabilities	488,933	277,931
Refund deposits	139,490	122,311
	4,780,620	3,072,213

7. Financial instruments

Risks arising from financial instruments and risk management

The Township is exposed to a variety of financial risks including credit risk and liquidity risk. The Township's overall risk management program seeks to minimize potential adverse effects on the Township's financial performance.

Credit risk

The Township's principal financial assets are cash, investments, taxes receivable and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the Statement of Financial Position represent the Township's maximum credit exposure as at the Statement of Financial Position date.

Liquidity risk

Liquidity risk is the risk that the Township will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Township manages its liquidity risk by monitoring its operating requirements and prepares a budget to ensure that it has sufficient funds to fulfill obligations.

8. Deferred revenue

	2024	2023
	\$	\$
Obligatory reserve funds		
Development charges	6,785,183	6,645,268
Parkland	258,754	246,383
Building department fees	58,393	—
Federal gas tax receipts	1,092,127	1,435,491
	8,194,457	8,327,142
Other deferred revenue	1,886,938	1,302,653
	10,081,395	9,629,795
Continuity of obligatory reserve funds is as follows		
Balance, beginning of year	8,327,142	9,061,439
Subdividers contributions	158,533	190,897
Amounts refunded to Region of Durham	—	(464,757)
Federal gas tax funding received	400,860	385,281
Interest earned	393,895	492,315
	9,280,430	9,665,175
Earned revenue transferred to operations	(1,085,973)	(1,338,033)
Total obligatory deferred revenue	8,194,457	8,327,142

9. 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:

	2024	2023
	\$	\$
Accrued benefit obligation	235,500	215,100
Unamortized actuarial gain	86,000	96,300
Employee post-employment benefits	321,500	311,400
Opening liability for post-employment benefits	311,400	323,600
Current year benefit expense	15,800	24,300
Benefit payments	(5,200)	(12,100)
Amortization of actuarial gain	(10,300)	(30,700)
Interest on accrued benefit obligation	9,800	6,300
	321,500	311,400

The main assumptions employed for these valuations are as follows:

(a) Discount rate

The present values as at December 31, 2024 of the post-employment benefits was determined using a discount rate of 4.3%.

9. Employee post-employment benefits (continued)

(b) Health and dental costs

Health care costs are expected to decrease by 0.14% in the first year after the valuation, decreasing to an ultimate rate of 4.5% by 2044. Dental costs are assumed to increase by 0% staying consistent at 4.5%.

10. Asset retirement obligations

Controlled substances

The Township has a number of buildings containing asbestos requiring remediation upon decommissioning. The Canadian Environmental Protection Act (CEPA) governs the protection of the environment and human health with respect the hazardous waste such as asbestos. There are regulations specifically regarding the handling of asbestos, such as the "Prohibition of Asbestos and Products Containing Asbestos Regulations" which are published under the authority of CEPA. In addition, the Canada Occupational Health and Safety Regulations (10.26.1 Schedule, Division II – Hazardous Substances Other than Hazardous Products) outlines requirements for asbestos exposure control plans, as well as requirements on disposal of asbestos and decontamination.

The estimated liability is the present value of the estimated future cash flows required to settle the asset retirement obligations is \$1,070,455.

Controlled substances (continued)

A reconciliation of the beginning and ending aggregate carrying amount of the liability is as follows:

	2024	2023
	\$	\$
Balance, beginning of year	1,009,863	—
Adoption of PSAS 3280	—	1,009,863
Accretion expense	60,592	—
Balance, end of year	1,070,455	1,009,863

11. 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 2024 totaled nil (nil in 2023).

(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.

11. Tangible capital assets (continued)

(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 2023) and nil interest was capitalized during the year (nil in 2023)

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2024

11. Tangible capital assets (continued)

	Land	Land improvements	Buildings	Rolling stock	Furniture and equipment	Sidewalks and parking	Roads	Storm sewer	Bridges and structures	Asset retirement obligations	2024 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost											
Balance, beginning of year	2,724,452	3,836,004	16,633,193	10,687,026	3,959,753	3,344,783	89,046,755	2,971,532	11,205,165	1,009,863	145,418,526
Adoption of PSAS 3280	—	190,542	391,104	1,032,794	165,765	233,023	1,361,669	—	522,124	—	3,897,021
Additions	—	(11,821)	—	(152,418)	(56,938)	—	—	—	—	—	(221,177)
Disposals	—	(11,821)	—	(152,418)	(56,938)	—	—	—	—	—	(221,177)
Balance, end of year	2,724,452	4,014,725	17,024,297	11,567,402	4,068,580	3,577,806	90,408,424	2,971,532	11,727,289	1,009,863	149,094,370
Accumulated amortization											
Balance, beginning of year	—	1,991,950	7,950,230	4,918,811	2,291,333	1,269,459	63,899,269	721,009	2,942,270	52,709	86,037,040
Amortization expense	—	112,257	559,918	685,129	287,108	140,213	3,531,234	39,836	181,292	52,709	5,589,697
Disposals	—	(8,829)	—	(146,462)	(56,938)	—	—	—	—	—	(212,230)
Balance, end of year	—	2,095,378	8,510,148	5,457,478	2,521,503	1,409,672	67,430,503	760,845	3,123,562	105,418	91,414,507
Net book value of tangible capital assets	2,724,452	1,919,347	8,514,149	6,109,924	1,547,077	2,168,134	22,977,921	2,210,687	8,603,727	904,445	57,679,863
	Land	Land improvements	Buildings	Rolling stock	Furniture and equipment	Sidewalks and parking	Roads	Storm sewer	Bridges and structures	Asset retirement obligations	2023 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost											
Balance, beginning 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
Adoption of PSAS 3280	—	—	—	—	—	—	—	—	—	—	—
Asset Retirement Obligations	—	—	—	—	—	—	—	—	—	1,009,863	1,009,863
Additions	—	36,012	639,049	869,924	579,482	—	304,653	—	100,198	—	2,529,318
Disposals	—	—	—	(438,607)	(44,725)	—	—	—	—	—	(483,332)
Balance, end of year	2,724,452	3,836,004	16,633,193	10,687,026	3,959,753	3,344,783	89,046,755	2,971,532	11,205,165	1,009,863	145,418,526
Accumulated amortization											
Balance, beginning 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
Amortization expense	—	116,170	563,312	631,129	272,528	136,153	2,585,239	39,836	176,234	52,709	4,573,310
Disposals	—	—	—	(434,128)	(44,724)	—	—	—	—	—	(478,852)
Balance, end of year	—	1,991,950	7,950,230	4,918,811	2,291,333	1,269,459	63,899,269	721,009	2,942,270	52,709	86,037,040
Net book value of tangible capital assets	2,724,452	1,844,054	8,682,963	5,768,215	1,668,420	2,075,324	25,147,486	2,250,523	8,262,895	957,154	59,381,486

12. Accumulated surplus

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

	2024 \$	2023 \$
Invested in tangible capital assets	57,679,863	59,381,486
Construction in progress	1,465,445	1,953,733
Other	681,839	53,869
Internal debenture	(568,000)	(661,000)
Employee future benefits	(321,500)	(311,400)
Asset retirement obligations	(1,070,455)	(1,009,863)
Total surplus	57,867,192	59,406,825
Reserves		
Acquisition of tangible capital assets	93,486	160,721
Municipal projects	109,251	65,385
Future elections	83,495	55,645
Legal	90,000	50,000
Rate stabilizations	1,514,182	2,934,556
Working capital	500,000	500,000
Sub-total reserves	2,390,414	3,766,307
Reserve funds set aside for specific purposes by Council for Reserve funds		
Insurance purposes	271,059	268,599
Post employment	245,095	235,910
Acquisition of tangible capital assets	8,709,554	7,976,185
Road construction	5,927,802	4,585,040
Sub-total reserve funds	15,153,510	13,065,734
Total accumulated surplus	75,411,116	76,238,866

13. Grants

	2024 \$	2023 \$
Government of Canada	60,008	23,636
Province of Ontario		
Ministry of Municipal Affairs – Ontario Municipal Partnership Fund	869,700	867,200
Modernization Grant	14,774	18,993
Ministry of Infrastructure - ICIP Grant (provincial portion)	72,017	—
Ministry of Agriculture & Food Wild Life Damage	26,300	9,659
OMAFRA Drainage Grant	4,671	4,171
Ministry of Municipal Affairs – Ontario Community Infrastructure Grant	330,425	430,251
Ministry of Culture & Recreation – Library Operating Grant	21,717	21,717
Library - Program Grants	24,237	48,530
	1,363,841	1,400,521

14. Trust funds

Trust funds administered by the Township amounting to \$1,125,822 (\$1,106,360 in 2023) are not included in the Consolidated statement of financial position nor have their operations been included in the Consolidated statement of operations.

15. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, which as of December 31, 2024, was on behalf of 69 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 \$444,707 (\$363,644 in 2023) 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, 2024, the OMERS plan with over 639,765 members, has a funding deficit that is approximately \$2.9 billion.

16. Budget figures

The budgets originally approved by Township Council for 2024, 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.

17. Classification of expenses by object

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

	2024	2023
	\$	\$
Salaries, wages and employee benefits	7,259,747	6,767,736
Operating materials and supplies	4,394,354	4,346,713
Contracted services	542,435	986,306
Rents and financial expenses	24,395	56,209
External transfers to others	17,394	22,028
Amortization	5,589,697	4,573,310
Accretion	60,592	—
	17,888,614	16,752,302

18. 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.

19. 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 Centers 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, 2024

19. Segmented information (continued)

	General Government	Protection of persons	Transportation services	Environmental services	Health services	Recreational services	Planning & development	2024 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Salaries, wages and benefits	2,013,354	1,506,375	1,744,031	31,256	13,405	1,771,909	179,417	7,259,747
Operating materials & supplies	906,400	515,257	1,842,502	39,749	73,678	914,194	102,574	4,394,354
Contracted services	350,154	26,637	55,641	—	35,651	59,126	15,226	542,435
Rents & financial expenses	24,395	—	—	—	—	—	—	24,395
External transfers	5,006	—	—	—	—	12,388	—	17,394
Amortization	371,310	444,110	4,325,686	—	26,555	422,036	—	5,589,697
Accretion	60,592	—	—	—	—	—	—	60,592
	3,731,211	2,492,379	7,967,860	71,005	149,289	3,179,653	297,217	17,888,614
Revenue								
Tax revenue	11,009,004	—	—	—	—	—	—	11,009,004
User fees	182,689	229,295	59,321	—	181,596	674,148	46,363	1,373,412
Federal grants	—	—	—	—	—	60,008	—	60,008
Federal gas tax	—	—	820,433	—	—	—	—	820,433
Provincial grants	889,145	26,300	330,425	—	—	117,971	—	1,363,841
Investment	845,351	—	—	—	—	6,382	—	851,733
Penalties	495,826	—	—	—	—	—	—	495,826
Developers contributions	—	321,233	—	—	—	—	—	321,233
Gain on sale/disposal of tangible capital assets	96,352	—	—	—	—	—	—	96,352
Other revenues	122,216	50,648	131,420	—	—	314,953	49,785	669,022
	13,640,583	627,476	1,341,599	—	181,596	1,173,462	96,148	17,060,864
Annual surplus (deficit)	9,909,372	(1,864,903)	(6,626,261)	(71,005)	32,307	(2,006,191)	(201,069)	(827,750)

The Corporation of the Township of Brock
Notes to the consolidated financial statements
December 31, 2024

19. Segmented information (continued)

	General Government	Protection of persons	Transportation services	Environmental services	Health services	Recreational services	Planning & development	2023 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Salaries, wages and benefits	1,761,664	1,508,303	1,664,545	31,120	5,578	1,624,196	172,330	6,767,736
Operating materials & supplies	1,194,095	504,659	1,689,691	19,822	94,378	794,289	49,779	4,346,713
Contracted services	332,558	15,307	555,936	—	31,981	47,301	3,223	986,306
Rents & financial expenses	56,209	—	—	—	—	—	—	56,209
External transfers	7,500	—	—	—	—	14,528	—	22,028
Amortization	450,565	402,983	3,374,403	—	28,211	317,148	—	4,573,310
	<u>3,802,591</u>	<u>2,431,252</u>	<u>7,284,575</u>	<u>50,942</u>	<u>160,148</u>	<u>2,797,462</u>	<u>225,332</u>	<u>16,752,302</u>
Revenue								
Tax revenue	10,583,222	—	—	—	—	—	—	10,583,222
User fees	194,290	222,681	46,549	—	126,863	565,165	27,060	1,182,608
Federal grants	—	—	—	—	—	23,636	—	23,636
Federal gas tax	—	—	218,439	—	—	—	—	218,439
Provincial grants	890,364	9,659	430,251	—	—	70,247	—	1,400,521
Investment	711,520	—	—	—	—	5,413	—	716,933
Penalties	425,592	—	—	—	—	—	—	425,592
Developers contributions	—	974,222	—	—	—	—	—	974,222
Gain on sale/disposal of tangible capital assets	67,034	—	—	—	—	—	—	67,034
Other revenues	97,245	152,306	158,728	—	—	29,351	46,360	483,990
	<u>12,969,267</u>	<u>1,358,868</u>	<u>853,967</u>	<u>—</u>	<u>126,863</u>	<u>693,812</u>	<u>73,420</u>	<u>16,076,197</u>
Annual surplus (deficit)	<u>9,166,676</u>	<u>(1,072,384)</u>	<u>(6,430,608)</u>	<u>(50,942)</u>	<u>(33,285)</u>	<u>(2,103,650)</u>	<u>(151,912)</u>	<u>(676,105)</u>