

**CORPORATION OF THE  
MUNICIPALITY OF BROCKTON  
CONSOLIDATED FINANCIAL REPORT  
DECEMBER 31, 2024**

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

DECEMBER 31, 2024

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# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL REPORT

The accompanying consolidated financial statements of the Corporation of the Municipality of Brockton (the "Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded (in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada), and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. Council meets with management and the external auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Baker Tilly SGB LLP, independent external auditor appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



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**Chief Administrative Officer**  
February 10, 2026



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**Chief Financial Officer**  
February 10, 2026

**BAKER TILLY SGB LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Municipality of Brockton:

**Opinion**

We have audited the consolidated financial statements of the Corporation of the Municipality of Brockton (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net debt, cash flow and remeasurement gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2024, and its consolidated results of operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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**BAKER TILLY SGB LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT CONTINUED**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Continued**

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Municipality'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 Municipality'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 consolidated 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 Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 the entities or business units within the Municipality as a basis for forming an opinion on the group 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.



**BAKER TILLY SGB LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
**LICENSED PUBLIC ACCOUNTANTS**

Walkerton, Ontario  
February 10, 2026

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2024	2023
	\$	\$
<b>Financial assets</b>		
Cash (Note 2)	7,107,564	5,569,952
Investments (Note 3)	4,399,184	3,823,348
Taxes receivable	956,143	695,377
Accounts receivable	1,622,891	1,053,634
Investment in Westario Power Inc. (Note 4)	2,303,593	2,303,593
Land held for sale	151,929	151,929
Long-term receivable (Note 5)	41,357	58,145
	<b>16,582,661</b>	13,655,978
<b>Liabilities</b>		
Accounts payable and accruals	2,622,425	2,434,128
Deferred revenue - obligatory reserve funds (Note 6)	605,102	395,030
Deferred revenue - other (Note 6)	2,724,898	1,926,696
Loans payable (Note 7)	19,598,479	17,093,597
Employee future benefits (Note 9)	64,776	63,989
Asset retirement obligations (Note 11)	4,292,959	4,065,239
	<b>29,908,639</b>	25,978,679
Net financial liabilities	<b>(13,325,978)</b>	(12,322,701)
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1, 2 and Note 12)	82,940,504	79,248,685
Prepaid expenses	135,493	137,897
	<b>83,075,997</b>	79,386,582
	<b>69,750,019</b>	67,063,881
Accumulated surplus is comprised of:		
Accumulated surplus (Note 13)	69,253,731	67,063,881
Accumulated remeasurement gain	496,288	-
	<b>69,750,019</b>	67,063,881

Approved \_\_\_\_\_ Mayor

\_\_\_\_\_ Date

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
	(Note 14)		
<b>Revenues</b>			
Net property taxation (Note 15)	12,839,038	<b>13,043,759</b>	11,944,223
User charges and fees	6,899,693	<b>6,359,479</b>	6,102,972
Government transfers	2,438,092	<b>2,362,004</b>	2,516,451
Revenue from other municipalities	166,700	<b>1,467,459</b>	1,216,385
Other (Note 16)	1,076,600	<b>502,030</b>	1,305,748
	<b>23,420,123</b>	<b>23,734,731</b>	23,085,779
<b>Expenses</b>			
General government	2,413,179	<b>2,437,300</b>	2,248,885
Protection services	4,609,528	<b>4,385,566</b>	4,455,475
Transportation services	4,826,811	<b>5,968,475</b>	5,468,328
Environmental services	3,646,077	<b>4,443,417</b>	4,057,665
Social and family services	2,141,597	<b>2,203,047</b>	2,006,582
Health services	303,063	<b>227,474</b>	187,166
Recreation and cultural services	2,389,593	<b>2,756,186</b>	2,646,021
Planning and development	785,211	<b>1,567,981</b>	561,333
	<b>21,115,059</b>	<b>23,989,446</b>	21,631,455
Net revenues/(expenses)	2,305,064	<b>(254,715)</b>	1,454,324
<b>Other</b>			
Grants and transfers related to capital			
Government transfers	1,036,000	<b>1,598,530</b>	1,265,944
Capital contribution	-	<b>280,740</b>	62,506
Gain/(Loss) on disposal of tangible capital assets	-	<b>(48,946)</b>	819,519
Donations	-	<b>175,275</b>	223,124
Investment income	-	<b>438,966</b>	394,796
	<b>1,036,000</b>	<b>2,444,565</b>	2,765,889
<b>Annual surplus</b>	3,341,064	<b>2,189,850</b>	4,220,213
Accumulated surplus, beginning of year		<b>67,063,881</b>	62,843,668
<b>Accumulated surplus, end of year</b> (Note 13)		<b>69,253,731</b>	67,063,881

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT FOR THE YEAR ENDED DECEMBER 31

	Budget 2024	Actual 2024	Actual 2023
	\$ (Note 14)	\$	\$
<b>Annual surplus</b>	3,341,064	<b>2,189,850</b>	4,220,213
Acquisition of tangible capital assets	(3,637,660)	<b>(6,304,150)</b>	(12,347,111)
Amortization of tangible capital assets	-	<b>2,828,842</b>	2,503,977
Loss/(Gain) on disposal of tangible capital assets	-	<b>48,946</b>	(819,519)
Proceeds on disposal of tangible capital assets	-	<b>15,283</b>	1,194,789
Transfer of land held for sale	-	-	151,929
Change in prepaid expenses	-	<b>2,404</b>	365,320
Contributed tangible capital assets	-	<b>(280,740)</b>	(62,506)
	(296,596)	<b>(1,499,565)</b>	(4,792,908)
Change in accumulated remeasurement gains and losses	-	<b>496,288</b>	-
Change in net debt	(296,596)	<b>(1,003,277)</b>	<b>(4,792,908)</b>
Net debt, beginning of year	(12,322,701)	<b>(12,322,701)</b>	(7,529,793)
<b>Net debt, end of year</b>	<b>(12,619,297)</b>	<b>(13,325,978)</b>	(12,322,701)

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2024	2023
	\$	\$
<b>Cash flows from (for):</b>		
<b>Operating activities</b>		
Annual surplus	2,189,850	4,220,213
Non-cash items:		
Amortization of tangible capital assets	2,828,842	2,503,977
(Gain)/Loss on disposal of tangible capital assets	48,946	(819,519)
Transfer to land held for sale	-	151,929
Employee future benefits	787	(13,988)
Change in asset retirement obligation liability	227,720	151,512
Contributed tangible capital assets	(280,740)	(62,506)
	5,015,405	6,131,618
Changes in:		
Taxes receivable	(260,766)	(156,043)
Accounts receivable	(569,257)	1,238,383
Prepaid expenses	2,404	365,319
Accounts payable and accruals	942,986	(848,017)
Land held for sale	-	(117,363)
<b>Net change in cash from operations</b>	<b>5,130,772</b>	<b>6,613,897</b>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(6,304,150)	(12,347,111)
Proceeds on disposal of tangible capital assets	15,283	1,194,789
Accounts payable and accruals	(754,690)	365,398
<b>Net change in cash from capital</b>	<b>(7,043,557)</b>	<b>(10,786,924)</b>
<b>Investing activities</b>		
Long-term receivable	16,788	16,473
Investments	(79,548)	(3,823,348)
<b>Net change in cash from investing</b>	<b>(62,760)</b>	<b>(3,806,875)</b>
<b>Financing activities</b>		
Loans payable issued	3,453,205	7,917,837
Loans payable repaid	(948,322)	(3,891,790)
Change in deferred revenue	1,008,274	(21,441)
<b>Net change in cash from financing</b>	<b>3,513,157</b>	<b>4,004,606</b>
<b>Net change in cash position</b>	<b>1,537,612</b>	<b>(3,975,296)</b>
Cash, beginning of year	5,569,952	9,545,248
<b>Cash, end of year</b>	<b>7,107,564</b>	<b>5,569,952</b>

The accompanying notes are an integral part of  
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# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES FOR THE YEAR ENDED DECEMBER 31

	2024	2023
	\$	\$
Accumulated remeasurement gains at beginning of year	-	-
Unrealized gains (losses) attributed to:		
Investments	496,288	-
Net change in remeasurement gains	496,288	-
<b>Accumulated remeasurement gains at end of year</b>	<b>496,288</b>	<b>-</b>

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### Nature of operations

The Corporation of the Municipality of Brockton (the "Municipality") is a lower-tier Municipality located in the County of Bruce, Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes, such as the Municipal Act, Municipal Affairs Act and related legislation.

### 1. Summary of significant accounting policies

The consolidated financial statements of the Municipality are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the municipality are as follows:

#### (a) Basis of consolidation

These consolidated financial statements reflect assets, liabilities, revenues and expenses of the Municipality. They include the activities of all committees of Council and the following organizations which are accountable to, and owned or controlled by the Municipality:

Bradley Community Centre

Excluded are Funds Held in Trust which are administered by the Municipality and reported on separately.

A government partnership exists where the Municipality has a shared control over the board or entity. The Municipality's pro-rata share of assets, liabilities, revenues and expenses are reflected in the consolidated financial statements using the proportionate consolidation method. The Municipality's proportionate interest in the following government partnerships are reflected in the consolidated financial statements:

Bruce Area Solid Waste Recycling	12.87%
Elmwood Community Centre	50.00%
Hanover/Walkerton Landfill	50.00%
Saugeen Municipal Airport	42.00%
Elmwood Fire Department	42.30%
Saugeen Mobility & Regional Transit (S.M.A.R.T)	11.80%

All interfund assets and liabilities and sources of revenues and expenses have been eliminated.

#### (b) Basis of accounting

Sources of revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

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# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 1. Summary of significant accounting policies (continued)

#### (c) Cash and cash equivalents

Cash and cash equivalents include cash on deposit, short-term deposits with a maturity of less than three months at acquisition and temporary bank overdrafts which form an integral part of the Municipality's cash management.

#### (d) Financial instruments

The financial instruments of the Municipality consist of cash and cash equivalents, accounts receivable, investments, long-term receivable, accounts payable, deferred revenues, and long-term liabilities. All financial instruments are recognized at cost, amortized cost, or fair value.

Cash and cash equivalents are recognized at cost. Accounts receivable, long-term receivable, accounts payable, deferred revenues and long-term liabilities (excluding derivative financial instruments) are recognized at amortized cost.

Investments include Canadian bonds and principal protected notes (PPNs). Bonds are recorded at fair values as they are quoted in an active market. PPNs have been designated to be recorded at fair value as these are hybrid financial instruments with an embedded derivative that has not been separated from the host contract. Derivatives are recorded at fair value and in determining fair value, the credit risk of both counterparties is considered.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured at cost or amortized cost.

Unrealized gains and losses from the change in fair value of these financial instruments are reflected in the statement of remeasurement gains and losses until disposition. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 1. Summary of significant accounting policies (continued)

#### (d) Financial instruments (continued)

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

#### (e) Deferred revenue

Revenue restricted by legislation, regulation, or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for the specified purpose.

#### (f) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net financial assets for the year.

##### (i) 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:

Land improvements	- 15 to 40 years
Leasehold improvements	- 10 years
Buildings and improvements	- 40 to 80 years
Vehicles, machinery, equipment and furniture	- 5 to 85 years
Water and wastewater infrastructure	- 70 to 80 years
Roads infrastructure	- 7 to 75 years

##### (ii) Contributed tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

##### (iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of the property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 1. Summary of significant accounting policies (continued)

(f) (iv) Intangible assets

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

(g) Revenue recognition

User charges and fees and other revenues are recognized when related goods or services are provided and collectibility is reasonably assured.

Investment income is recognized in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balance and is recognized in the period in which eligible expenditures are made.

Donations, sale of goods, revenue from other municipalities and rents are recognized on an accrual basis.

(h) Taxation and related revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Municipal council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessments and the related property taxes are subject to appeal. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of allowance for anticipated uncollectable amounts.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(i) County and school boards

The Municipality collects taxation revenue on behalf of the school boards and the County of Bruce. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Bruce are not reflected in these consolidated financial statements.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

(j) Government transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Conditional government transfer revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional transfer revenue is recognized when monies are receivable. Government transfers for acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

(k) 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 expenses during the period. Management has made estimates of historical cost, useful lives and amortization of tangible capital assets. In addition, estimates have been made of closure and post-closure costs related to landfill sites (Note 11) and employee future benefits (Note 9). Actual results could differ from those estimates.

(l) Pension plan

The Municipality offers a pension plan for its full-time employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Municipality accounts for its participation in OMERS as a defined contribution plan and recognizes the expense related to this plan as contributions are made, even though OMERS is itself a defined benefit plan.

(m) Land held for sale

Land held for sale is recorded at the lower of cost and net realizable value. An impairment loss is recorded when the recorded cost exceeds the net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.

(n) Investment in Westario Power Inc.

The investment is recorded as a portfolio investment at cost.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 1. Summary of significant accounting policies (continued)

#### (o) Employee future benefits

Employee future benefits other than pension provided by the Municipality include medical, dental and life insurance benefits. These plans provide benefits to employees when they are no longer providing active service. Employee future benefit expense is recognized in the period in which the employees render services on an accrual basis.

The accrued benefit obligations and the current service costs are calculated using the projected benefit method, prorated on service, and based on assumptions that reflect management's best estimates. The current service cost for a period is equal to the actuarial present value of benefits attributed to employees' services rendered in the period. Past service costs arising from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment. The excess of the net actuarial gains or losses over 10% of the accrued benefit obligation is amortized to expense over the average remaining service period of active employees to full eligibility.

#### (p) Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the Municipality has also been recognized based on estimated future expenses on closure of the site and post-closure care.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization accounting policies outlined in (f).

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 2. Cash

Cash consists of the following:

	2024	2023
	\$	\$
Unrestricted	3,777,564	3,248,226
Restricted (Note 6)	3,330,000	2,321,726
	<b>7,107,564</b>	<b>5,569,952</b>

Restricted cash relates to obligatory reserve funds and other deferred revenue as described in Note 6 below.

### 3. Investments

Investments consist of the following:

	2024	2023
	\$	\$
Government and corporate bonds, with effective yield rates ranging from 1.09% to 3.95%, maturing from June 2024 to November 2033	1,978,604	1,823,348
CIBC principal protected notes, maturing from July 2027 to July 2028	2,420,580	2,000,000
	<b>4,399,184</b>	<b>3,823,348</b>

The market value of the bonds and principal protected notes are \$4,399,184 (2023 - \$3,846,198).

The nature of the investments is such that the original cost of the investment will be recovered when held to maturity. Management intends to hold each of the PPNs until maturity and this would result in the recovery of all principal (\$2,000,000). There would be no realized losses.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 4. Investment in Westario Power Inc.

Investment consist of the following:

	2024	2023
	\$	\$
1,261 Common shares, Westario Power Holdings Inc.	<b>2,303,593</b>	2,303,593

The Municipality owns 12.61% of the outstanding common shares of Westario Power Holdings Inc. The shares are generally not exposed to interest rate risk. The investment is recorded as a portfolio investment at cost. The fair value of these shares is not determinable in the absence of published market quotations. Dividends received during the year totaled \$50,436 (2023 - \$50,436) on these shares, and are included in investment income (Note 16).

### 5. Long-term receivable

Long-term receivable consists of the following:

	2024	2023
	\$	\$
Note receivable, Saugeen Municipal Airport, prime less 0.5%, requires monthly payments of principal and interest of \$1,048 due October 2026	<b>22,457</b>	34,245
Note receivable, Elmwood Community Centre, 0% interest, requires annual payments of principal of \$5,000 due April 2031	<b>18,900</b>	23,900
	<b>41,357</b>	58,145

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 6. Deferred revenue - obligatory reserve funds and other

A requirement of the public sector accounting principles of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The balance of deferred revenue is as follows:

	2024	2023
	\$	\$
<b>Obligatory Reserve Funds</b>		
Recreational land	118,424	81,318
Federal gas tax	486,678	313,712
	<b>605,102</b>	395,030
<b>Other</b>		
Government grant funding	1,083,452	1,037,131
Developers deposits	437,071	471,769
Other	1,204,375	417,796
	<b>2,724,898</b>	1,926,696
	<b>3,330,000</b>	2,321,726

The net change during the year in the obligatory reserve funds is as follows:

	2024	2023
	\$	\$
Balance, beginning of the year	395,030	793,460
Revenue recognized	(144,101)	(796,412)
Contributions	343,127	353,972
Interest earned	11,046	44,010
Balance, end of year	<b>605,102</b>	395,030

The net change during the year for the other deferred revenue is as follows:

	2024	2023
	\$	\$
Balance, beginning of year	1,926,696	1,549,707
Restricted funds received	1,251,288	836,052
Revenue recognized	(453,086)	(459,063)
Balance, end of year	<b>2,724,898</b>	1,926,696

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# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 7. Loans payable

(a) Loans payable consist of the following:

	2024	2023
	\$	\$
Demand bank loan payable, interest at bank prime rate less .5%, payable \$5,208 monthly principal plus interest	<b>562,500</b>	625,000
Demand bank loan payable, interest at bank prime rate less .5%, payable \$5,371 monthly principal plus interest	-	36,320
Demand bank loan payable, interest at 2.71% annual, payable \$1,048 monthly principal and interest	<b>22,457</b>	34,245
Demand bank loan payable, interest at 4.43% annual, payable \$8,535 monthly principal and interest	<b>640,273</b>	712,580
Demand bank loan payable, interest at 5.46% annual, payable \$8,018 monthly principal and interest	<b>940,093</b>	983,655
Ford Credit loan payable, interest at 0.0%, payable \$1,229 monthly principal	<b>63,888</b>	-
Demand bank loan payable, interest at 4.61% annual, payable \$1,698 monthly principal and interest	<b>218,693</b>	-
Demand bank loan payable, interest at 4.54% annual, payable \$1,189 monthly principal and interest	<b>93,920</b>	-
Demand bank loan payable, interest at 4.66% annual, payable \$4,183 monthly principal and interest	<b>536,749</b>	-
Demand bank loan payable, interest at 4.64% annual, payable \$1,231 monthly principal and interest	<b>116,448</b>	-
Demand bank loan payable, interest at 4.54% annual, payable \$1,409 monthly principal and interest	<b>73,271</b>	-
Demand bank loan payable, interest at 5.46% annual, payable \$3,172 monthly principal and interest	<b>270,254</b>	292,904
Demand bank loan payable, interest at 5.46% annual, payable \$1,983 monthly principal and interest	<b>168,909</b>	183,065
Demand bank loan payable, interest at bank prime rate less .5%, payable \$206 monthly principal plus interest	-	2,059
Demand bank loan payable, interest at 3.07% annual, payable \$2,406 monthly principal and interest	<b>230,392</b>	249,843
Demand bank loan payable, interest at bank prime rate less .5%, payable \$2,333 monthly principal plus interest	-	28,000
Demand bank loan payable, interest at bank prime rate less .5%, payable \$1,230 monthly principal plus interest	<b>73,776</b>	88,531
Demand bank loan payable, interest at bank prime rate less .5%, payable \$1,056 monthly principal plus interest	<b>63,369</b>	76,043
Demand bank loan payable, interest at bank prime rate less .5%, payable \$667 monthly principal plus interest	-	8,000
Demand bank loan payable, interest at bank prime rate less .5%, payable \$1,805 monthly principal plus interest	-	21,664

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# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 7. Loans payable (continued)

	2024	2023
Demand bank loan payable, interest at bank prime rate less .5%, payable \$1,944 monthly principal plus interest	116,654	139,984
Demand bank loan payable, interest at 3.16% annual, payable \$1,787 monthly principal and interest	174,933	188,247
Demand bank loan payable, interest at 2.78% annual, payable \$6,949 monthly principal and interest	845,069	904,078
Demand bank loan payable, interest at 2.72% annual, payable \$5,605 monthly principal and interest	423,591	478,500
Demand bank loan payable, interest at bank prime rate less .5%, payable \$795 monthly principal plus interest	69,173	78,714
Demand bank loan payable, interest at 5.53% annual payable \$2,354 monthly principal and interest	79,921	103,054
Ontario Municipal Economic Infrastructure Financing Authority (OMEIFA), interest at 2.95%, semi-annual payments of \$40,631 principal and interest, due July 15, 2024	-	79,500
Saugeen Municipal Airport loan, interest at prime plus 0.25%, payable \$722 monthly plus interest, due on demand	18,772	22,355
Saugeen Municipal Airport loan, interest at prime plus 0.5%, payable \$1,048 monthly plus interest, due on demand	9,432	14,383
Demand bank loan payable, interest at 1.45% annual, payable \$795 monthly principal and interest	9,468	18,800
Demand bank loan payable, interest at 1.70% annual, payable \$1,993 monthly principal and interest	239,782	259,442
Demand bank loan payable, interest at 4.03% annual, payable \$5,927 monthly principal and interest	1,044,390	1,072,856
Demand bank loan payable, interest at bank prime rate less .5%, payable \$809 monthly principal plus interest	70,411	80,123
Ontario Infrastructure and Lands Corporation, interest at 4.51% annual, payable \$13,773 monthly principal and interest	2,714,987	2,095,585
Demand bank loan payable, interest at 5.04% annual, payable \$4,052 monthly principal and interest	454,523	479,541
Ontario Infrastructure and Lands Corporation, interest at 4.51% annual, payable \$2,950 monthly principal and interest	581,601	-
Ontario Infrastructure and Lands Corporation, interest at 4.34% annual, payable \$11,795 monthly principal and interest	2,305,588	2,346,106
Federation of Canadian Municipalities, interest at 4.13% annual, payable \$28,082 semi-annual principal and interest	399,179	437,660
Demand bank loan payable, interest at 5.49% annual, payable \$745 monthly principal and interest	22,681	30,214

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# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 7. Loans payable (continued)

	2024	2023
Demand bank loan payable, interest at 0.99% annual, payable \$1,228 monthly principal and interest	51,876	66,027
Demand bank loan payable, interest at 0.99% annual, payable \$1,213 monthly principal and interest	51,244	65,223
Ontario Infrastructure and Lands Corporation debenture, interest at 5.03% annual, payable \$155,545 semi-annual principal and interest	4,720,326	4,791,296
Ontario Infrastructure and Lands Corporation construction loan, interest only	1,119,886	-
	<b>19,598,479</b>	<b>17,093,597</b>

(b) Principal payments anticipated for the next 5 years and thereafter are as follows:

	Principal	Interest
	\$	\$
2025	1,126,323	817,972
2026	3,331,295	774,659
2027	2,534,557	585,775
2028	491,295	545,419
2029	1,132,212	523,257
Thereafter	10,982,797	6,677,522

Loans payable approved after January 1, 1993 have been approved through by-law. The annual principal and interest payments required to service these loans are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs. Total interest charges on loans payable for the year reported on the consolidated statement of operations are \$693,732 (2023 - 505,182).

### 8. Short-term borrowing

An unsecured bank line of credit is available to the Municipality up to an amount of \$1,500,000. As at December 31, 2024 the balance was \$NIL (2023 - \$NIL).

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 9. Employee future benefits

The Municipality continues to pay health and dental benefits for retirees. The post employment benefit liability was determined using a discount rate of 4% and an annual rate of increase in benefit costs of 5%.

### 10. Pension agreements

The employees of the Municipality participate in the Ontario Municipal Employees Retirement Saving Plan ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Municipality cannot be identified. The Municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The most recent actuarial valuation of the Plan was conducted at December 31, 2024. The results of this valuation disclosed total actuarial liabilities of \$140.8 (2023 - \$136.1) billion in respect of benefits accrued for service with actuarial assets at that date of \$139.6 (2023 - \$131.9) billion, indicating a going concern actuarial deficit of \$2.9 (2023 - \$4.2) billion. The Municipality does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS for the current year was \$441,348 (2023 - \$400,739) for current service.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 11. Asset retirement obligations

The Municipality's asset retirement obligations consist of several obligations as follows:

#### (a) Landfill obligation

The Municipality owns and operates a number of landfill sites. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 – Asset Retirement Obligation. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 25 years post this date. The Brant and Greenock landfills had an estimated remaining useful life of 15 and 50 years. Post-closure care is estimated to be required for 25 years (2023 - 25 years) from the date of site closure. These costs were discounted to December 31, 2024 using a discount rate of 2.8% per annum. The Municipality has recognized in the consolidated financial statements an unfunded liability for Brant landfill of \$639,574 (2023 - \$626,289) and the Greenock landfill of \$720,720 (2023 - \$590,674).

Additionally, the Municipality has recognized in the consolidated financial statements an unfunded liability of \$2,555,079 (2023 - \$2,481,688), which represents its 50% ownership of the Hanover/Walkerton Landfill site that is shared with the Town of Hanover. These costs were discounted to December 31, 2024 using a discount rate of 3.37% per annum.

Management's estimate for site closure and post-closure care liability is subject to measurement uncertainty. The estimate is based on assumptions contained in engineer's reports as to capacity, site life expectancy and usage. Actual results could differ significantly from these estimates because of the uncertainty related to future cost estimates and future use of the landfill site.

#### (b) Asbestos obligation

The Municipality owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. The presence of asbestos is not a current health hazard, and there is no requirement to remove asbestos in these buildings as long as the asbestos is contained and does not pose a public health risk. According to the Canadian Centre of Occupational Health and Safety (CCOHS), there are no significant health risks if the materials containing asbestos in your home or place of work are:

- Tightly bound in the original product, and it is in good condition
- Sealed behind walls and floorboards
- Isolated in an attic
- Left undisturbed

The Municipality assesses spaces for the presence of asbestos prior to any construction or renovation taking place. If any asbestos present would be disturbed due to these activities, it is appropriately abated in a manner that is compliant with relevant legislation and regulations. Remediation activities also occur upon the disposal of a building.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 11. Asset retirement obligations (continued)

The Municipality's asset retirement obligations represent management's best estimate of the present value of the costs that are expected to be incurred for the remediation of asbestos present in some of the Municipality's buildings. Following the adoption of PS3280 – Asset Retirement Obligations, the Municipality recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at January 1, 2021. The buildings had an estimated useful life of 40 to 50 years. Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues. At December 31, 2024, estimated total undiscounted future asset retirement obligations are \$15,132,354 (2023 - \$13,603,130). The Municipality used a discount rate of 3.00% (2023 - 3.00%) which represented the estimated inflation rate.

Changes to the asset retirement obligation in the year are as follows:

Asset retirement obligation (ARO)	Landfill Closure	Asbestos Removal	Balance at December 31, 2024
	\$	\$	\$
Asset retirement obligation balance at beginning of the year	3,698,650	366,589	4,065,239
Accretion expense	120,141	10,998	131,139
Change in estimate	106,822	-	106,822
Asset retirement obligations settled during year	(10,241)	-	(10,241)
Asset retirement obligation balance at end of the year	<u>3,915,372</u>	<u>377,587</u>	<u>4,292,959</u>
Asset retirement obligation	Landfill Closure	Asbestos Removal	Balance at December 31, 2023
	\$	\$	\$
Asset retirement obligation balance at beginning of the year, as restated	3,557,816	355,911	3,913,727
Accretion expense	107,895	10,678	118,573
Change in estimate	42,930	-	42,930
Asset retirement obligations settled during the year	(9,991)	-	(9,991)
Asset retirement obligation balance at end of the year	<u>3,698,650</u>	<u>366,589</u>	<u>4,065,239</u>

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 12. Tangible capital assets

Schedules 1 and 2 provide information on the tangible capital assets of the Municipality by major asset class, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(a) Work in progress

Work in progress with a value of \$347,302 (2023 - \$395,177) has not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$280,740 (2023 - \$62,506).

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

(d) Works of art and historical treasures

No works of art nor historical treasures are held by the Municipality.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 13. Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2024	2023
	\$	\$
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	82,940,504	79,248,685
Tangible capital assets financed by loans payable and short-term borrowing to be funded in future years	(19,577,261)	(17,059,362)
Total invested in capital assets	63,363,243	62,189,323
Surplus		
Land held for sale	151,929	151,929
General area taxation	(4,187,767)	(3,836,947)
Bradley Community Centre	2,893	7,154
Saugeen Municipal Airport	-	(5,365)
Bruce Area Solid Waste Recycling	87,172	(1,149)
Elmwood Community Centre	(8,784)	(10,403)
Unfunded employee future benefits	(64,776)	(63,989)
Unfunded asset retirement obligation liability	(4,292,959)	(4,065,239)
Total surplus	55,050,951	54,365,314
Reserves set aside for specific purposes by Council		
Current purposes	143,234	143,234
Capital purposes	1,889,956	1,743,315
Total reserves	2,033,190	1,886,549
Reserve funds set aside for specific purposes by Council		
Capital purposes	12,169,590	10,812,018
<b>Total accumulated surplus</b>	<b>69,253,731</b>	<b>67,063,881</b>

### 14. Budget amounts

The operating budget approved by Council for 2024 is reflected on the consolidated statement of operations. The budgets established for capital investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year's actual expenditure amounts. The 2024 budget did not include figures for amortization of tangible capital assets.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 15. Net property taxation

Net property taxation consists of:

	2024	2023
	\$	\$
Taxation revenue	<b>22,019,617</b>	20,225,495
Amount levied and remitted to school boards	<b>(2,599,022)</b>	(2,460,461)
Amount levied and remitted to the County of Bruce	<b>(6,376,836)</b>	(5,820,811)
<b>Net property taxation</b>	<b>13,043,759</b>	11,944,223

### 16. Other revenues

Other revenues consist of the following:

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Penalties and interest on taxation	(Note 14) 97,500	<b>112,419</b>	87,931
Rents	326,000	<b>375,971</b>	318,000
Investment income (Note 4)	71,500	<b>(81,232)</b>	58,862
Donations	45,100	<b>54,746</b>	35,219
Sale of non-TCA assets	536,500	<b>40,126</b>	805,736
	<b>1,076,600</b>	<b>502,030</b>	1,305,748

### 17. Trust fund

The trust fund administered by the municipality is for Cemetery Perpetual Care and Maintenance amounts to \$278,409 (2023 - \$262,299). This has not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 18. Commitments

(a) Capital commitments of \$3,130,327 (2023 - \$4,153,729) are not reflected in the consolidated financial statements. This amount, for which funding is in place, represents uncompleted portions of contracts, on major projects and estimated obligations under other various agreements.

(b) The Municipality has entered into a yearly renewal operating agreement with Veolia Water Canada Inc. for the operation and maintenance of the municipality's water and wastewater facilities. Under this agreement Veolia has agreed to operate the facility for a fee of \$848,433 plus an adjustment for inflation for July 1, 2026 and subsequent years. Effective July 1, 2026, the price will increase \$40,000 in addition to the inflation adjustment. The agreement expires June 30, 2031.

(c) The Municipality currently leases space for its municipal office under a five year lease ending in October 2027. Annual payments are as follows:

	\$
2025	77,250
2026	79,750
2027	82,250

The Municipality currently leases space for locum medical staff as well as equipment. The minimum annual lease payments for the next five years for all other lease commitments are as follows:

	\$
2025	62,975
2026	39,833
2027	27,660
2028	11,220
2029	11,220

### 19. Contingencies

(a) In the ordinary course of business, various claims and lawsuits are brought against the Municipality. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by the Municipality pursuant to claims, lawsuits or expropriations will be charged in the year of settlement.

(b) The Municipality is contingently liable to the Province of Ontario for long-term liabilities outstanding for tile drainage loans in the amount of \$79,239 (2023 - \$39,402).

(c) Appeals of the current value assessment of properties in the Municipality may be in process. The impact on taxation revenue as a result of settlement of these appeals is not determinable at this time. The effect on taxation of the settlement of these appeals will be recorded in the fiscal year in which they can be determined.

(d) Applications for property tax rebates for vacant commercial and industrial buildings may be in process. The impact on taxation revenue as a result of these rebates is not determinable at this time. The effect on taxation of these rebates will be recorded in the fiscal year in which they can be determined.

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# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 20. Government partnerships

The following summarizes the financial position and results of operations of the government partnerships. The Municipality of Brockton's pro-rata share of these amounts has been reported in these financial statements using the proportionate consolidation method:

	Bruce Area Solid Waste Recycling	Elmwood Community Centre	Hanover/ Walkerton Landfill	Saugeen Municipal Airport	Elmwood Fire Department	Saugeen Mobility & Regional Transit
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
	\$	\$	\$	\$	\$	\$
Financial assets	1,901,664	34,392	1,937,111	53,346	216,522	183,842
Liabilities	434,979	39,491	5,245,076	114,138	24,936	282,484
Net financial assets (debt)	1,466,685	(5,099)	(3,307,965)	(60,792)	191,586	(98,642)
Non-financial assets	1,675,536	-	6,417,839	727,202	867,770	856,098
Accumulated surplus	3,142,221	(5,099)	3,109,874	666,410	1,059,356	757,456
General surplus	677,327	(5,099)	-	-	-	-
Unfunded liabilities	-	-	(5,126,404)	(67,152)	-	-
Invested in tangible capital assets	1,665,669	-	6,417,839	727,204	867,430	757,456
Reserves and reserve funds	799,225	-	1,818,439	6,358	191,926	-
	3,142,221	(5,099)	3,109,874	666,410	1,059,356	757,456
Revenues	4,621,792	102,255	1,229,122	486,504	274,270	2,224,508
Expenses	4,194,931	89,786	1,276,583	475,617	326,984	2,084,925
Annual surplus (deficit)	426,861	12,469	(47,461)	10,887	(52,714)	139,583

The Elmwood Community Centre financial statements do not include adjustments for tangible capital assets.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 21. Segmented information

The Municipality is a diversified municipal government organization that provides a wide range of services to its citizens such as police, fire, roadways, water, sewer, waste, and recreation and cultural services. Distinguishable functional segments have been separately disclosed in the segmented information. Schedules 3 and 4 provide information on the segmented information of the Municipality.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers are measured on the basis of exchange amount. Municipal taxation revenue and the Ontario Municipal Partnership Fund grant is allocated to general government. The nature of the segments and the activities that they encompass are as follows:

#### General government

This segment relates to the revenues and expenses that relate to the operations of the Municipality itself and unallocated items that cannot be directly attributed to any specific segment. General administration, council activities and maintenance of municipal buildings are included in the functions of general government.

#### Protection services

Protection services are comprised of police services, fire protection, emergency plan, building inspections, and animal control.

#### Transportation services

Transportation services are comprised of the Municipality's roadways, storm sewers, sidewalks, street lighting, and winter control. It also includes the Municipality's proportionate share of the operations of the Saugeen Municipal Airport and Saugeen Mobility & Regional Transit.

#### Environmental services

Environmental services are comprised of water and wastewater services, where the Municipality treats and distributes the Municipality's drinking water and ensures that it meets all provincial standards. It also includes the collection and treatment of wastewater.

Environmental also consists of providing waste and recycling collection and the Municipality's share of the operation of the Hanover/Walkerton joint landfill site and Bruce Area Solid Waste Recycling.

#### Social and family services

Social and family services are comprised of daycare services, where the Municipality provides child care to families in the municipality.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

### 21. Segmented information (continued)

#### **Planning and development**

This segment is responsible for planning and zoning including the Official Plan for residential and commercial, review of property development plans, and economic development services for the Municipality.

#### **Health services**

Health services are comprised of support to the medical clinic operations and cemetery.

#### **Recreation and cultural services**

This service area provides services meant to improve the health and development of the Municipality's citizens. The Municipality operates and maintains parks, arenas, a swimming pool, and community centres. The Municipality also provides library services and recreational programs.

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## SCHEDULE 1 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2024

	Land	Land Improvements	Leasehold Improvements	Buildings and Improvements	Vehicles, Machinery, Equipment and Furniture	Water and Wastewater Infrastructure	Roads Infrastructure	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>									
Balance, beginning of year	9,387,376	3,363,388	632,745	10,253,060	17,164,410	24,082,832	70,882,904	395,177	<b>136,161,892</b>
Additions	-	237,322	-	203,870	2,174,441	579,068	2,584,370	805,819	<b>6,584,890</b>
Disposals	(80,101)	-	-	-	(561,766)	-	(1,115)	-	<b>(642,982)</b>
Transfers due to reclassification	-	538,127	-	1,166,439	(1,704,566)	-	-	-	-
Transfers	-	-	-	853,694	-	-	-	(853,694)	-
<b>Balance, end of year</b>	<b>9,307,275</b>	<b>4,138,837</b>	<b>632,745</b>	<b>12,477,063</b>	<b>17,072,519</b>	<b>24,661,900</b>	<b>73,466,159</b>	<b>347,302</b>	<b>142,103,800</b>
<b>Accumulated amortization</b>									
Balance, beginning of year	1,673,639	734,732	527,672	6,568,569	8,222,778	6,879,804	32,306,013	-	<b>56,913,207</b>
Amortization	141,192	108,691	42,183	209,997	710,474	337,983	1,278,322	-	<b>2,828,842</b>
Disposals	(36,205)	-	-	-	(542,325)	-	(223)	-	<b>(578,753)</b>
Transfers due to reclassification	-	397,692	62,890	122,758	(583,340)	-	-	-	-
<b>Balance, end of year</b>	<b>1,778,626</b>	<b>1,241,115</b>	<b>632,745</b>	<b>6,901,324</b>	<b>7,807,587</b>	<b>7,217,787</b>	<b>33,584,112</b>	<b>-</b>	<b>59,163,296</b>
<b>Net book value, end of year</b>	<b>7,528,649</b>	<b>2,897,722</b>	<b>-</b>	<b>5,575,739</b>	<b>9,264,932</b>	<b>17,444,113</b>	<b>39,882,047</b>	<b>347,302</b>	<b>82,940,504</b>

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## SCHEDULE 2 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023

	Land	Land Improvements	Leasehold Improvements	Buildings and Improvements	Vehicles, Machinery, Equipment and Furniture	Water and Wastewater Infrastructure	Roads Infrastructure	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>									
Balance, beginning of year	9,654,313	2,556,319	632,745	10,040,200	14,280,989	19,193,394	61,797,351	6,801,602	124,956,913
Asset retirement obligation	42,930	-	-	-	-	-	-	-	42,930
Additions	-	321,323	-	192,385	1,845,670	4,029,312	3,274,218	2,703,779	12,366,687
Disposals	(157,938)	-	-	(3,973)	(448,795)	(202,043)	(239,960)	-	(1,052,709)
Transferred to held for sale	(151,929)	-	-	-	-	-	-	-	(151,929)
Transfers	-	485,746	-	24,448	1,486,546	1,062,169	6,051,295	(9,110,204)	-
<b>Balance, end of year</b>	<b>9,387,376</b>	<b>3,363,388</b>	<b>632,745</b>	<b>10,253,060</b>	<b>17,164,410</b>	<b>24,082,832</b>	<b>70,882,904</b>	<b>395,177</b>	<b>136,161,892</b>
<b>Accumulated amortization</b>									
Balance, beginning of year, as previously stated	1,513,819	658,204	464,397	6,400,723	7,951,664	6,682,702	31,415,159	-	55,086,668
Amortization	159,820	76,528	63,275	171,273	644,611	296,799	1,091,671	-	2,503,977
Disposals	-	-	-	(3,427)	(373,497)	(99,697)	(200,817)	-	(677,438)
<b>Balance, end of year</b>	<b>1,673,639</b>	<b>734,732</b>	<b>527,672</b>	<b>6,568,569</b>	<b>8,222,778</b>	<b>6,879,804</b>	<b>32,306,013</b>	<b>-</b>	<b>56,913,207</b>
<b>Net book value, end of year</b>	<b>7,713,737</b>	<b>2,628,656</b>	<b>105,073</b>	<b>3,684,491</b>	<b>8,941,632</b>	<b>17,203,028</b>	<b>38,576,891</b>	<b>395,177</b>	<b>79,248,685</b>

The accompanying notes are an integral part of  
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# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## SCHEDULE 3 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation, Cultural, Social and Family Services	Planning and Development	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>								
Net property taxation	13,043,759	-	-	-	-	-	-	13,043,759
User charges and fees	64,815	412,395	37,643	4,472,684	87,884	1,276,835	7,223	6,359,479
Government transfers	1,672,876	405,004	-	168,599	-	113,246	2,279	2,362,004
Revenue from other municipalities	-	58,995	-	10,914	248,218	1,149,332	-	1,467,459
Other	46,406	575	500	-	50,125	399,365	5,059	502,030
	14,827,856	876,969	38,143	4,652,197	386,227	2,938,778	14,561	23,734,731
<b>Expenses</b>								
Salaries, wages and benefits	1,540,070	767,170	1,254,566	321,854	45,529	3,311,909	105,202	7,346,300
Interest on loans payable	-	2,007	334,107	280,082	-	14,682	58,396	689,274
Materials and supplies	453,288	199,287	2,792,575	1,811,973	40,391	1,009,415	1,384,355	7,691,284
Contracted services	269,234	3,242,635	5,699	1,179,457	137,395	274,908	20,028	5,129,356
Rents, financial expenses and external transfers	137,990	3,495	(22,523)	-	-	53,145	-	172,107
Amortization	36,718	170,972	1,597,640	726,889	4,159	293,608	-	2,829,986
Accretion	-	-	6,411	123,162	-	1,566	-	131,139
	2,437,300	4,385,566	5,968,475	4,443,417	227,474	4,959,233	1,567,981	23,989,446
<b>Net revenues (expenses)</b>	<b>12,390,556</b>	<b>(3,508,597)</b>	<b>(5,930,332)</b>	<b>208,780</b>	<b>158,753</b>	<b>(2,020,455)</b>	<b>(1,553,420)</b>	<b>(254,715)</b>

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## SCHEDULE 3 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation, Cultural, Social and Family Services	Planning and Development	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Other								
Grants and transfers related to capital								
Government transfers	-	36,726	929,976	-	-	631,828	-	1,598,530
Capital contribution	-	-	-	-	-	193,629	87,111	280,740
Gain/(Loss) on disposal of tangible capital assets	(10,121)	-	9,769	(42,737)	-	(5,857)	-	(48,946)
Donations	-	-	-	-	-	175,275	-	175,275
Investment income	438,966	-	-	-	-	-	-	438,966
	428,845	36,726	939,745	(42,737)	-	994,875	87,111	2,444,565
Annual surplus (deficit)	12,819,401	(3,471,871)	(4,990,587)	166,043	158,753	(1,025,580)	(1,466,309)	2,189,850

The accompanying notes are an integral part of  
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# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## SCHEDULE 4 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation, Cultural, Social and Family Services	Planning and Development	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>								
Net property taxation	11,944,223	-	-	-	-	-	-	11,944,223
User charges and fees	70,322	534,064	37,643	4,274,889	76,762	1,100,709	8,583	6,102,972
Government transfers	1,591,020	471,896	-	133,178	-	318,357	2,000	2,516,451
Revenue from other municipalities	-	32,921	-	2,337	243,827	937,300	-	1,216,385
Other	166,875	1,568	685	-	11,250	329,885	795,485	1,305,748
	13,772,440	1,040,449	38,328	4,410,404	331,839	2,686,251	806,068	23,085,779
<b>Expenses</b>								
Salaries, wages and benefits	1,478,024	674,506	1,189,047	329,703	54,860	2,922,341	157,551	6,806,032
Interest on loans payable	1,122	1,666	245,448	92,972	-	18,170	141,176	500,554
Materials and supplies	320,903	212,585	2,707,986	1,759,004	39,740	1,049,383	200,380	6,289,981
Contracted services	265,309	3,370,484	4,727	1,114,235	89,130	314,326	27,660	5,185,871
Rents, financial expenses and external transfers	144,695	6,799	(1,720)	-	-	42,127	34,566	226,467
Amortization	38,832	189,435	1,316,616	650,923	3,436	304,735	-	2,503,977
Accretion	-	-	6,224	110,828	-	1,521	-	118,573
	2,248,885	4,455,475	5,468,328	4,057,665	187,166	4,652,603	561,333	21,631,455
<b>Net revenues (expenses)</b>	<b>11,523,555</b>	<b>(3,415,026)</b>	<b>(5,430,000)</b>	<b>352,739</b>	<b>144,673</b>	<b>(1,966,352)</b>	<b>244,735</b>	<b>1,454,324</b>

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## SCHEDULE 4 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation, Cultural, Social and Family Services	Planning and Development	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Other								
Grants and transfers related to capital								
Government transfers	-	-	1,169,121	-	-	71,823	25,000	1,265,944
Capital contribution	-	-	-	8,844	-	53,662	-	62,506
Gain/(Loss) on disposal of tangible capital assets	(19,972)	5,061	(27,954)	(102,516)	-	(7,588)	972,488	819,519
Donations	-	-	1,200	-	-	167,003	54,921	223,124
Investment income	394,796	-	-	-	-	-	-	394,796
	374,824	5,061	1,142,367	(93,672)	-	284,900	1,052,409	2,765,889
Annual surplus (deficit)	11,898,379	(3,409,965)	(4,287,633)	259,067	144,673	(1,681,452)	1,297,144	4,220,213

The accompanying notes are an integral part of  
these financial statements

**AUDITOR'S COMMENT ON SCHEDULE OF REVENUE AND EXPENDITURES**

**To the County of Bruce:**

The audited financial statements of the Corporation of the Municipality of Brockton as at December 31, 2024 and our report thereon dated February 10, 2026 are presented in the preceding section of this annual report. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

The schedules have been prepared on the basis of accounting required by the County of Bruce.

A handwritten signature in cursive script that reads "Baker Tilly SGB".

Baker Tilly SGB LLP  
Licensed Public Accountants  
Walkerton, Ontario  
February 10, 2026

# CORPORATION OF THE MUNICIPALITY OF BROCKTON

## APPENDIX I SCHEDULE OF WALKERTON CHILD CARE REVENUE AND EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	2024	2023
	\$	\$	\$
<b>DAYCARE FUNDING REVENUE</b>			
Municipal Grants	362,200	67,714	266,544
Fees - County CWELCC	-	929,247	873,068
Fees - County Other	-	220,086	64,231
Fees - Parent	1,650,700	800,093	738,815
Other	19,000	1,467	1,201
<b>Total Revenues</b>	<b>2,012,900</b>	<b>2,018,607</b>	<b>1,943,859</b>
<b>EXPENDITURES</b>			
Salaries and Benefits	1,988,838	1,974,215	1,771,373
Maintenance	85,568	142,559	94,821
Utilities	4,000	3,037	2,995
Food	47,250	60,369	51,709
Other	15,941	22,867	15,685
<b>Total Expenditures</b>	<b>2,141,597</b>	<b>2,203,047</b>	<b>1,936,583</b>
<b>Excess (Deficit) of Revenue Over Expenditures</b>	<b>(128,697)</b>	<b>(184,440)</b>	<b>7,276</b>

**UNAUDITED - SEE AUDITORS COMMENTS ON SCHEDULE OF REVENUE AND EXPENDITURES**