

**CORPORATION OF THE
MUNICIPALITY OF SOUTH BRUCE
CONSOLIDATED FINANCIAL REPORT
DECEMBER 31, 2023**

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

DECEMBER 31, 2023

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CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL REPORT

The accompanying consolidated financial statements of The Municipality of South Bruce (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, 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.

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.

CAO/Clerk

December 10, 2024

Treasurer

December 10, 2024

BAKER TILLY SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of **The Municipality of South Bruce:**

Opinion

We have audited the consolidated financial statements of the The Municipality of South Bruce (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, change in net financial assets and cash flow 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, 2023, 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.

AUDIT • TAX • ADVISORY

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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

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.

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.

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
December 10, 2024

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2023	2022
	\$	\$
		Restated (Note 2)
Financial assets		
Cash (Note 4)	5,882,283	6,222,824
Investments (Note 5)	1,036,020	1,939,451
Taxes receivable	359,734	341,746
Accounts receivable	4,928,417	3,654,937
Long-term receivables (Note 6)	1,492,861	1,622,109
Investment in Westario Power Inc. (Note 7)	962,610	962,610
Assets held for sale	266,583	-
	14,928,508	14,743,677
Liabilities		
Accounts payable and accruals	3,925,005	2,617,673
Deferred revenue - obligatory reserve funds (Note 8)	1,400,482	855,948
Deferred revenue - other (Note 8)	737,155	1,016,216
Asset retirement obligations (Note 11)	1,327,419	1,207,016
Long-term liabilities (Note 9)	3,002,519	3,379,438
	10,392,580	9,076,291
Net financial assets	4,535,928	5,667,386
Non-financial assets		
Tangible capital assets (Schedule 1, 2 and Note 12)	77,987,205	69,651,645
Prepaid expenses	707,855	918,258
	78,695,060	70,569,903
Accumulated surplus (Note 13)	83,230,988	76,237,289

Approved _____ Mayor

_____ Date

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

CONSOLIDATED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2023	Actual 2023	Actual 2022
	\$ (Note 14)	\$	\$ Restated (Note 2)
Revenues			
Net property taxation (Note 16)	6,322,511	6,256,949	5,722,891
Taxation from other governments	25,895	26,160	25,912
User charges and fees	4,618,075	4,809,988	4,611,461
Government transfers	996,950	1,074,545	1,027,505
Donations and sale of goods	2,892,360	2,430,909	2,067,798
Investment income (Note 5 and 7)	196,600	404,426	254,839
Penalties and interest on property taxation (Note 6)	73,000	122,901	131,923
	15,125,391	15,125,878	13,842,329
Expenses			
General government	3,557,490	3,218,363	2,813,139
Protection services	1,840,078	2,006,292	2,031,357
Transportation services	3,492,080	5,265,423	5,278,722
Environmental services	2,235,909	3,099,676	2,972,688
Health services	126,005	198,386	241,410
Recreation and cultural services	1,180,614	1,646,773	1,417,512
Planning and development	119,350	490,144	139,053
Social and family services	83,000	83,824	38,098
	12,634,526	16,008,881	14,931,979
Net revenues (expenses)	2,490,865	(883,003)	(1,089,650)
Other			
Grants and transfers related to capital			
Government transfers	2,557,305	2,433,340	2,912,112
Donations	2,806,750	2,773,080	2,459,611
Capital contribution (Note 12)	3,230,700	2,771,678	342,119
Other grants	-	13,698	-
Gain (loss) on disposal of tangible capital assets	1,500	(115,094)	10,218
	8,596,255	7,876,702	5,724,060
Annual surplus	11,087,120	6,993,699	4,634,410
Accumulated surplus, beginning of year		76,237,289	72,176,336
Change in accounting policy (Note 2)		-	(573,457)
Accumulated surplus, end of year (Note 13)		83,230,988	76,237,289

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31

	Budget 2023	Actual 2023	Actual 2022
	\$ (Note 14)	\$	\$ Restated (Note 2)
Annual surplus	11,087,120	6,993,699	4,634,410
Acquisition of tangible capital assets	-	(11,998,878)	(8,255,702)
Amortization of tangible capital assets	-	3,241,850	3,085,163
Loss (gain) on disposal of tangible capital assets	-	115,094	(10,218)
Proceeds on disposal of tangible capital assets	-	27,464	21,970
Contributed tangible capital assets	-	(7,680)	(196,800)
Transfer of assets held for sale	-	266,583	-
Use of prepaid expense	-	210,402	570,675
Transfer to operating expenses	-	20,008	-
Change in net financial assets	11,087,120	(1,131,458)	(150,502)
Net financial assets, beginning of year, as previously stated		5,667,386	6,565,965
Change in accounting policy (Note 2)		-	(748,077)
Net financial assets, end of year		4,535,928	5,667,386

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2023	2022
	\$	\$
		Restated (Note 2)
Cash flows from (for):		
Operating activities		
Annual surplus	6,993,699	4,634,410
Non-cash items:		
Amortization of tangible capital assets	3,241,850	3,085,163
Loss (gain) on disposal of tangible capital assets	115,094	(10,218)
Contributed tangible capital assets	(7,680)	(196,800)
Transfer to expense	20,008	-
Transfer to assets held for sale	266,582	-
	10,629,553	7,512,555
Changes in:		
Taxes receivable	(17,988)	209,639
Accounts receivable	(1,273,479)	(2,443,396)
Prepaid expenses	210,402	570,675
Accounts payable and accruals	1,307,333	1,585,466
Assets held for sale	(266,582)	-
	10,589,239	7,434,939
Capital activities		
Acquisition of tangible capital assets	(11,998,878)	(8,255,702)
Proceeds on disposal of tangible capital assets	27,464	21,970
Asset retirement obligations	120,403	35,156
	(11,851,011)	(8,198,576)
Investing activities		
Long-term investments	-	1,061,374
Long-term receivables	129,248	216,132
Investments	903,430	(1,158,254)
	1,032,678	119,252
Financing activities		
Long-term liabilities repaid	(376,919)	(363,540)
Deferred revenue - obligatory reserve funds and other	265,472	(476,185)
	(111,447)	(839,725)
Net change in cash position	(340,541)	(1,484,110)
Cash position, beginning of year	6,222,824	7,706,934
Cash position, end of year	5,882,283	6,222,824

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

Nature of operations

The Municipality of South Bruce (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:

Teeswater-Culross Cemetery Board
Formosa Community Centre Board

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

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

Bruce Area Solid Waste Recycling	3.24%
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All interfund assets and liabilities and sources of financing and expenses have been eliminated.

(b) Basis of accounting

Sources of financing 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.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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, taxes receivable, investments, accounts payable, 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, accounts payable, and long-term liabilities (excluding derivative financial instruments) are recognized at amortized cost.

Investments include Guaranteed Investment Certificates (GICs) and Canadian mutual funds. GICs are recorded at amortized cost. Mutual funds are recorded at fair values as they are quoted in an active market.

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.

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.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(e) Investment in Westario Power Inc.

The investment is recorded as a portfolio investment at amortized cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

(f) 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.

(g) 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 25 years
Buildings	- 25 to 50 years
Vehicles, machinery and equipment	- 4 to 50 years
Roads	- 8 to 100 years
Water & sewers	- 75 years

(ii) Contribution of 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.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(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.

(iv) Intangible assets

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

(h) 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, other grants, capital contributions and taxation from other governments are recognized on an accrual basis.

(i) 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.

(j) 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 financial statements.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(k) 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.

(l) 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. The Municipality's implementation of the Public Sector Handbook PS 3150 has required management to make 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. Actual results could differ from those estimates.

(m) 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.

(n) 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 (g).

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(o) Assets held for sale

Assets held for sale include land and building and are 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 and building for sale or servicing.

2. Changes in accounting policies

(a) *PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation*

On January 1, 2022, the Municipality adopted Public Accounting Standards *PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation*. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Municipality's accounting policy choices (see Note 1).

The Municipality undertook a process to identify any and all adjustments required as a result of the adoption of this standard. This process did not yield identification of any such adjustments.

(b) *PS 3280 – Asset Retirement Obligations*

On January 1, 2022, the Municipality also adopted Public Accounting Standard *PS 3280 – Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings owned by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section *PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability*. The standard was adopted on the modified retroactive basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The Municipality removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of PS3280 on January 1, 2022, using the modified retrospective method. The liability represents the required closure and post-closure care for the landfill sites owned by the Municipality. The landfill sites were purchased in 1980 and 1981, and the liability was measured as of the date of purchase of the sites, when the liability was assumed.

On January 1, 2022, the Municipality recognized an additional asset retirement obligation relating to several capital assets owned by the Municipality that contain asbestos, gravel pits and water wells. The liability was measured as of the date of purchase of the asset, when the liability was assumed. The assets have various expected useful life, and the estimates has not been changed since purchase.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

2. Changes in accounting policies (continued)

In accordance with the provisions of this new standard, the Municipality reflected the following adjustments at January 1, 2022:

- Landfill obligation
 - A decrease of \$423,783 to Landfill Liability to remove the liability recognized to date under the old standard, and an accompanying increase of \$423,783 to opening Accumulated Surplus.
 - An increase of \$218,171 to the Landfill capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of \$156,229 to Accumulated Amortization, representing the years of increased amortization had the liability originally been recognized.
 - An asset retirement obligation in the amount of \$675,300, representing the original \$218,171 obligation adjusted for inflation.
 - A decrease to Opening Accumulated Surplus of \$189,575, as a result of the recognition of the liability and accompanying increase in depreciation expense and accretion expense for the years since purchase.
- Asbestos & other obligation
 - An increase of \$184,566 to the capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of \$114,584 to Accumulated Amortization, representing the years of increased amortization had the liability originally been recognized.
 - In the search for asset retirement obligations, the Municipality recognized three water wells to the tangible capital assets. An increase of \$126,178 to the capital asset account, representing the original estimate as of the date of purchase, and an accompanying increase of \$83,481 to Accumulated Amortization, representing the years of increased amortization had the asset originally been recognized.
 - An asset retirement obligation in the amount of \$496,560, representing the original \$310,744 obligation adjusted for inflation.
 - A decrease to Opening Accumulated Surplus of \$383,881, as a result of the recognition of the liability and accompanying increase in depreciation expense and accretion expense for the years since purchase.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

3. Statement of remeasurement gains and losses

A statement of remeasurement gains and losses has not been provided because there were no remeasurement gains or losses during the year.

4. Cash

Cash consists of the following:

	2023	2022
	\$	\$
Unrestricted	3,744,646	4,350,660
Restricted (Note 8)	2,137,637	1,872,164
	5,882,283	6,222,824

Restricted cash relates to obligatory reserve funds and other deferred revenue as described in Note 8 below.

5. Investments

Investments consist of the following:

	2023	2022
	\$	\$
Guaranteed investment certificates and mutual funds	1,036,020	1,939,451

The Municipality guaranteed investments earn interest at rates ranging from 2.75% to 5.25%, maturing from May 2024 to July 2026. The mutual funds include money market and Canadian equity. During the year, the investments earned income of \$74,783 (2022 - \$127,902). They are unrestricted.

6. Long-term receivables

Long-term receivables consist of the following:

	2023	2022
	\$	\$
Municipal drain receivable, 3% to 4% interest rate, quarterly repayments, due 2023 to 2026	152,454	98,248
Sewer loan receivable, 3.6% interest rate, quarterly repayments, due 2028	791,207	948,648
Sewer loan receivable, 4.1% interest rate, quarterly repayments, due 2038	549,200	575,213
	1,492,861	1,622,109

Interest earned on the loans receivable during the year was \$56,837 (2022 - \$65,080). This amount has been included in penalties and interest on property taxation on the consolidated statement of operations.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

7. Investment in Westario Power Inc.

	2023	2022
	\$	\$
Note receivable, Westario Power Inc., 4.12%, interest only receivable quarterly	292,498	292,498
366.8 Common shares, Westario Power Inc.	670,112	670,112
	962,610	962,610

The Westario Power Inc. investments arose on November 1, 2000 as a result of the sale of the Mildmay Teeswater Hydro Electric Commission to Westario Power Inc.

Interest earned on the note receivable during the year was \$12,050 (2022 - \$12,050). This amount has been included in investment income on the consolidated statement of operations.

The Municipality owns 3.7% of the outstanding common shares of Westario Power Inc. The shares are generally not exposed to interest rate risk. The fair value of these shares is not determinable at this time. Dividends of \$17,610 (2022 - \$29,344) were received on these shares during the year and is also included in investment income.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

8. Deferred revenue - obligatory reserve funds and other

A requirement of 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 made up as follows:

	2023	2022
	\$	\$
Obligatory reserve funds		
Near term investment (Nuclear Waste Management Organization)	607,628	7,433
Community well being (Nuclear Waste Management Organization)	749,272	610,966
Federal gas tax	-	194,940
Parkland levies	43,582	42,609
	1,400,482	855,948
Other		
Government grant funding	-	197,779
Planning deposits	202,303	200,303
Other NWMO programs	491,812	562,916
Other	43,040	55,218
	737,155	1,016,216
	2,137,637	1,872,164

The net change during the year for the obligatory reserve funds is made up as follows:

	2023	2022
	\$	\$
Balance, beginning of year	855,948	1,350,261
Interest earned	35,117	19,315
Restricted funds received	3,011,476	1,192,812
Revenue recognized	(2,502,059)	(1,706,440)
Balance, end of year	1,400,482	855,948

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

	2023	2022
	\$	\$
Balance, beginning of year	1,016,216	998,089
Restricted funds received	2,479,429	2,362,460
Revenue recognized	(2,758,490)	(2,344,333)
Balance, end of year	737,155	1,016,216

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

9. Long-term liabilities

(a) Long-term liabilities consist of the following:

	2023	2022
	\$	\$
Ontario Infrastructure loan payable, 3.11% interest, payable \$19,262 quarterly principal and interest, due February, 2024.	19,113	94,104
Ontario Infrastructure loan payable, 3.6% interest, payable \$49,886 quarterly principal and interest, due February, 2029.	950,674	1,112,339
Ontario Infrastructure loan payable, 3.9% interest, payable \$43,345 quarterly principal and interest, due February, 2033.	1,459,105	1,572,794
Ontario Infrastructure loan payable, 4.1% interest, payable \$12,694 quarterly principal and interest, due February, 2039.	573,627	600,201
	3,002,519	3,379,438

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

	Principal \$	Interest \$
2024	332,546	110,415
2025	325,376	98,322
2026	337,777	85,922
2027	350,650	73,048
2028	364,016	59,683
Thereafter	1,292,154	188,435

The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs. Total interest charges on long-term liabilities for the year reported on the consolidated statement of operations are \$121,692 (2022 - \$135,148).

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

10. Pension agreements

The employees of the Corporation of the Municipality of South Bruce 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. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit.

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, 2023. The results of this valuation disclosed total actuarial liabilities of \$136.1 billion (2022 - \$130.3 billion) in respect of benefits accrued for service with actuarial assets as that date of \$131.9 billion (2022 - \$123.6 billion), indicating a going concern deficit of \$4.2 billion (2022 - \$6.7 billion).

The amount contributed to OMERS for the current year was \$250,541 (2022 - \$214,946) for current service.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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 landfills had an estimated remaining useful life of 32 and 13 years. Post-closure care is estimated to be required for 25 years (2022 - 20 years) from the date of site closure. This change in estimate is seen below. These costs were discounted to December 31, 2023 using a discount rate of 3.0% 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.

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 buildings 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, 2023, estimated undiscounted asset retirement obligations are \$2,515,830 (2022 - \$2,219,473). The Municipality used a discount rate of 3.00% (2022 - 3.00%) which represented the estimated inflation rate.

The transition and recognition of asset retirement obligations involved an accompanying increase to the buildings and landfill and the restatement of prior year numbers (see Note 2).

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

11. Asset retirement obligations

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

	Landfill Closure	Asbestos Removal & Other	December 31, 2023
Asset retirement obligation (ARO)	\$	\$	\$
Asset retirement obligation balance at beginning of the year	695,559	511,457	1,207,016
Accretion expense	22,500	15,343	37,843
Change in estimate	82,560	-	82,560
Asset retirement obligation balance at end of the year	800,619	526,800	1,327,419
<hr/>			
	Landfill Closure	Asbestos Removal & Other	December 31, 2022
Asset retirement obligation	\$	\$	\$
Asset retirement obligation balance at beginning of the year, as restated	675,300	496,560	1,171,860
Accretion expense	20,259	14,897	35,156
Asset retirement obligation balance at end of the year	695,559	511,457	1,207,016

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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 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 \$5,647,482 (2022 - \$5,187,850) 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 \$7,680 (2022 - \$196,800). This amount is included in Capital contribution on the consolidated statement of operations.

(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 SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

13. Accumulated surplus

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

	2023	2022
	\$	\$
		Restated (Note 2)
Investment in tangible capital assets:		
Invested in tangible capital assets	77,987,205	69,651,645
Tangible capital assets financed by long-term liabilities and to be funded in future years	(1,588,253)	(1,781,718)
Total investment in tangible capital assets	76,398,952	67,869,927
Surplus (Deficit):		
General area taxation	1,047,335	345,430
Unfunded asset retirement obligation liability	(1,327,419)	(1,207,016)
Teeswater-Culross Cemetery Board	276,495	268,171
Formosa Community Centre	23,465	22,729
Total surplus	19,876	(570,686)
Reserves set aside for specific purposes by Council		
Current purposes	209,966	209,966
Capital purposes	6,602,194	8,728,082
Total reserves	6,812,160	8,938,048
Total accumulated surplus	83,230,988	76,237,289

14. Budget amounts

The operating budget approved by Council for 2023 is reflected on the consolidated statements of operations and change in net financial assets. 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 and not budgeted.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

15. Government partnerships

The following summarizes the financial position and operations of the municipal joint board, Bruce Area Solid Waste Recycling. The Municipality of South Bruce's pro-rata share of these amounts has been reported in the financial statements using the proportionate consolidation method:

	Bruce Area Solid Waste Recycling 2023
	\$
Financial assets	1,261,989
Liabilities	208,967
Net financial assets	1,053,022
Non-financial assets	1,662,338
Accumulated surplus	2,715,360
<hr/>	
General surplus	(8,919)
Invested in tangible capital assets	1,651,821
Reserves and reserve funds	1,072,458
	2,715,360
<hr/>	
Revenues	3,829,826
Expenses	4,389,478
Annual surplus (deficit)	(559,652)

16. Net property taxation

Net property taxation consists of:

	2023	2022
	\$	\$
Taxation revenue	11,033,045	10,152,308
Amount levied and remitted to School Boards	(1,359,436)	(1,314,384)
Amount levied and remitted to the County of Bruce	(3,416,660)	(3,115,033)
Net property taxation	6,256,949	5,722,891

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

17. Commitments

- (a) Contractual capital commitments of approximately \$16,108,786 (2022 - \$5,411,873) are not reflected in the consolidated financial statements. This amount represents incomplete contracts as at December 31, 2023.
- (b) On December 1, 2021, the Municipality entered into an operating agreement with Veolia Water Canada Inc. for the operation and maintenance of the Municipality's water and wastewater facilities. The term of the agreement ends January 31, 2025. The first year annual fee for the contract is \$704,702 plus HST. Each subsequent year the fee will change with the Consumer Price Index.
- (c) The Municipality entered into an agreement for part of the Municipality's curbside garbage collection. The annual fee for 2024 and 2025 is \$61,644, 2026 is \$64,109 and 2027 is \$66,500. The term of the agreement ends in 2027.
- (d) The minimum annual payments for operating agreements for the next four years are as follows:
- | | |
|------|-------------|
| 2024 | \$1,440,674 |
| 2025 | \$881,204 |
| 2026 | \$65,853 |
| 2027 | \$66,500 |

18. 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) 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.
- (c) The Municipality is contingently liable to the Province of Ontario for long-term liabilities outstanding for tile drainage loans in the amount of \$82,042 (2022 - \$105,533).
- (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.

19. Trust funds

The trust funds administered by the Municipality amounting to \$93,682 (2022 - \$92,509) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations. The trust funds are comprised of the following:

	2023	2022
	\$	\$
Ontario Home Renewal Program	10,512	10,512
Cemetery Perpetual Care and Maintenance	83,170	81,997

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

20. Segmented information

The Municipality of South Bruce 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.

Property taxation revenue is prorated to each segment based on budgeted expenses. 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 includes 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.

Environmental services

Environmental services are comprised of water and sewer services. It represents costs for the Municipality to treat and distribute the Municipality's drinking water and ensures that it meets all provincial standards. It also includes the collection and treatment of waste water.

Environmental also consists of providing waste and recycling collection and the operation of the two landfill sites.

Health services

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

Recreation and cultural services

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

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

19.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.

Social and family services

This area provides services meant to improve the family services of the Municipality's citizens. The Municipality operates child care services, providing a before and after school program. This is a new service in 2023 that the Municipality is now providing, therefore in 2022, all amounts are \$NIL.

21.Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in current year.

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

SCHEDULE 1 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023

	Land	Land Improvements	Buildings	Vehicles, Machinery and Equipment	Roads	Water & Sewers	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								(Note 21)
Balance, beginning of year	1,772,725	1,478,645	23,384,919	12,106,175	56,986,902	22,711,784	5,187,850	123,629,000
Asset retirement obligation	26,806	-	-	-	-	-	-	26,806
Additions	-	136,698	674,063	789,795	1,054,898	48,754	9,275,544	11,979,752
Disposals	-	-	-	(177,424)	(419,225)	-	-	(596,649)
Transferred to held for sale	(56,005)	-	(224,019)	-	-	-	-	(280,024)
Transfers from WIP	-	1,137,177	4,914	4,161	4,421,921	3,227,731	(8,815,912)	(20,008)
Balance, end of year	1,743,526	2,752,520	23,839,877	12,722,707	62,044,496	25,988,269	5,647,482	134,738,877
Accumulated amortization								
Balance, beginning of year	245,526	791,234	10,655,829	5,551,242	31,367,946	5,365,577	-	53,977,354
Amortization	25,773	60,955	538,803	698,673	1,599,790	317,856	-	3,241,850
Disposals	-	-	-	(157,978)	(296,113)	-	-	(454,091)
Transferred to held for sale	-	-	(13,441)	-	-	-	-	(13,441)
Balance, end of year	271,299	852,189	11,181,191	6,091,937	32,671,623	5,683,433	-	56,751,672
Net book value, end of year	1,472,227	1,900,331	12,658,686	6,630,770	29,372,873	20,304,836	5,647,482	77,987,205

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

SCHEDULE 2 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2022

	Land	Land Improvements	Buildings	Vehicles, Machinery and Equipment	Roads	Water & Sewers	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year, as previously stated	1,456,708	1,297,590	22,508,373	10,179,169	55,768,957	22,390,352	1,180,821	114,781,970
Asset retirement obligation	265,566	-	49,940	-	-	213,409	-	528,915
Additions	-	71,174	826,606	1,340,686	983,452	108,023	5,122,561	8,452,502
Disposals	-	-	-	(116,411)	(17,977)	-	-	(134,388)
Transfers from WIP	50,450	109,881	-	702,731	252,470	-	(1,115,532)	-
All assets, end of year	1,772,724	1,478,645	23,384,919	12,106,175	56,986,902	22,711,784	5,187,850	123,628,999
Accumulated amortization								
Balance, beginning of year, as previously stated	69,687	743,944	10,089,354	5,000,478	29,842,206	4,914,864	-	50,660,533
Asset retirement obligation	170,083	-	42,262	-	-	141,949	-	354,294
Amortization	5,756	47,290	524,213	655,423	1,543,717	308,764	-	3,085,163
Disposals	-	-	-	(104,659)	(17,977)	-	-	(122,636)
Balance, end of year	245,526	791,234	10,655,829	5,551,242	31,367,946	5,365,577	-	53,977,354
Net book value, end of year	1,527,198	687,411	12,729,090	6,554,933	25,618,956	17,346,207	5,187,850	69,651,645

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

SCHEDULE 3 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 and Cultural Services	Planning and Development	Social and Family Services	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Net property taxation	1,772,240	916,675	1,739,656	1,113,866	62,772	588,148	59,457	4,135	6,256,949
Taxation from other governments	26,160	-	-	-	-	-	-	-	26,160
User charges and fees	144,965	317,997	1,018,906	2,525,082	125,037	568,441	20,430	89,130	4,809,988
Government transfers	832,500	11,403	103,516	33,527	-	75,429	11,627	6,543	1,074,545
Donations and sale of goods	2,371,367	19,365	7,419	-	5,198	22,639	4,921	-	2,430,909
Investment income	257,974	-	5,719	140,633	-	-	100	-	404,426
Penalties and interest on property taxation	66,065	-	-	56,836	-	-	-	-	122,901
	5,471,271	1,265,440	2,875,216	3,869,944	193,007	1,254,657	96,535	99,808	15,125,878
Expenses									
Salaries, wages and benefits	1,490,296	581,837	1,014,641	240,255	48,077	694,678	23,180	79,731	4,172,695
Interest on long-term liabilities	-	-	58,997	62,695	-	-	-	-	121,692
Materials and supplies	736,795	252,098	861,376	630,408	90,126	510,324	335,513	4,093	3,420,733
Contracted services	1,147,787	861,252	586,449	1,097,179	22,443	78,978	75,384	-	3,869,472
Rents, financial expenses and external transfers	7,248	109,626	867,655	74,855	10,214	33,205	21,510	-	1,124,313
Amortization	47,977	162,539	1,873,812	821,294	27,316	291,384	9,757	-	3,234,079
Accretion	-	-	2,493	86,190	210	4,704	-	-	93,597
Interfuncional charges	(211,740)	38,940	-	86,800	-	33,500	24,800	-	(27,700)
	3,218,363	2,006,292	5,265,423	3,099,676	198,386	1,646,773	490,144	83,824	16,008,881
Net revenues (expenses)	2,252,908	(740,852)	(2,390,207)	770,268	(5,379)	(392,116)	(393,609)	15,984	(883,003)

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

SCHEDULE 3 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 and Cultural Services	Planning and Development	Social and Family Services	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other									
Grants and transfers related to capital									
Government transfers	20,364	-	1,478,948	507,584	250,000	176,444	-	-	2,433,340
Donations	259,850	34,220	926,566	8,000	975,866	568,578	-	-	2,773,080
Capital contribution	-	-	-	2,771,678	-	-	-	-	2,771,678
Other municipalities	-	-	13,698	-	-	-	-	-	13,698
Gain (loss) on disposal of tangible capital assets	2,340	7,155	(123,111)	(1,478)	-	-	-	-	(115,094)
	282,554	41,375	2,296,101	3,285,784	1,225,866	745,022	-	-	7,876,702
Annual surplus (deficit)	2,535,462	(699,477)	(94,106)	4,056,052	1,220,487	352,906	(393,609)	15,984	6,993,699

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

SCHEDULE 4 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Social and Family Services	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Net property taxation	1,562,327	906,216	1,529,406	1,028,428	72,632	548,700	62,722	12,460	5,722,891
Taxation from other governments	25,912	-	-	-	-	-	-	-	25,912
User charges and fees	141,718	197,966	1,222,970	2,457,629	107,203	437,882	17,491	28,602	4,611,461
Government transfers	821,100	10,399	103,879	31,394	-	44,517	6,473	9,743	1,027,505
Donations and sale of goods	1,953,586	34,316	25,002	-	33,564	18,430	2,900	-	2,067,798
Investment income	191,151	-	-	63,371	-	-	317	-	254,839
Penalties and interest on property taxation	69,583	-	-	62,340	-	-	-	-	131,923
	4,765,377	1,148,897	2,881,257	3,643,162	213,399	1,049,529	89,903	50,805	13,842,329
Expenses									
Salaries, wages and benefits	1,214,844	571,349	969,547	241,732	35,120	568,672	17,716	31,191	3,650,171
Interest on long-term liabilities	-	-	63,352	71,796	-	-	-	-	135,148
Materials and supplies	548,804	285,332	947,253	449,021	100,262	427,644	27,038	6,907	2,792,261
Contracted services	1,209,661	892,134	456,975	1,202,055	8,501	80,002	40,832	-	3,890,160
Rents, financial expenses and external transfers	7,026	98,740	1,013,102	92,041	59,698	66,296	20,588	-	1,357,491
Amortization expense	45,132	155,670	1,799,876	809,131	27,953	238,235	9,167	-	3,085,164
Accretion	-	-	2,421	27,965	204	4,567	-	-	35,157
Interfuncional charges	(212,328)	28,132	26,196	78,947	9,672	32,096	23,712	-	(13,573)
	2,813,139	2,031,357	5,278,722	2,972,688	241,410	1,417,512	139,053	38,098	14,931,979
Net revenues (expenses)	1,952,238	(882,460)	(2,397,465)	670,474	(28,011)	(367,983)	(49,150)	12,707	(1,089,650)

The accompanying notes are an integral part of
these financial statements

CORPORATION OF THE MUNICIPALITY OF SOUTH BRUCE

SCHEDULE 4 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Social and Family Services	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other									
Grants and transfers related to capital									
Government transfers	21,504	60,160	2,410,369	69,510	-	350,569	-	-	2,912,112
Donations	1,660,322	69,055	212,061	21,000	384,839	108,972	3,362	-	2,459,611
Capital contribution	-	-	-	342,119	-	-	-	-	342,119
Gain (loss) on disposal of tangible capital assets	23	11,141	-	(1,181)	-	235	-	-	10,218
	1,681,849	140,356	2,622,430	431,448	384,839	459,776	3,362	-	5,724,060
Annual surplus (deficit)	3,634,087	(742,104)	224,965	1,101,922	356,828	91,793	(45,788)	12,707	4,634,410

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these financial statements