

**The Corporation of the  
County of Bruce  
Consolidated Financial Statements  
For the year ended December 31, 2023**

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Consolidated Financial Statements  
For the year ended December 31, 2023**

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**The Corporation of the County of Bruce**

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## Independent Auditor's Report

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### To the Members of Council of the Corporation of the County of Bruce

#### Opinion

We have audited the consolidated financial statements of the Corporation of the County of Bruce (the County), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net debt, remeasurement gains and cash flows for the year then ended, and notes to the consolidated 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 County as at December 31, 2023, and its consolidated results of operations, remeasurement gains, changes in net debt, and its 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 County 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 the 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 consolidated 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 County's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the County'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 consolidated 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 County'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 County'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 County 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the County to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
May 13, 2024

**The Corporation of the County of Bruce**  
**Consolidated Statement of Financial Position**

<b>December 31</b>	<b>2023</b>	<b>2022</b> (Restated) (Note 2)
<b>Financial assets</b>		
Cash and investments (Note 3)	\$ 53,927,124	\$ 49,607,271
Accounts receivable (Note 4)	12,549,795	5,147,571
Inventory held for resale	41,460	36,461
Sustainability long-term receivables	155,908	240,242
	<u>66,674,287</u>	<u>55,031,545</u>
<b>Liabilities</b>		
Advances on debt (Note 5)	5,293,535	804,404
Accounts payable and accrued liabilities (Note 6)	24,787,233	15,146,517
WSIB future benefits (Note 7)	4,181,979	2,696,556
Post-employment benefits (Note 8)	1,187,488	1,159,128
Asset retirement obligation (Note 9)	9,332,596	8,910,250
Deferred revenue (Note 10)	1,881,720	4,279,729
Long-term liabilities (Note 11)	22,804,798	24,582,172
	<u>69,469,349</u>	<u>57,578,756</u>
<b>Net debt</b>	<u>(2,795,062)</u>	<u>(2,547,211)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 12)	208,926,624	195,033,001
Other	1,882,386	1,731,287
	<u>210,809,010</u>	<u>196,764,288</u>
<b>Accumulated surplus (Note 13)</b>	<u>\$ 208,013,948</u>	<u>\$ 194,217,077</u>
<b>Accumulated surplus is comprised of:</b>		
Accumulated operating surplus (Page 5)	\$ 206,507,637	\$ 194,217,077
Accumulated remeasurement gains (Page 7)	1,506,311	-
	<u>\$ 208,013,948</u>	<u>\$ 194,217,077</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Corporation of the County of Bruce  
Consolidated Statement of Operations and Accumulated Surplus**

<b>For the year ended December 31</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	Budget	Actual	Actual (Restated) (Note 2)
<b>Revenue</b>			
Taxation	\$ 63,382,567	\$63,990,171	\$ 58,039,039
Fees and user charges	12,072,169	11,954,835	10,971,756
Government transfers (Note 15)	73,092,062	70,161,691	58,115,377
Investment income	200,000	1,529,381	569,854
Gain (loss) on disposal of tangible capital assets	20,000	(981,834)	(3,398)
Donations and fundraising	178,571	217,893	304,219
Other income	305,742	1,228,168	1,066,627
	<u>149,251,111</u>	<u>148,100,305</u>	<u>129,063,474</u>
<b>Expenses</b>			
General government	14,118,680	14,256,481	12,059,668
Protection services	64,500	61,122	56,942
Transportation services	10,001,973	15,973,382	15,387,300
Environmental services	567,227	488,262	452,563
Land ambulance	13,634,455	14,131,729	13,924,566
Health Unit	1,212,780	1,249,299	1,204,547
Social and family services	75,696,690	76,344,162	67,257,484
Recreation and cultural services	7,141,315	8,061,222	7,143,544
Planning and development	4,973,497	4,564,149	4,042,122
Interest on long-term debt	659,474	679,937	766,354
	<u>128,070,591</u>	<u>135,809,745</u>	<u>122,295,090</u>
<b>Annual surplus (Note 16)</b>	21,180,520	12,290,560	6,768,384
<b>Accumulated surplus, beginning of the year, as previously stated</b>	194,217,077	194,217,077	195,690,679
<b>Change in accounting policy (Note 2)</b>	-	-	(8,241,986)
<b>Accumulated surplus, beginning of the year, restated</b>	<u>194,217,077</u>	<u>194,217,077</u>	<u>187,448,693</u>
<b>Accumulated surplus, end of the year</b>	<u>\$215,397,597</u>	<u>\$206,507,637</u>	<u>\$194,217,077</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Corporation of the County of Bruce  
Consolidated Statement of Changes in Net Debt**

<b>For the year ended December 31</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
	Budget	Actual	Actual (Restated) (Note 2)
<b>Annual surplus (Page 5)</b>	\$ 21,180,520	<b>\$12,290,560</b>	\$ 6,768,384
Acquisition of tangible capital assets	(42,495,213)	<b>(27,639,992)</b>	(14,338,263)
Amortization of tangible capital assets	-	<b>12,684,074</b>	12,152,072
Loss on disposal of tangible capital assets	-	<b>981,834</b>	3,398
Proceeds on disposal of capital assets	20,000	<b>80,461</b>	80,266
	<b>(42,475,213)</b>	<b>(13,893,623)</b>	(2,102,527)
Change in other assets	-	<b>(151,099)</b>	(246,639)
<b>(Increase) decrease in net debt excluding net remeasurement gains</b>	<b>(21,294,693)</b>	<b>(1,754,162)</b>	4,419,218
<b>Net remeasurement gains</b>			
Portfolio investments (Page 7)	-	<b>1,506,311</b>	-
<b>(Increase) decrease in net debt</b>	-	<b>(247,851)</b>	4,419,218
<b>Net debt, beginning of the year, as previously stated</b>	<b>(2,547,211)</b>	<b>(2,547,211)</b>	1,540,589
<b>Change in accounting policy (Note 2)</b>	-	-	(8,507,018)
<b>Net debt, beginning of the year, restated</b>	<b>(2,547,211)</b>	<b>(2,547,211)</b>	(6,966,429)
<b>Net debt, end of the year</b>	<b>\$(23,841,904)</b>	<b>\$(2,795,062)</b>	<b>\$ (2,547,211)</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Corporation of the County of Bruce  
Consolidated Statement of Remeasurement Gains**

<u>For the year ended December 31</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>
	Budget	Actual	Actual
Accumulated remeasurement gains, beginning of the year	\$ -	\$ -	\$ -
Adjustment to beginning accumulated remeasurement gains (Note 2)	-	1,539,050	-
Unrealized gains (losses) attributable to: Portfolio investments	-	(32,739)	-
Accumulated remeasurement gains, end of the year	\$ -	\$ 1,506,311	\$ -

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



**The Corporation of the County of Bruce**  
**Consolidated Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2023</b>	<b>2022</b>
		(Restated) (Note 2)
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus (Page 5)	\$12,290,560	\$ 6,768,384
Items not involving cash		
Asset retirement obligation accretion	422,346	403,233
WSIB future benefits	1,485,423	123,275
Post-employment benefits	28,360	253
Amortization	12,684,074	12,152,072
Loss on disposal of capital assets	981,834	3,398
	<u>27,892,597</u>	19,450,615
Changes in non-cash working capital balances		
Accounts receivable	(7,402,224)	679,894
Inventory held for resale	(4,999)	(5,206)
Accounts payable and accrued liabilities	9,640,716	2,839,390
Deferred revenue	(2,398,009)	636,502
Other non-financial assets	(151,099)	(246,639)
	<u>27,576,982</u>	23,354,556
<b>Capital transactions</b>		
Cash used to acquire capital assets	(27,639,992)	(14,338,263)
Proceeds on disposal of capital assets	80,461	80,266
	<u>(27,559,531)</u>	(14,257,997)
<b>Investing activities</b>		
Decrease in sustainability long-term receivables	84,334	126,768
Increase in investments	(76,887)	163,465
	<u>7,447</u>	290,233
<b>Financing and investing activities</b>		
Advance of debt	4,489,131	804,404
Repayment of advance on debt	-	(7,936,601)
Proceeds of long-term liabilities	-	11,919,622
Repayment of long-term liabilities	(1,777,374)	(3,405,730)
	<u>2,711,757</u>	1,381,695
<b>Net change in cash and cash equivalents</b>	<u>2,736,655</u>	10,768,487
<b>Cash, beginning of the year (Note 3)</b>	<u>28,532,779</u>	17,764,292
<b>Cash, end of the year (Note 3)</b>	<u>\$31,269,434</u>	\$ 28,532,779

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## The Corporation of the County of Bruce Notes to Financial Statements

December 31, 2023

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### 1. Summary of Significant Accounting Policies

**Management Responsibility** Management of the Corporation of the County of Bruce has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these consolidated financial statements. Management reviews and approves the consolidated financial statements before they are submitted to Council for approval.

**Basis of Accounting** The consolidated financial statements of the Corporation of the County of Bruce 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 prescribed by the Ministry of Municipal Affairs and Housing.

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.

**Use of Estimates** The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future. Estimates are used when accounting for items such as accrued liabilities, useful lives of capital assets, asset retirement obligations, post-employment and WSIB future benefit liabilities and taxation revenue.

**Basis of Consolidation** The consolidated statements reflect the assets, liabilities, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

Bruce County Library Board  
Bruce County Housing Corporation

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**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

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**1. Summary of Significant Accounting Policies - (continued)**

**Cash and Investments**      Cash and investments include all cash on hand, deposits with banks and other highly liquid investments recorded at fair market value.

**Inventory**                      Inventory of goods held for resale is recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis. Inventory of supplies is recorded at the lower of cost and replacement cost.

**Tangible Capital Assets**      Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by management. The following rates are used:

Buildings	10 to 50 years
Equipment	5 to 10 years
Technology	4 to 5 years
Vehicles and machinery	5 to 10 years
Furniture and fixtures	5 years
Roads	8 to 60 years
Bridges	18 to 60 years
Other infrastructure	10 to 50 years

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

**Asset Retirement Obligations**      A liability for an asset retirement obligation is recognized when 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 is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

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# The Corporation of the County of Bruce

## Notes to Financial Statements

December 31, 2023

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### 1. Summary of Significant Accounting Policies

<b>Post-Employment Benefits</b>	<p>The County provides post-employment health, dental, life insurance and other benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit costs and are expensed as services are rendered.</p> <p>The County is an employer included under Schedule 2 of the Workplace Safety and Insurance Act. It self-ensures the entire risk of its own WSIB claims and is individually liable for reimbursing the WSIB for all costs relating to its workers' WSIB claims. The cost of the claims are determined using management's best estimate and are expensed as incidents occur.</p> <p>The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit plan are expensed when contributions are due.</p>
<b>Provincial Subsidies</b>	<p>Subsidies from the Province of Ontario are subject to review of year-end settlement forms and adjustments by the Province. Adjustments to funding, if any, are recorded in the year in which they occur.</p>
<b>Liability for Contaminated Sites</b>	<p>A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. Management has not identified any contaminated sites for which a liability needs to be recognized.</p>
<b>Homes for the Aged Trust Funds</b>	<p>Long-Term Care Resident's funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of receipts and disbursements and statement of financial position.</p>

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# The Corporation of the County of Bruce

## Notes to Financial Statements

December 31, 2023

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### 1. Summary of Significant Accounting Policies

**Financial Instruments** The County has elected to measure Encasa Canadian short-term bond fund investments and principal protected notes at fair value. Cash is also measured at fair value. All other financial assets; accounts receivable, and sustainability long-term receivable, and financial liabilities; advances on debt, accounts payable and accrued liabilities and long-term liabilities are measured at amortized cost.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

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**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

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**1. Summary of Significant Accounting Policies**

**Revenue Recognition** Revenues are reported on the accrual basis of accounting. Revenues are recognized as follows:

a) 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. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

b) Fines and donations are recognized when collected.

c) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.

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

e) Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

f) Investment income earned on surplus funds is reported as revenue in the period earned. Investment income earned on obligatory funds such as the Canada Community Building Fund (CCBF) is added to the associated funds and forms part of the respective deferred revenue balances.

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**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

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**2. Change in Accounting Policy**

Effective January 1, 2023, the county adopted new Public Sector Accounting Handbook Standard 3280: Asset Retirement Obligations. The standard requires that the County evaluate their assets for any potential asset retirement obligations. This change in accounting policy has been made in accordance with the modified retrospective approach of the standard. Under this method, the asset retirement obligation liability, adjusted for accumulated accretion to date, was measured as of January 1, 2022 with a corresponding adjustment to capital assets, accumulated amortization and net assets. The impact of adoption of this standard at January 1, 2022 was as follows:

Increase in capital assets	\$ 265,032
Increase in asset retirement obligation	\$ 8,507,018
Decrease in accumulated surplus	\$ 8,241,986

The impact of adoption of this standard at December 31, 2022 was as follows:

Increase in amortization	\$ 13,096
Increase in accretion expense	\$ 403,232
Decrease in annual surplus	\$ 416,329
Decrease in accumulated surplus	\$ 8,658,315
Increase in asset retirement obligation	\$ 8,910,250
Decrease in capital assets	\$ 251,936

On January 1, 2023 the County adopted PS 3450 Financial instruments which establishes standards for recognizing and measuring financial assets, financial liabilities and derivatives. This standard is required to be adopted prospectively, therefore comparative figures have not been restated. Unrealized gains and losses on portfolio investments are shown on a new statement, the statement of rereasurement gains and losses. There is a transitional adjustment for the adoption of this new standard in the amount of \$1,539,050 which represents the unrealized gain on the portfolio investments as at January 1, 2023.

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**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

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**3. Cash and Investments**

	<u>2023</u>	<u>2022</u>
Cash	\$31,269,434	\$ 28,532,779
Encasa Canadian short-term bond fund	3,214,030	3,074,492
Principal protected notes	<u>19,443,660</u>	<u>18,000,000</u>
	<u>\$53,927,124</u>	<u>\$ 49,607,271</u>

A cash balance of \$31,353,899 is being held in bank accounts at one Canadian chartered bank as part of a centralized cash control service. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per depositor.

Encasa short-term bond fund invests primarily in debt obligations issued or guaranteed by the Government of Canada, provincial or territorial governments or their agencies, Canadian chartered banks, Canadian loan or trust companies and Canadian corporations with a rating not lower than BBB by an approved credit rating agency.

The principal protected notes are a diversified mix of annual interest paying notes as well as growth focused notes. This ensures a mix of return exposures that helps manage risk levels. The notes are designed to replicate investing strategies from rolling short term t-bills, annual pay variable rate bonds and longer term equity market growth in both Canada and international developed economy markets. Therefore they are diversified in income type, frequency of the return distribution, as well as the different geographical markets in the developed world. These notes have full principal protection at maturity. The maturity dates for the notes range from 2024 to 2030. The principal protected notes were previously held at book value and as result of the PS 3450 Financial instruments they are now held at fair value.

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**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

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**4. Accounts Receivable**

	<b>2023</b>	<b>2022</b>
Accounts receivable	\$ 1,223,272	\$ 1,283,494
Provincial receivable	3,611,713	979,329
Federal receivable	5,533,212	1,979,479
Municipal receivables	1,255,054	243,848
Municipal tax levy receivables	926,544	661,421
	<b>\$12,549,795</b>	<b>\$ 5,147,571</b>

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**5. Advances on Debt**

The County of Bruce has a demand operating facility agreement with a financial institution. At December 31, 2023, the County of Bruce had undrawn credit capacity of \$7,500,000. Interest is calculated at bank prime rate minus 0.75%.

In 2022, the County obtained a temporary loan to provide financing for the new Port Elgin paramedic station. The interim loan has a maximum term of five years, maximum draws of \$10,000,000 authorized and interest accrues based on a variable interest rate. At December 31, 2023, the County of Bruce had drawn \$5,293,535. Subsequent to yearend there was an additional draw of \$2,087,237. Once the project is substantially complete the interim loan will be transitioned to long term debt with a 30 year term, fixed interest rate, and a defined annual repayment schedule.

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**6. Accounts Payable**

	<b>2023</b>	<b>2022</b>
Trade accounts payable	\$15,290,401	\$ 9,430,685
Payroll payables	4,463,205	4,566,368
Federal payables	13,051	7,699
Provincial payables	5,020,576	1,141,765
	<b>\$24,787,233</b>	<b>\$ 15,146,517</b>

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**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

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**7. WSIB Future Benefit and Commitment**

As the County is an employer included under Schedule 2 of the Workplace Safety and Insurance Act, it self-ensures the entire risk of its own WSIB claims and is individually liable for reimbursing the WSIB for all costs relating to its workers' WSIB claims.

	<u>2023</u>	<u>2022</u>
WSIB future benefit	<u>\$ 4,181,979</u>	<u>\$ 2,696,556</u>

Actuarial valuations for accounting purposes are performed using the projected benefit method. The most recent actuarial report was prepared for the year ended December 31, 2022 as of May 3, 2023.

The actuarial valuation was based on a number of assumptions such as, discount rates, wage increases, and WSIB payment rates. The assumptions used reflect management's best estimates. The WSIB benefit liability was determined using a discount rate of 5% (2022 - 3.5%), average lost time injury payment rate of 112% (2022 - 75%), a WSIB administrative rate of 23% (2022 - 28%) and an average lost time injury count of 21 (2022 - 11).

	<u>2023</u>	<u>2022</u>
Current period benefit cost	\$ 641,009	\$ 315,715
Interest costs	<u>198,534</u>	<u>90,636</u>
Total expense for the year	<u>\$ 839,543</u>	<u>\$ 406,351</u>

At December 31, 2023 the County provided \$3,025,594 (2022 - \$2,618,673) in a reserve to offset this liability.

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**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

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**8. Post-Employment Benefits**

The County pays certain life insurance, health and dental benefits on behalf of its retired employees. The County also participates in a retirement gift program, based on years of service. The County recognizes these post-retirement costs in the period in which the employees render the services.

	<b>2023</b>	<b>2022</b>
Retirement benefits	\$ 1,647,295	\$ 1,650,402
Unamortized actuarial loss	(459,807)	(491,274)
Post-employment benefits	<b>\$ 1,187,488</b>	<b>\$ 1,159,128</b>

Actuarial valuations for accounting purposes are performed using the projected benefit method. The most recent actuarial report was prepared for the year ended December 31, 2022 as of January 5, 2023.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, medical inflation rates, wage increases, employee turnover and remaining service life. The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 5% (2022 - 3.75%). For extended health care costs, a 6% (2022 - 3.75%) annual rate of increase is assumed for 2023, decreasing to an ultimate rate of 4% (2022 - 3.75%) by 2029. For dental costs, a 4% (2022 - 3.75%) annual rate of increase was assumed.

	<b>2023</b>	<b>2022</b>
Current period benefit cost	\$ 62,908	\$ 65,742
Amortization of actuarial gain	31,467	7,970
Retirement benefit expense	94,375	73,712
Interest costs	80,432	48,784
Total expense for the year	<b>\$ 174,807</b>	<b>\$ 122,496</b>

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## The Corporation of the County of Bruce Notes to Financial Statements

**December 31, 2023**

### 9. Asset Retirement Obligation

The County's financial statements include an asset retirement obligation for asbestos, lead paint and PCB's in the County's social housing and other facilities. The County has also included an asset retirement obligation for the removal of the Arran Township Shed Bridge in Invermay. The related asset retirement costs are being amortized on a straight line basis. The liability has been estimated using a net present value technique with a discount rate of 4.74% (2022 - 4.74%).

The estimated total undiscounted future expenditures of 42 social housing facilities are \$20,720,835. The expenditures are expected to be incurred and liability settled as follows:

\$2,390,246 incurred over the next 10 years and settled 2024 to 2033;  
 \$5,424,078 incurred over the next 20 years and settled 2034 to 2043;  
 \$3,285,633 incurred over the next 30 years and settled 2044 to 2053; and  
 \$9,620,878 incurred over the next 40 years and settled 2054 to 2062.

The estimated total undiscounted future expenditures of the County's other facilities are \$2,419,433, of which \$1,777,113 is expected to be incurred over 12 to 18 years and settled in 2035 to 2041, \$433,664 over 42 years and settled in 2065 and \$208,655 over 56 years and settled in 2079.

The estimated total undiscounted future expenditures of the Arran Township Shed Bridge is \$577,728, which is expected to be incurred over the next 3 years and settled in 2026.

The carrying amount of the liability is as follows:

Asset Retirement Obligation as at December 31, 2022	<b>\$ 8,910,250</b>
Increase due to accretion expense	<u>422,346</u>
Asset retirement obligation as at December 31, 2023	<b><u>\$ 9,332,596</u></b>

### 10. Deferred revenue

	2023	2022
Canada Community Building Fund (Gas tax funding)	\$ 154,727	\$ 1,054,471
Museum	40,343	63,176
Library	8,528	2,317
Medication Safety Technology	-	81,587
Planning	126,559	203,105
Childcare Program	387,062	1,683,279
Ontario Community Infrastructure Fund (OCIF)	537,497	320,992
Other	627,004	870,802
	<b>\$ 1,881,720</b>	<b>4,279,729</b>

**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

**11. Long-Term Liabilities**

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

	2023	2022
Mortgage payable, People's Trust, 2.42%, repayable in blended monthly instalments of \$6,890, due May 2025	\$ 302,461	\$ 376,883
Mortgage payable, Canada Mortgage & Housing Company, 0.74%, repayable in blended monthly instalments of \$9,985, due February 2026	779,212	892,819
Mortgage payable, TD Canada Trust, 6.117%, repayable in blended monthly instalments of \$7,406, due April 2024	249,452	320,900
Mortgage payable, People's Trust, 2.66%, repayable in blended monthly instalments of \$6,133, due September 2024	223,342	290,076
Mortgage payable, Canada Mortgage & Housing Company, 4.18%, repayable in blended monthly instalments of \$15,003, due December 2028	811,786	961,908
Mortgage payable, Canada Mortgage & Housing Company, 1.67%, repayable in blended monthly instalments of \$23,421, due July 2031, includes \$661,839 forgivable loan (see (i) below)	10,032,407	10,191,230
<b>Total Bruce County Housing Corporation</b>	<b>\$12,398,660</b>	<b>\$ 13,033,816</b>
<b>County of Bruce</b>		
Debenture payable, OILC, 2.33%, repayable in declining blended semi-annual instalments of \$137,331, due October 2029	1,289,029	1,511,416
Loan payable, OSIFA, 5.32%, repayable in blended semi-annual payments of \$311,399, due October 2032	4,326,890	4,703,944
(carried forward)	<b>\$ 7,170,386</b>	<b>\$ 8,096,038</b>

**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

**11. Long-Term Liabilities - (continued)**

	2023	2022
(brought forward)	<b>\$ 7,170,386</b>	\$ 8,096,038
Debenture payable, OILC, 2.45%, repayable in declining blended semi-annual instalments of \$97,416 due February 2040	2,583,459	2,712,618
Debenture payable, OILC, 3.32%, repayable in declining blended semi-annual instalments of \$58,075 due March 2042 (see (ii) below)	1,577,414	1,639,541
Demand installment loan, CIBC, 1.808%, repayable in declining blended quarterly payments of \$91,718, due October 2025 if demand is not made	629,346	980,837
<b>Total County of Bruce</b>	<b>10,406,138</b>	11,548,356
	<b>\$22,804,798</b>	\$ 24,582,172

(i) In 2022, the County received \$696,673 from the Canada Mortgage & Housing Company as a forgivable loan. The forgivable loan is interest free for so long as the conditions specified in the Agreement are met and the forgivable loan is not in default. If in default the forgivable loan will bear interest at 5% per annum. An equal portion of the principal amount of the forgivable loan will be forgiven annually on the anniversary of the final advance over a 20 year term.

(ii) The debenture agreement requires the County to maintain a replacement reserve fund for the property at 529 Gary Street and contribute a minimum of 4% of revenues to the reserve fund on an annual basis. During 2023, the County contributed \$26,381 to the replacement reserve fund and the balance at December 31, 2023 was \$52,430.

All mortgages are secured by real property.

The gross interest paid relating to the above long-term debt was \$641,655 (2022 - \$735,655). The gross interest expensed during the year was \$679,937 (2022 - \$766,354).

Principal payments for the next five fiscal years and thereafter are as follows:

	Principal	Forgivable	Total
2024	1,751,344	34,834	1,786,178
2025	1,708,710	34,834	1,743,544
2026	1,483,756	34,834	1,518,590
2027	1,372,170	34,834	1,407,004
2028	1,327,452	34,834	1,362,286
Thereafter	14,464,693	522,503	14,987,196
	<b>\$ 20,624,369</b>	<b>\$ 661,839</b>	<b>\$ 22,804,798</b>

**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

**12. Tangible Capital Assets**

**2023**

	Land	Buildings	Equipment	Technology	Vehicles and Machinery	Furniture and Fixtures	Roads, Bridges and Other Infrastructure	Work in Progress	Total
Cost, beginning of the year	\$ 10,171,452	\$ 122,103,468	\$ 7,485,878	\$ 5,905,846	\$ 10,438,477	\$ 1,154,558	\$ 194,151,189	\$ 9,840,130	\$ 361,250,998
Additions		2,572,873	881,052	241,823	1,321,584	46,984	7,018,538	15,557,138	27,639,992
Disposals	(562,520)	(181,637)	(251,776)	(104,513)	(273,649)	(4,436)	(1,094,146)	-	(2,472,677)
Reallocation of completed work	-	1,350,305	-	-	182,227	-	4,395,331	(5,927,863)	-
Cost, end of the year	<u>9,608,932</u>	<u>125,845,009</u>	<u>8,115,154</u>	<u>6,043,156</u>	<u>11,668,639</u>	<u>1,197,106</u>	<u>204,470,912</u>	<u>19,469,405</u>	<u>386,418,313</u>
Accumulated amortization, beginning of the year	-	55,822,359	4,536,446	4,533,176	7,882,967	943,407	92,499,642	-	166,217,997
Amortization	-	3,912,402	827,788	535,802	685,959	68,653	6,653,470	-	12,684,074
Disposals	-	(152,843)	(236,168)	(101,790)	(273,649)	(4,436)	(641,496)	-	(1,410,382)
Accumulated amortization, end of the year	-	<u>59,581,918</u>	<u>5,128,066</u>	<u>4,967,188</u>	<u>8,295,277</u>	<u>1,007,624</u>	<u>98,511,616</u>	-	<u>177,491,689</u>
Net carrying amount, end of the year	<u>\$ 9,608,932</u>	<u>\$ 66,263,091</u>	<u>\$ 2,987,088</u>	<u>\$ 1,075,968</u>	<u>\$ 3,373,362</u>	<u>\$ 189,482</u>	<u>\$ 105,959,296</u>	<u>\$ 19,469,405</u>	<u>\$ 208,926,624</u>

**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

**12. Tangible Capital Assets - (continued)**

2022

	Land	Buildings	Equipment	Technology	Vehicles and Machinery	Furniture and Fixtures	Roads, Bridges and Other Infrastructure	Work in Progress	Total
Cost, beginning of the year	\$ 10,171,452	\$ 119,821,288	\$ 7,008,244	\$ 5,277,816	\$ 9,976,671	\$ 1,056,692	\$ 191,819,702	\$ 3,194,372	\$ 348,326,237
Additions		2,461,880	740,236	675,733	694,856	99,101	2,378,533	7,287,924	14,338,263
Disposals	-	(372,927)	(262,602)	(262,804)	(233,050)	(1,235)	(280,884)	-	(1,413,502)
Reallocation of completed work	-	193,227	-	215,101	-	-	233,838	(642,166)	-
Cost, end of the year	10,171,452	122,103,468	7,485,878	5,905,846	10,438,477	1,154,558	194,151,189	9,840,130	361,250,998
Accumulated amortization, beginning of the year	-	52,126,986	4,090,441	4,173,011	7,188,058	874,503	86,942,764	-	155,395,763
Amortization	-	3,997,738	696,997	621,477	927,959	70,139	5,837,762	-	12,152,072
Disposals	-	(302,365)	(250,992)	(261,312)	(233,050)	(1,235)	(280,884)	-	(1,329,838)
Accumulated amortization, end of the year	-	55,822,359	4,536,446	4,533,176	7,882,967	943,407	92,499,642	-	166,217,997
Net carrying amount, end of the year	\$ 10,171,452	\$ 66,281,109	\$ 2,949,432	\$ 1,372,670	\$ 2,555,510	\$ 211,151	\$ 101,651,547	\$ 9,840,130	\$ 195,033,001



**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

**12. Tangible Capital Assets - (continued)**

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$19,469,405 (2022 - \$9,840,130).

The County holds various works of art and historical treasures pertaining to the County of Bruce Museum. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

**13. Accumulated Surplus**

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

	2023	2022
Invested in tangible capital assets		
Tangible capital assets purchased	\$ 208,926,624	\$ 195,033,001
Unfinanced capital assets	(2,444,014)	(847,837)
Advances on debt	(5,293,535)	(804,404)
Capital assets financed by long-term liabilities and to be funded in future years	(22,175,452)	(23,601,335)
Total invested in capital assets	179,013,623	169,779,425
Unfunded post-employment benefits	(1,187,488)	(1,159,128)
Unfunded WSIB future benefits	(4,181,979)	(2,696,556)
Unfinanced economic recovery program	(274,629)	(487,428)
Unfinanced asset retirement obligation	(9,332,596)	(8,910,250)
Reserves (Note 14)	164,036,931	156,526,063
	42,470,706	37,691,014
Remeasurement gains	206,507,637	194,217,077
	1,506,311	-
Accumulated surplus	\$ 208,013,948	\$ 194,217,077

**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

**14. Reserves Set Aside for Specific Purpose by Council**

	2023	2022
<b>Reserves</b>		
Working funds	\$ 2,051,716	\$ 1,497,286
Tax stabilization - general	3,236,018	2,079,998
WSIB	3,025,594	2,618,673
Current purposes	250,000	250,000
Capital purposes	33,907,378	31,245,057
<b>Reserves set aside for specific purpose by Council</b>	<b>\$42,470,706</b>	<b>\$ 37,691,014</b>

**15. Government Transfers**

	2023 Budget	2023 Actual	2022 Actual
<b>Operating</b>			
Province of Ontario	\$ 61,801,290	\$59,744,653	\$ 51,055,440
Government of Canada	1,046,395	1,008,853	1,096,757
Other Municipalities	582,845	504,168	522,371
Total operating transfers	63,430,530	61,257,674	52,674,568
<b>Capital</b>			
Province of Ontario	3,397,334	3,153,464	1,780,669
Government of Canada	6,124,838	5,750,553	3,660,140
Other Municipalities	139,360	-	-
Total capital transfers	9,661,532	8,904,017	5,440,809
Total government transfers	<b>\$ 73,092,062</b>	<b>\$70,161,691</b>	<b>\$ 58,115,377</b>

**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

**16. Budgets**

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statement of operations and accumulated surplus and changes in net debt for comparative purposes. The 2023 budget amounts for the Corporation of the County of Bruce approved by Council have been reclassified to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in net debt. The following is a reconciliation of the budget approved by Council.

	2023 Budget	2023 Actual	2022 Actual
Annual surplus (Page 5)	\$ 21,180,520	\$12,290,560	\$ 6,768,384
Amortization	-	12,684,074	12,152,072
	<u>21,180,520</u>	<u>24,974,634</u>	<u>18,920,456</u>
Transfers to reserves	(5,495,091)	(12,795,895)	(10,652,536)
Transfers from reserves	19,991,639	10,735,333	7,805,733
	<u>14,496,548</u>	<u>(2,060,562)</u>	<u>(2,846,803)</u>
Capital acquisitions, disposals and write-down	(42,495,213)	(26,577,697)	(14,254,599)
Change in unfunded capital projects	294,834	1,596,177	(3,578,391)
Proceeds of long-term liabilities	8,428,840	-	12,489,943
Advances on debt	-	4,489,131	(7,132,197)
Debt principal repayments	(1,905,529)	(1,425,883)	(3,630,856)
	<u>(35,677,068)</u>	<u>(21,918,272)</u>	<u>(16,106,100)</u>
Change in unfunded liabilities	-	1,936,129	526,761
Unfunded economic recovery program	-	(212,799)	(213,431)
	<u>-</u>	<u>1,723,330</u>	<u>313,330</u>
Change in general surplus in the year	-	2,719,130	280,883
Transfer of current year surplus to reserves	-	(2,719,130)	(280,883)
General surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

**17. Financial Instruments**

**Financial Instrument Fair Value Measurement**

The following table provides an analysis of financial instruments that are measured at fair value, using a fair value hierarchy of levels 1, 2 and 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

- **Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3** - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	2023			
	Level 1	Level 2	Level 3	Total
Cash	\$31,269,434	\$ -	\$ -	\$31,269,434
Encasa short-term bond fund	-	3,214,030	-	3,214,030
Principal protected notes	-	19,443,660	-	19,443,660
	<b>\$31,269,434</b>	<b>\$22,657,690</b>	<b>\$ -</b>	<b>\$53,927,124</b>

**Financial Instrument Risk Management**

The County is exposed to credit risk, liquidity risk, interest rate risk and other price risk from its financial instruments. This note describes the County's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

**Credit Risk**

The County is exposed to credit risk through its cash, investments, accounts receivable, and sustainability long-term receivables. There is the possibility of non-collection of trade and other receivables. The majority of the County's receivables are from ratepayers and government entities. For receivables, the County measures impairment of each receivable type based on how long the amounts have been outstanding, noting that some government ministries can take multiple years to complete funding reconciliations. The amounts outstanding at year end, which is the County's maximum exposure to credit risk related to receivables, were as follows:

**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

**17. Financial Instruments (continued)**

	<b>0 - 30 days</b>	<b>31 - 90 days</b>	<b>91 - 365 days</b>	<b>1 to 2 years</b>	<b>3 to 10 years</b>
Cash	\$ 31,269,434	\$ -	\$ -	\$ -	\$ -
Investments	-	-	8,599,950	2,959,590	11,098,150
Accounts receivables	8,217,727	1,319,288	2,038,254	791,701	182,825
Sustainability Long-term receivables	-	-	-	-	155,908
<b>Total</b>	<b>\$ 39,487,161</b>	<b>\$ 1,319,288</b>	<b>\$ 10,638,204</b>	<b>\$ 3,751,291</b>	<b>\$ 11,436,883</b>

**Liquidity Risk**

Liquidity risk is the risk that the County encounters difficulty in meeting its obligations as they fall due. The County has a planning and budgeting process in place to help determine the funds required to support the County's normal operating requirements on an ongoing basis. The County is exposed to liquidity risk through its advances on debt, accounts payable and accrued liabilities, and long-term liabilities. The County ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. Further, the County seeks to maintain an available line of credit balance as approved by the appropriate borrowing by-law to meet, at a minimum, expected requirements for a period of at least 90 days. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	<b>Within 6 months</b>	<b>6 months to 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>
Accounts payable and accrued liabilities	\$ 19,919,563	\$ 3,924,554	\$ 943,116	\$ -
Advances on debt	-	5,293,535	-	-
Long-term debt	249,452	1,536,726	6,031,424	14,987,193
<b>Total financial liabilities</b>	<b>\$ 20,169,015</b>	<b>\$ 10,754,815</b>	<b>\$ 6,974,540</b>	<b>\$ 14,987,193</b>

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The County is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings. At December 31, 2023, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of the debt advance of \$52,935.

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**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

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**17. Financial Instruments (continued)**

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The County is exposed to other price risk through its investments in principal protected notes and pooled investments that are indexed to equity instruments, which causes fluctuation in the reported fair value of the County's investments from one period to the next.

The County manages its other price risk by diversifying its portfolio holdings to a variety of indices and primarily invests in assets that offer a principal protection guarantee in order to reduce the potential for financial losses. The County measures its exposure to other price risk based on investments valued less than the guaranteed amount. The County monitors the market values regularly to ensure that notes with a value below the principal are not cashed out before maturity.

A 1% increase or decrease in the market value of equities would increase or decrease the County's remeasurement gains by \$222,000. This sensitivity analysis was prepared on the basis that the principal amount of the investments has not changed compared to prior year.

There have not been any changes from the prior year in the County's exposure to other price risk or the policies, procedures and methods it uses to manage and measure the risk.

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## The Corporation of the County of Bruce

### Notes to Financial Statements

December 31, 2023

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#### 18. Pension Agreements

The County makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 692 members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS by the County for 2023 was \$3,841,288 (2022 - \$3,361,119). The contribution rate for 2023 was 9.0% or 15.8% depending on income level (2022 - 9.0% or 15.8%).

OMERS is a multi-employer plan, therefore, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the County does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2023. The plan reported a \$4.2 billion actuarial deficit (2022 - \$6.7 billion deficit) at that time, based on actuarial liabilities of \$134.57 billion (2022 - \$128.8 billion) and actuarial assets of \$130.37 billion (2022 - \$122.1 billion). Ongoing adequacy of the current contribution rates will need to be monitored as fluctuations in the financial markets may lead to increased future funding requirements.

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#### 19. Contingencies

- (a) The County has been served with statements of claims as a result of motor vehicle accidents and other claims. The likelihood of the success of the other actions is undeterminable at this time. The County is not aware of any possible settlements in excess of its liability insurance coverage.
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#### 20. Change in Accounting Estimate

During the year, the Corporation of the County of Bruce reviewed the estimated useful lives of its asset inventory and compared to current asset service lives. As a result, the County of Bruce has decreased the remaining useful life of unamortized rural road bases and bridge footings from 75 years to 60 years, and bridge decks from 25 years to 18 years. Other asset categories were also updated with less significant changes to estimated useful lives.

This change in policy has been applied prospectively as a change in accounting estimate and has resulted in an increase in amortization in the current year of approximately \$1,300,000.

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## The Corporation of the County of Bruce Notes to Financial Statements

**December 31, 2023**

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### 21. Contractual Commitments

- (a) As part of the Provincial Local Services Realignment Program, the Ontario Housing Corporation (OHC) remains responsible for the servicing of the debentures used to finance the public housing projects transferred to the Bruce County Housing Corporation under authority of the Social Housing Reform Act, 2000.

Information received from OHC as at December 31, 2023 indicates the following:

Principal payments on debentures during the year	\$ 152,490
Interest payments on debentures during the year	<u>15,363</u>
Total	<u>\$ 167,853</u>
Debentures outstanding at year-end	<u>\$ 94,952</u>

The principal and interest repayments are recovered by the Province from Federal Social Housing Funding provided to the Province and the balance is recovered from the Consolidated Municipal Service Manager (Bruce County).

- (b) On April 7, 2022, the County approved borrowing up to \$10,000,000 to build a new Paramedic Station in Port Elgin. The total approved construction amount is \$8,230,000 plus HST. As at December 31, 2023, the project is estimated to be 89% complete and the remaining commitment as at December 31, 2023 is \$911,185.
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### 22. Trust Funds

The long-term care trust funds administered by the County amounting to \$82,255 (2022 - \$83,336) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations and accumulated surplus.

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### 23. Comparative Amounts

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

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## The Corporation of the County of Bruce

### Notes to Financial Statements

December 31, 2023

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#### 24. Segmented Information

The County of Bruce is a diversified municipal government institution that provides a wide range of services to its citizens such as social services, health, recreational, library and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

##### **General Government**

General Government consists of the revenues and expenses that relate to the governance and operations of the County itself and cannot be directly attributed to a specific segment.

##### **Protection Services**

Protection Services is comprised of emergency measures programs and services and provincial offenses act revenues.

##### **Transportation Services**

Transportation Services is responsible for construction and maintenance of the County's roadways and bridges.

##### **Environmental Services**

Environmental Services consists of providing household hazardous waste and environmental sustainability programs.

##### **Health Services**

Health Services includes contributions to support local health units and the operating costs for ambulance services.

##### **Social and Family Services**

Social and Family Services provides services that are meant to help the less fortunate in society and includes social assistance through the Ontario Works program, Child Care and employment services. Social Housing is provided to help shelter families and elderly in need. The County operates two long-term care facilities, Brucelea Haven and Gateway Haven.

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**The Corporation of the County of Bruce**  
**Notes to Financial Statements**

**December 31, 2023**

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**24. Segmented Information - (continued)**

**Recreation and Cultural Services**

Recreation and Cultural Services provides services to improve the health and development of the County's citizens. The County operates and maintains a museum and provides library services.

**Planning and Development**

This department is responsible for planning and zoning including the official plan. This service area also includes tourist information and promotion, agricultural and reforestation services.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

**Taxation, Payments-in-Lieu and Penalties and Interest**

Allocated to those segments that are funded by these amounts based on budgeted amounts.

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**The Corporation of the County of Bruce  
Notes to Financial Statements**

**December 31, 2023**

<b>For the year ended December 31</b>	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	<b>2023 Total</b>
<b>Revenue</b>									
Taxation	\$ 6,421,201	\$ (23,878)	\$ 15,492,073	\$ 384,547	\$ 9,771,024	\$ 20,119,903	\$ 7,564,324	\$ 4,260,977	\$ 63,990,171
Fees and user charges	1,003,591	-	33,390	-	375	9,870,008	197,464	850,007	11,954,835
Government transfers	323,406	-	8,156,114	-	8,234,073	52,884,647	315,387	248,064	70,161,691
Investment income	1,457,441	-	-	-	-	69,088	-	2,852	1,529,381
Other revenue	22,045	-	83,518	74,507	773	981,543	64,643	1,139	1,228,168
Donations	20,000	-	-	-	1,900	63,207	122,286	10,500	217,893
Gain or loss on disposal of assets	(2,659)	-	(412,070)	-	-	(7,860)	(559,245)	-	(981,834)
	<b>9,245,025</b>	<b>(23,878)</b>	<b>23,353,025</b>	<b>459,054</b>	<b>18,008,145</b>	<b>83,980,536</b>	<b>7,704,859</b>	<b>5,373,539</b>	<b>148,100,305</b>
<b>Expenses</b>									
Salaries and benefits	7,265,069	-	4,492,411	83,511	11,809,141	29,641,947	4,962,287	3,035,442	61,289,808
Interest on debt	679,937	-	-	-	-	-	-	-	679,937
Materials and supplies	1,714,376	-	2,923,955	54,249	1,189,423	8,680,475	910,271	466,609	15,939,358
Contracted services	4,455,751	61,122	1,345,206	343,888	199,185	7,681,411	351,649	732,739	15,170,951
Other transfers	91,996	-	31,831	-	1,304,299	26,606,661	849,202	316,967	29,200,956
Rents and financial expenses	(14,738)	-	112,871	6,614	214,021	66,714	30,261	6,572	422,315
Amortization	721,728	-	7,023,512	-	664,959	3,311,209	956,846	5,820	12,684,074
Accretion	22,299	-	43,596	-	-	355,745	706	-	422,346
	<b>14,936,418</b>	<b>61,122</b>	<b>15,973,382</b>	<b>488,262</b>	<b>15,381,028</b>	<b>76,344,162</b>	<b>8,061,222</b>	<b>4,564,149</b>	<b>135,809,745</b>
<b>Annual surplus (deficit)</b>	<b>\$(5,691,393)</b>	<b>\$(85,000)</b>	<b>\$ 7,379,643</b>	<b>\$(29,208)</b>	<b>\$ 2,627,117</b>	<b>\$ 7,636,374</b>	<b>\$(356,363)</b>	<b>\$ 809,390</b>	<b>\$ 12,290,560</b>

**The Corporation of the County of Bruce  
Notes to Financial Statements**

**December 31, 2023**

<b>For the year ended December 31</b>	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	<b>2022 Total</b>
<b>Revenue</b>									
Taxation	\$ 5,054,845	\$ (8,058)	\$ 14,176,201	\$ 371,855	\$ 8,671,130	\$ 18,363,277	\$ 7,765,287	\$ 3,644,503	\$ 58,039,039
Fees and user charges	852,871	-	36,905	-	300	9,000,199	164,889	916,592	10,971,756
Government transfers	1,483,169	-	4,770,523	66,735	7,992,231	43,019,783	558,915	224,021	58,115,377
Investment income	712,819	-	-	-	-	(147,390)	-	4,425	569,854
Other revenue	73,605	-	92,341	-	-	791,822	54,494	54,365	1,066,627
Donations	20,000	-	-	3,851	1,010	81,274	188,084	10,000	304,219
Gain or loss on disposal of assets	(690)	-	8,267	-	30,626	(41,478)	(73)	(50)	(3,398)
	<u>8,196,619</u>	<u>(8,058)</u>	<u>19,084,237</u>	<u>442,441</u>	<u>16,695,297</u>	<u>71,067,487</u>	<u>8,731,596</u>	<u>4,853,856</u>	<u>129,063,474</u>
<b>Expenses</b>									
Salaries and benefits	5,299,338	-	4,362,435	75,465	11,799,062	28,371,254	4,586,108	2,705,464	57,199,126
Interest on debt	766,354	-	-	-	-	-	-	-	766,354
Materials and supplies	1,182,017	-	3,130,813	42,121	1,228,564	8,723,412	787,346	608,640	15,702,913
Contracted services	4,719,667	56,942	1,177,328	324,381	135,878	8,674,909	464,579	505,660	16,059,344
Other transfers	88,374	-	63,037	-	1,259,547	17,656,869	358,921	193,006	19,619,754
Rents and financial expenses	5,787	-	77,013	7,454	182,357	51,308	52,041	16,334	392,294
Amortization	743,193	-	6,535,052	3,142	523,706	3,440,086	893,875	13,018	12,152,072
Accretion	21,291	-	41,622	-	-	339,646	674	-	403,233
	<u>12,826,021</u>	<u>56,942</u>	<u>15,387,300</u>	<u>452,563</u>	<u>15,129,114</u>	<u>67,257,484</u>	<u>7,143,544</u>	<u>4,042,122</u>	<u>122,295,090</u>
<b>Annual surplus (deficit)</b>	<b>\$ (4,629,402)</b>	<b>\$ (65,000)</b>	<b>\$ 3,696,937</b>	<b>\$ (10,122)</b>	<b>\$ 1,566,183</b>	<b>\$ 3,810,003</b>	<b>\$ 1,588,052</b>	<b>\$ 811,734</b>	<b>\$ 6,768,384</b>