

**The Corporation of the
County of Bruce
Financial Information
For the year ended December 31, 2024**

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For the year ended December 31, 2024**

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The Corporation of the County of Bruce

The County of Bruce Library Board

**The Corporation of the
County of Bruce
Consolidated Financial Statements
For the year ended December 31, 2024**

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Consolidated Financial Statements
For the year ended December 31, 2024

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To the Members of Council of the County of Bruce:

Opinion

We have audited the consolidated financial statements of the County of Bruce (the "County"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets (debt) 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, 2024, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its net financial assets (debt) and its consolidated 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.

Other Matter

The consolidated financial statements for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on May 13, 2024.

Responsibilities of Management and Those Charged with Governance for the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the County as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Owen Sound, Ontario

June 11, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

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

December 31	2024	2023
Financial assets		
Cash and investments (Note 2)	\$ 69,204,780	\$ 53,927,124
Accounts receivable (Note 3)	9,434,436	12,549,795
Inventory held for resale	43,828	41,460
Sustainability long-term receivables	82,364	155,908
	<u>78,765,408</u>	<u>66,674,287</u>
Liabilities		
Advances on debt (Note 4)	8,288,381	5,293,535
Accounts payable and accrued liabilities (Note 5)	20,859,333	24,787,233
WSIB future benefits (Note 6)	4,423,218	4,181,979
Post-employment benefits (Note 7)	1,227,660	1,187,488
Asset retirement obligation (Note 8)	9,589,338	9,332,596
Deferred revenue (Note 9)	5,906,385	1,881,720
Long-term liabilities (Note 10)	20,810,874	22,804,798
	<u>71,105,189</u>	<u>69,469,349</u>
Net financial assets (debt)	<u>7,660,219</u>	<u>(2,795,062)</u>
Non-financial assets		
Tangible capital assets (Note 11)	213,586,249	208,926,624
Other	2,002,402	1,882,386
	<u>215,588,651</u>	<u>210,809,010</u>
Accumulated surplus (Note 12)	<u>\$ 223,248,870</u>	<u>\$ 208,013,948</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus (Page 5)	\$ 220,707,342	\$ 206,507,637
Accumulated remeasurement gains (Page 7)	2,541,528	1,506,311
	<u>\$ 223,248,870</u>	<u>\$ 208,013,948</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

For the year ended December 31	2024	2024	2023
	Budget (Note 15)	Actual	Actual
Revenue			
Taxation	\$ 68,452,438	\$ 69,591,371	\$ 63,990,171
Fees and user charges	12,711,160	11,933,969	11,954,835
Government transfers (Note 15)	75,063,405	72,988,903	70,161,691
Investment income	800,000	3,544,173	1,529,381
Gain (loss) on disposal of tangible capital assets	25,000	(375,959)	(981,834)
Donations and fundraising	139,186	200,074	217,893
Development charges (Note 14)	610,309	460,308	-
Other income	352,789	918,550	1,228,168
	<u>158,154,287</u>	<u>159,261,389</u>	<u>148,100,305</u>
Expenses			
General government	15,400,800	15,372,195	14,256,481
Protection services	65,700	63,442	61,122
Transportation services	9,907,363	15,605,176	15,973,382
Environmental services	425,454	443,287	488,262
Land ambulance	14,612,345	15,039,509	14,131,729
Health Unit	1,336,777	1,272,229	1,249,299
Social and family services	83,276,675	83,427,686	76,344,162
Recreation and cultural services	7,194,214	7,980,249	8,061,222
Planning and development	5,437,272	4,951,399	4,564,149
Interest on long-term debt	929,366	906,512	679,937
	<u>138,585,966</u>	<u>145,061,684</u>	<u>135,809,745</u>
Annual surplus (Note 16)	19,568,321	14,199,705	12,290,560
Accumulated surplus, beginning of the year	<u>206,507,637</u>	<u>206,507,637</u>	<u>194,217,077</u>
Accumulated operating surplus, end of the year	<u>\$ 226,075,958</u>	<u>\$ 220,707,342</u>	<u>\$ 206,507,637</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 Financial Assets (Debt)

For the year ended December 31	2024	2024	2023
	Budget (Note 15)	Actual	Actual
Annual surplus (Page 5)	\$ 19,568,321	\$ 14,199,705	\$ 12,290,560
Acquisition of tangible capital assets	(31,799,416)	(17,598,399)	(27,639,992)
Amortization of tangible capital assets	-	12,402,289	12,684,074
Loss on disposal of tangible capital assets	-	375,959	981,834
Proceeds on disposal of capital assets	25,000	160,526	80,461
	(31,774,416)	(4,659,625)	(13,893,623)
Change in other assets	-	(120,016)	(151,099)
Increase in net financial assets (increase in net debt) excluding net remeasurement gains	(12,206,095)	9,420,064	(1,754,162)
Net remeasurement gains Portfolio investments (Page 7)	-	1,035,217	1,506,311
Increase in net financial assets (increase in net debt)	-	10,455,281	(247,851)
Net debt, beginning of the year	(2,795,062)	(2,795,062)	(2,547,211)
Net financial assets (debt), end of the year	\$(15,001,157)	\$7,660,219	\$ (2,795,062)

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

For the year ended December 31	2024	2024	2023
	Budget	Actual	Actual
Accumulated remeasurement gains, beginning of the year	\$ -	\$ 1,506,311	\$ 1,539,050
Unrealized gains (losses) attributable to:			
Portfolio investments	-	2,903,417	(32,739)
Amounts reclassified to statement of operations:			
Portfolio investments	-	(1,868,200)	-
Accumulated remeasurement gains, end of the year	\$ -	\$ 2,541,528	\$ 1,506,311

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

For the year ended December 31	2024	2023
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 14,199,705	\$ 12,290,560
Items not involving cash		
Asset retirement obligation	(138,684)	-
WSIB future benefits	241,239	1,485,423
Post-employment benefits	40,172	28,360
Amortization	12,402,289	12,684,074
Asset retirement obligation accretion	451,515	422,346
Loss on disposal of capital assets	375,959	981,834
	<u>27,572,195</u>	<u>27,892,597</u>
Changes in non-cash working capital balances		
Accounts receivable	3,115,359	(7,402,224)
Inventory held for resale	(2,368)	(4,999)
Accounts payable and accrued liabilities	(3,927,900)	9,640,716
Asset retirement obligation paid	(56,089)	-
Deferred revenue	4,024,665	(2,398,009)
Other non-financial assets	(120,016)	(151,099)
	<u>30,605,846</u>	<u>27,576,982</u>
Capital transactions		
Cash used to acquire capital assets	(17,598,399)	(27,639,992)
Proceeds on disposal of capital assets	160,526	80,461
	<u>(17,437,873)</u>	<u>(27,559,531)</u>
Investing activities		
Decrease in sustainability long-term receivables	73,544	84,334
Increase in investments	(1,595,199)	(76,887)
	<u>(1,521,655)</u>	<u>7,447</u>
Financing and investing activities		
Advance of debt	2,994,846	4,489,131
Repayment of long-term liabilities	(1,993,924)	(1,777,374)
	<u>1,000,922</u>	<u>2,711,757</u>
Net change in cash and cash equivalents	<u>12,647,240</u>	<u>2,736,655</u>
Cash, beginning of the year (Note 2)	<u>31,269,434</u>	<u>28,532,779</u>
Cash, end of the year (Note 2)	<u>\$ 43,916,674</u>	<u>\$ 31,269,434</u>

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

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

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

December 31, 2024

1. Summary of Significant Accounting Policies - (continued)

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 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.

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies

Post-Employment Benefits	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. The County is an employer included under Schedule 2 of the Workplace Safety and Insurance Act. It self-insures 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. The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit plan are expensed when contributions are due.
Provincial Subsidies	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.
Liability for Contaminated Sites	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. Management has not identified any contaminated sites for which a liability needs to be recognized.
Homes for the Aged Trust Funds	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.

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

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 receivables, 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.

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

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) Fees, user charges and other revenues are recognized upon sale of goods or provision of service when collection is reasonably assured. Revenue related to fees or services received in advance of the fee being earned or when the service is performed is deferred and recognized when the fee is earned or the service is performed.

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.

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

2. Cash and Investments

	<u>2024</u>	<u>2023</u>
Cash	\$ 43,916,674	\$ 31,269,434
Encasa Canadian short-term bond fund	3,376,792	3,214,030
Principal protected notes	<u>21,911,314</u>	<u>19,443,660</u>
	<u>\$ 69,204,780</u>	<u>\$ 53,927,124</u>

On the general bank account; interest is earned at the rate determined by the balance tier below in which the Average Monthly Credit Balance ("AMCB") falls.

AMCB Balance Tier	Rate Paid
\$0.00 - \$9,999,999.99	Monthly Average Prime (MAP) less 1.80%
\$10,000,000 - \$19,999,999.99	MAP less 1.70%
\$20,000,000 - \$39,999,999.99	MAP less 1.60%
\$40,000,000 and over	MAP less 1.50%

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 Encasa Canadian short-term bond fund is reported at fair value.

The principal protected notes are a diversified mix of 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 2027 to 2031. The principal protected notes are reported at fair value.

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

December 31, 2024

3. Accounts Receivable

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 1,731,097	\$ 1,223,272
Provincial receivable	3,191,025	3,611,713
Federal receivable	2,470,255	5,533,212
Municipal receivables	839,845	1,255,054
Municipal tax levy receivables	1,202,214	926,544
	<u>\$ 9,434,436</u>	<u>\$ 12,549,795</u>

4. Advances on Debt

The County of Bruce has a demand operating facility agreement with a financial institution. At December 31, 2024, 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 are authorized and interest accrues based on a variable interest rate. At December 31, 2024, the County of Bruce had drawn \$8,288,381. Subsequent to year-end there was an additional draw of \$410,255. 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.

5. Accounts Payable

	<u>2024</u>	<u>2023</u>
Trade accounts payable	\$ 12,465,597	\$ 15,290,401
Payroll payables	4,985,789	4,463,205
Federal payables	39,692	13,051
Provincial payables	3,368,255	5,020,576
	<u>\$ 20,859,333</u>	<u>\$ 24,787,233</u>

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

December 31, 2024

6. WSIB Future Benefit and Commitment

As the County is an employer included under Schedule 2 of the Workplace Safety and Insurance Act, it self-insures 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>2024</u>	<u>2023</u>
WSIB future benefit	<u>\$ 4,423,218</u>	<u>\$ 4,181,979</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%, and a WSIB administrative rate of 23%.

	<u>2024</u>	<u>2023</u>
Current period benefit cost	\$ 660,011	\$ 641,009
Interest costs	<u>209,882</u>	<u>198,534</u>
Total expense for the year	<u>\$ 869,893</u>	<u>\$ 839,543</u>

At December 31, 2024 the County provided \$3,658,892 (2023 - \$3,025,594) in a reserve to offset this liability.

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

December 31, 2024

7. 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.

	<u>2024</u>	<u>2023</u>
Retirement benefits	\$ 1,656,000	\$ 1,647,295
Unamortized actuarial loss	<u>(428,340)</u>	<u>(459,807)</u>
Post-employment benefits	<u>\$ 1,227,660</u>	<u>\$ 1,187,488</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 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%. For extended health care costs, a 6% annual rate of increase is assumed for 2024, decreasing to an ultimate rate of 4% by 2029. For dental costs, a 4% annual rate of increase was assumed.

	<u>2024</u>	<u>2023</u>
Current period benefit cost	\$ 67,375	\$ 62,908
Amortization of actuarial gain	<u>31,464</u>	<u>31,467</u>
Retirement benefit expense	98,839	94,375
Interest costs	<u>80,562</u>	<u>80,432</u>
Total expense for the year	<u>\$ 179,401</u>	<u>\$ 174,807</u>

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

8. 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%.

The estimated total undiscounted future expenditures of 42 social housing facilities are \$20,598,909. The expenditures are expected to be incurred and liability settled as follows:

\$2,405,246 incurred over the next 10 years and settled 2025 to 2034;
 \$6,410,503 incurred over the next 20 years and settled 2035 to 2044;
 \$2,216,451 incurred over the next 30 years and settled 2045 to 2054; and
 \$9,566,709 incurred over the next 40 years and settled 2055 to 2062.

The estimated total undiscounted future expenditures of the County's other facilities are \$2,090,257, of which \$1,450,965 is expected to be incurred over 1 to 17 years and settled in 2025 to 2041, \$481,792 over 41 years and settled in 2057-2065 and \$208,655 over 55 years and settled in 2079.

The estimated total undiscounted future expenditures of the Arran Township Shed Bridge is \$633,795, which is expected to be incurred over the next 4 years and settled in 2028.

The carrying amount of the liability is as follows:

	2024	2023
Asset Retirement Obligation, beginning of the year	\$ 9,332,596	\$ 8,910,250
Accretion expense	451,515	422,346
Change in estimated cash flows	(138,684)	-
Liability settled during the year	(56,089)	-
Asset Retirement Obligation, end of the year	<u>\$ 9,589,338</u>	<u>\$ 9,332,596</u>

9. Deferred revenue

	2024	2023
Canada Community Building Fund (Gas tax funding) (Note 14)	\$ 195,998	\$ 154,727
Development Charges (Note 14)	1,447,510	-
Museum	42,016	40,343
Library	14,758	8,528
Long Term Care	878,322	200,781
Planning	320,996	126,559
Childcare Program	-	387,062
Canada Mortgage and Housing Corporation (CMHC)	1,654,545	-
Ontario Community Infrastructure Fund (OCIF)	587,537	537,497
Other	764,703	426,223
	<u>\$ 5,906,385</u>	<u>\$ 1,881,720</u>

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

10. Long-Term Liabilities

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

	<u>2024</u>	<u>2023</u>
Mortgage payable, People's Trust, 2.42%, repayable in blended monthly instalments of \$6,890, due May 2025	\$ 226,226	\$ 302,461
Mortgage payable, Canada Mortgage & Housing Company, 0.74%, repayable in blended monthly instalments of \$9,985, due February 2026	664,762	779,212
Mortgage payable, TD Canada Trust, 6.117%, repayable in blended monthly instalments of \$7,406, due April 2024	-	249,452
Mortgage payable, Scotiabank, 6.058%, repayable in blended monthly instalments of \$6,389.41, due February 2027	155,477	223,342
Mortgage payable, Canada Mortgage & Housing Company, 4.18%, repayable in blended monthly instalments of \$15,003, due December 2028	662,587	811,786
Mortgage payable, Canada Mortgage & Housing Company, 1.67%, repayable in blended monthly instalments of \$23,421, due July 2031, includes \$627,005 forgivable loan (see (i) below)	<u>9,871,546</u>	<u>10,032,407</u>
Total Bruce County Housing Corporation	<u>\$ 11,580,598</u>	<u>\$ 12,398,660</u>
County of Bruce		
Debenture payable, OILC, 2.33%, repayable in declining blended semi-annual instalments of \$137,331, due October 2029	1,066,127	1,289,029
Loan payable, OSIFA, 5.32%, repayable in blended semi-annual payments of \$311,399, due October 2032	<u>3,928,588</u>	<u>4,326,890</u>
(carried forward)	<u>\$ 4,994,715</u>	<u>\$ 5,615,919</u>

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

10. Long-Term Liabilities - (continued)

	2024	2023
(brought forward)	\$ 4,994,715	\$ 5,615,919
Debenture payable, OILC, 2.45%, repayable in declining blended semi-annual instalments of \$97,416 due February 2040	2,451,116	2,583,459
Debenture payable, OILC, 3.32%, repayable in declining blended semi-annual instalments of \$58,075 due March 2042 (see (ii) below)	1,512,999	1,577,414
Demand installment loan, CIBC, 1.808%, repayable in declining blended quarterly payments of \$91,718, due October 2025 if demand is not made	271,446	629,346
Total County of Bruce	9,230,276	10,406,138
	\$ 20,810,874	\$ 22,804,798

(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 2024, the County contributed \$29,098 to the replacement reserve fund and the balance at December 31, 2024 was \$81,528.

All mortgages are secured by real property.

The gross interest paid relating to the above long-term debt was \$595,409 (2023 - \$641,655). The gross interest expensed during the year was \$571,391 (2023 - \$679,937).

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

	Principal	Forgivable	Total
2025	1,661,745	34,834	1,696,579
2026	1,434,208	34,834	1,469,042
2027	1,400,274	34,834	1,435,108
2028	1,362,286	34,834	1,397,120
2029	1,173,927	34,834	1,208,761
Thereafter	13,151,429	452,835	13,604,264
	\$ 20,183,869	\$ 627,005	\$ 20,810,874

The Corporation of the County of Bruce
Notes to Financial Statements

December 31, 2024

11. Tangible Capital Assets

2024

	Land	Buildings	Equipment	Technology	Vehicles and Machinery	Furniture and Fixtures	Roads, Bridges and Other Infrastructure	Work in Progress	Total
Cost, beginning of the year	\$ 9,608,932	\$ 125,845,009	\$ 8,115,154	\$ 6,043,156	\$ 11,668,639	\$ 1,197,106	\$ 204,470,912	\$19,469,405	\$ 386,418,313
Additions	-	4,424,662	894,934	342,878	2,015,657	42,095	4,652,381	5,225,792	17,598,399
Disposals	-	(526,369)	(143,904)	(712,238)	(481,769)	-	(748,240)	-	(2,612,520)
Reallocation of completed work	-	12,489,427	-	-	124,873	-	6,299,925	(18,914,225)	-
Cost, end of the year	9,608,932	142,232,729	8,866,184	5,673,796	13,327,400	1,239,201	214,674,978	5,780,972	401,404,192
Accumulated amortization, beginning of the year	-	59,581,918	5,128,066	4,967,188	8,295,277	1,007,624	98,511,616	-	177,491,689
Amortization	-	4,136,284	760,471	426,129	807,633	66,350	6,205,422	-	12,402,289
Disposals	-	(416,068)	(138,589)	(711,063)	(481,769)	-	(328,546)	-	(2,076,035)
Accumulated amortization, end of the year	-	63,302,134	5,749,948	4,682,254	8,621,141	1,073,974	104,388,492	-	187,817,943
Net carrying amount, end of the year	\$ 9,608,932	\$ 78,930,595	\$ 3,116,236	\$ 991,542	\$ 4,706,259	\$ 165,227	\$ 110,286,486	\$ 5,780,972	\$ 213,586,249

The Corporation of the County of Bruce
Notes to Financial Statements

December 31, 2024

11. Tangible Capital Assets - (continued)

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	9,608,932	125,845,009	8,115,154	6,043,156	11,668,639	1,197,106	204,470,912	19,469,405	386,418,313
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	-	59,581,918	5,128,066	4,967,188	8,295,277	1,007,624	98,511,616	-	177,491,689
Net carrying amount, end of the year	\$ 9,608,932	\$ 66,263,091	\$ 2,987,088	\$ 1,075,968	\$ 3,373,362	\$ 189,482	\$ 105,959,296	\$ 19,469,405	\$ 208,926,624

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

December 31, 2024

11. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$5,780,972 (2023 - \$19,469,405).

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.

12. Accumulated Surplus

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

	<u>2024</u>	<u>2023</u>
Invested in tangible capital assets		
Tangible capital assets purchased	\$ 213,586,249	\$ 208,926,624
Unfinanced capital assets	(940,095)	(2,444,014)
Advances on debt	(8,288,381)	(5,293,535)
Capital assets financed by long-term liabilities and to be funded in future years	<u>(20,539,428)</u>	<u>(22,175,452)</u>
Total invested in capital assets	183,818,345	179,013,623
Unfunded post-employment benefits	(1,227,660)	(1,187,488)
Unfunded WSIB future benefits	(4,423,218)	(4,181,979)
Unfinanced economic recovery program	(125,878)	(274,629)
Unfinanced asset retirement obligation	<u>(9,589,338)</u>	<u>(9,332,596)</u>
	168,452,251	164,036,931
Reserves (Note 13)	<u>52,255,091</u>	<u>42,470,706</u>
	220,707,342	206,507,637
Remeasurement gains	<u>2,541,528</u>	<u>1,506,311</u>
Accumulated surplus	<u>\$ 223,248,870</u>	<u>\$ 208,013,948</u>

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

December 31, 2024

13. Reserves Set Aside for Specific Purpose by Council

	<u>2024</u>	<u>2023</u>
Reserves		
Working funds	\$ 2,349,615	\$ 2,051,716
Tax stabilization - general	7,135,862	3,236,018
WSIB	3,658,892	3,025,594
Current purposes	250,000	250,000
Capital purposes	<u>38,860,722</u>	<u>33,907,378</u>
Reserves set aside for specific purpose by Council	<u>\$ 52,255,091</u>	<u>\$ 42,470,706</u>

14. Obligatory Reserve Funds

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Canada Community Building Fund	154,727	2,297,075	15,519	(2,271,323)	195,998
Development charges	-	1,836,690	71,128	(460,308)	1,447,510
	<u>154,727</u>	<u>4,133,765</u>	<u>86,647</u>	<u>(2,731,631)</u>	<u>1,447,510</u>

15. Government Transfers

	<u>2024</u> Budget	<u>2024</u> Actual	<u>2023</u> Actual
Operating			
Province of Ontario	\$ 67,547,556	\$ 66,449,502	\$ 59,744,653
Government of Canada	1,062,972	1,052,721	1,008,853
Other Municipalities	656,615	676,147	504,168
Total operating transfers	<u>69,267,143</u>	<u>68,178,370</u>	<u>61,257,674</u>
Capital			
Province of Ontario	2,861,941	2,208,071	3,153,464
Government of Canada	2,794,961	2,602,462	5,750,553
Other Municipalities	139,360	-	-
Total capital transfers	<u>5,796,262</u>	<u>4,810,533</u>	<u>8,904,017</u>
Total government transfers	<u>\$ 75,063,405</u>	<u>\$ 72,988,903</u>	<u>\$ 70,161,691</u>

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

16. Budgets

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statements of operations and accumulated surplus and changes in net financial assets (debt) for comparative purposes. The 2024 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 financial assets (debt). The following is a reconciliation of the budget approved by Council.

	2024	2024	2023
	Budget	Actual	Actual
Annual surplus (Page 5)	\$ 19,568,321	\$ 14,199,705	\$ 12,290,560
Amortization	-	12,402,289	12,684,074
	19,568,321	26,601,994	24,974,634
Transfers to reserves	(8,906,902)	(15,298,685)	(12,795,895)
Transfers from reserves	19,391,338	9,617,008	10,735,333
	10,484,436	(5,681,677)	(2,060,562)
Capital acquisitions, disposals and write-down	(31,799,416)	(17,061,914)	(26,577,697)
Change in unfunded capital projects	219,938	(1,503,919)	1,596,177
Advances on debt	3,449,514	2,994,846	4,489,131
Debt principal repayments	(1,922,793)	(1,636,024)	(1,425,883)
	(30,052,757)	(17,207,011)	(21,918,272)
Change in unfunded liabilities	-	538,153	1,936,129
Unfunded economic recovery program	-	(148,751)	(212,799)
	-	389,402	1,723,330
Change in general surplus in the year	-	4,102,708	2,719,130
Transfer of current year surplus to reserves	-	(4,102,708)	(2,719,130)
General surplus	\$ -	\$ -	\$ -

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

December 31, 2024

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)

	2024			
	Level 1	Level 2	Level 3	Total
Cash	\$43,916,674	\$ -	\$ -	\$43,916,674
Encasa short-term bond fund	-	3,376,792	-	3,376,792
Principal protected notes	-	21,911,314	-	21,911,314
	\$43,916,674	\$25,288,106	\$ -	\$69,204,780

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. On December 31, 2024, the County had deposits of \$43,825,930 in a 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. There is the possibility of non-collection of 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 Consolidated Financial Statements

December 31, 2024

17. Financial Instruments (continued)

	0 - 30 days	31 - 90 days	91 - 365 days	1 to 2 years	3 to 10 years
Cash	\$ 43,916,674	\$ -	\$ -	\$ -	\$ -
Investments	-	-	21,911,314	-	3,376,792
Accounts receivables	5,243,206	1,383,091	949,766	1,769,623	88,750
Sustainability Long-term receivables	-	-	-	-	82,364
Total	\$ 49,159,880	\$ 1,383,091	\$ 22,861,080	\$ 1,769,623	\$ 3,547,906

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:

	Within 6 months	6 months to 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 18,269,281	\$ 1,633,520	\$ 956,532	\$ -
Advances on debt	-	8,288,381	-	-
Long-term debt	226,226	1,470,353	5,510,031	13,604,264
Total financial liabilities	\$ 18,495,507	\$ 11,392,254	\$ 6,466,563	\$ 13,604,264

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of 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, 2024, 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 \$82,884.

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

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 \$252,800. 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.

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

18. Pension Agreements

The County makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 714 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 2024 was \$4,171,740 (2023 - \$3,841,288). The contribution rate for 2024 was 9.0% or 15.8% depending on income level (2023 - 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, 2024. The plan reported a \$2.9 billion actuarial deficit (2023 - \$4.2 billion deficit) at that time, based on actuarial liabilities of \$140.8 billion (2023 - \$134.6 billion) and actuarial assets of \$137.9 billion (2023 - \$130.4 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.

19. Contingencies

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.

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

20. 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.

The Corporation of the County of Bruce

Notes to Consolidated Financial Statements

December 31, 2024

20. 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.

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

December 31, 2024

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2024 Total
Revenue									
Taxation	\$ 9,236,130	\$ 21,031	\$ 16,264,156	\$ 362,003	\$ 10,275,714	\$ 20,502,834	\$ 8,267,301	\$ 4,662,202	\$ 69,591,371
Fees and user charges	696,186	-	48,165	-	195	10,372,114	197,724	619,585	11,933,969
Government transfers	474,576	-	3,672,938	-	8,518,113	59,747,404	351,368	224,504	72,988,903
Investment income	3,456,326	-	-	-	-	86,133	-	1,714	3,544,173
Other revenue	28,379	-	117,232	81,284	25,391	586,367	66,060	13,837	918,550
Donations	3,000	-	-	-	1,000	93,296	92,778	10,000	200,074
Gain or loss on disposal of assets	(5,967)	-	(284,931)	-	-	(101,825)	16,764	-	(375,959)
Development charges	-	-	375,677	-	33,523	-	51,108	-	460,308
	13,888,630	21,031	20,193,237	443,287	18,853,936	91,286,323	9,043,103	5,531,842	159,261,389
Expenses									
Salaries and benefits	6,721,437	-	4,729,819	27,688	12,343,924	31,005,499	5,407,726	3,619,620	63,855,713
Interest on debt	906,512	-	-	-	-	-	-	-	906,512
Materials and supplies	1,246,355	-	2,813,950	9,091	1,361,206	9,547,028	908,297	483,028	16,368,955
Contracted services	5,405,747	63,442	1,148,539	393,321	244,784	9,680,143	304,606	518,093	17,758,675
Other transfers	112,038	-	70,553	-	1,332,229	29,600,840	377,712	324,917	31,818,289
Rents and financial expenses	1,322,474	-	62,434	13,187	198,336	62,152	44,574	1,436	1,704,593
Amortization	679,087	-	6,734,219	-	831,259	3,216,824	936,595	4,305	12,402,289
Accretion	(114,943)	-	45,662	-	-	315,200	739	-	246,658
	16,278,707	63,442	15,605,176	443,287	16,311,738	83,427,686	7,980,249	4,951,399	145,061,684
Annual surplus (deficit)	\$2,390,077	\$ (42,411)	\$ 4,588,061	\$ -	\$ 2,542,198	\$ 7,858,637	\$ 1,062,854	\$ 580,443	\$ 14,199,705

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

December 31, 2024

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2023 Total
Revenue									
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)
	9,245,025	(23,878)	23,353,025	459,054	18,008,145	83,980,536	7,704,859	5,373,539	148,100,305
Expenses									
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
	14,936,418	61,122	15,973,382	488,262	15,381,028	76,344,162	8,061,222	4,564,149	135,809,745
Annual surplus (deficit)	\$ (5,691,393)	\$ (85,000)	\$ 7,379,643	\$ (29,208)	\$ 2,627,117	\$ 7,636,374	\$ (356,363)	\$ 809,390	\$ 12,290,560

**The County of Bruce
Library Board
Financial Statements
For the year ended December 31, 2024**

The County of Bruce Library Board
Financial Statements
For the year ended December 31, 2024

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The Bruce County Library

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To the Board Members of the County of Bruce Library:

Opinion

We have audited the financial statements of the County of Bruce Library (the "Library Board"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library Board as at December 31, 2024, and the results of its operations, changes in its net financial assets 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 Financial Statements section of our report. We are independent of the Library Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on May 13, 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements, management is responsible for assessing the Library Board'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 Library Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 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 Library Board'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 Library Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Owen Sound, Ontario

June 11, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

The County of Bruce Library Board

Statement of Financial Position

December 31	2024	2023
Financial assets		
Cash (Note 2)	\$ 979,120	\$ 938,254
Due from County of Bruce	112,815	117,592
Due from Canada	-	650
Due from Province of Ontario	3,800	6,145
Due from other municipalities	21	-
Accounts receivable	100	663
	<u>1,095,856</u>	<u>1,063,304</u>
Liabilities		
Accounts payable and accrued liabilities	216,260	201,227
Deferred revenue	14,758	8,528
	<u>231,018</u>	<u>209,755</u>
Net financial assets	864,838	853,549
Non-financial assets		
Tangible capital assets (Note 3)	<u>1,566,927</u>	<u>1,539,585</u>
Accumulated surplus (Note 4)	\$ 2,431,765	\$ 2,393,134

The accompanying notes are an integral part of these financial statements.

The County of Bruce Library Board
Statement of Operations and Accumulated Surplus

For the year ended December 31	2024	2024	2023
	Budget (Note 5)	Actual	Actual
Revenue			
Government transfers:			
County of Bruce	\$ 4,958,098	\$ 5,009,421	\$ 4,493,668
Province of Ontario	188,487	199,750	195,980
Government of Canada	-	6,570	725
Fines and sale of books	15,600	20,591	35,390
Interest income	-	15,610	43,221
Donations	-	20,939	38,528
Rental income and user fees	12,450	20,934	18,068
Gain on disposal of tangible capital assets	-	16,764	13,000
	<u>5,174,635</u>	<u>5,310,579</u>	<u>4,838,580</u>
Expenses			
Salaries and benefits	3,214,735	3,276,954	2,904,560
Contract services	92,051	81,382	60,832
Materials	358,631	367,543	378,537
External transfers	376,879	375,141	366,020
Amortization	-	423,440	389,443
Interdepartmental allocation (Note 6)	747,488	747,488	677,933
	<u>4,789,784</u>	<u>5,271,948</u>	<u>4,777,325</u>
Annual surplus (Note 5)	384,851	38,631	61,255
Accumulated surplus, beginning of the year	2,393,134	2,393,134	231,879
Accumulated surplus, end of the year	\$ 2,777,985	\$ 2,431,765	\$ 2,393,134

The accompanying notes are an integral part of these financial statements.

The County of Bruce Library Board
Statement of Changes in Net Financial Assets

For the year ended December 31	2024	2024	2023
	Budget (Note 5)	Actual	Actual
Annual surplus (Page 5)	384,851	38,631	61,255
Acquisition of tangible capital assets	(483,328)	(450,782)	(579,015)
Amortization of tangible capital assets	-	423,440	389,443
Gain on disposal of tangible capital assets	-	(16,764)	(13,000)
Proceeds on disposal of tangible capital assets	-	16,764	13,000
	(483,328)	(27,342)	(189,572)
Change in prepaid expenses	-	-	2,801
Increase (decrease) in net financial assets	(98,477)	11,289	(125,516)
Net financial assets, beginning of the year	853,549	853,549	979,065
Net financial assets, end of the year	\$755,072	\$864,838	\$ 853,549

The accompanying notes are an integral part of these financial statements.

The County of Bruce Library Board
Statement of Cash Flows

December 31, 2024	2024	2023
Cash provided by (used in)		
Operating activities		
Annual surplus (Page 5)	\$ 38,631	\$ 61,255
Items not involving cash		
Amortization	423,440	389,443
Gain on disposal of tangible capital assets	(16,764)	(13,000)
	<u>445,307</u>	<u>437,698</u>
 Changes in non-cash working capital balances		
Accounts receivable	563	(563)
Accounts payable and accrued liabilities	15,033	16,608
Due from Canada	650	(515)
Due from Province of Ontario	2,345	(922)
Due from other municipalities	(21)	37
Due from County of Bruce	4,777	12,705
Deferred revenue	6,230	6,211
Prepaid expenses	-	2,801
	<u>29,577</u>	<u>36,362</u>
	<u>474,884</u>	<u>474,060</u>
 Capital transaction		
Cash used to acquire tangible capital assets	(450,782)	(579,015)
Proceeds on disposal of tangible capital assets	16,764	13,000
	<u>(434,018)</u>	<u>(566,015)</u>
 Net change in cash	40,866	(91,955)
 Cash, beginning of the year	938,254	1,030,209
 Cash, end of the year	\$ 979,120	\$ 938,254

The County of Bruce Library Board

Notes to Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies

Management Responsibility	The management of the County of Bruce has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. Management reviews and approves the financial statements before they are submitted to the Library Board.
Basis of Accounting	The financial statements of the County of Bruce Library Board have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants of Canada as prescribed by the Ontario 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.
Basis of Consolidation	The Library Board has been consolidated within the financial statements of the Corporation of the County of Bruce.
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 and useful life of tangible capital assets.

The County of Bruce Library Board

Notes to Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies - (continued)

Cash Cash includes all cash on hand and deposits with banks recorded at fair market value.

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. 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:

Library collections	7 years
Technology and communication	4 to 5 years
Furniture and fixtures	5 years
Vehicle and machinery	5 to 10 years

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

Revenue Recognition

- a) Fines and donations are recognized when collected.
- b) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- c) Revenue restricted by legislation, regulation or agreement and not available for general County purposes is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations and accumulated surplus in the year in which it is used for the specified purpose.
- d) 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.

The County of Bruce Library Board
Notes to Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies - (continued)

Asset Retirement Obligation 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. Management has not identified any asset retirement obligations for which a liability needs to be recognized.

Financial Instruments Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets 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.

The County of Bruce Library Board
Notes to Financial Statements

December 31, 2024

2. Cash Held by the County of Bruce

	<u>2024</u>	<u>2023</u>
Cash	\$ 701,395	\$ 671,815
Cash held by the County of Bruce	<u>277,725</u>	<u>266,439</u>
	<u>\$ 979,120</u>	<u>\$ 938,254</u>

The cash balance held in the Corporation of the County of Bruce bank accounts is part of a centralized cash control service. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per depositor.

3. Tangible Capital Assets

	<u>2024</u>		<u>2023</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Library collections	\$ 3,374,698	\$ 2,200,714	\$ 3,171,171	\$ 1,982,083
Technology and communication	106,176	86,717	129,069	108,239
Vehicle and machinery	270,595	60,328	239,737	45,212
Furniture and fixtures	<u>582,567</u>	<u>419,350</u>	<u>523,186</u>	<u>388,044</u>
	<u>\$ 4,334,036</u>	<u>\$ 2,767,109</u>	<u>\$ 4,063,163</u>	<u>\$ 2,523,578</u>
Net book value		<u>\$ 1,566,927</u>		<u>\$ 1,539,585</u>

4. Accumulated Surplus

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

	<u>2024</u>	<u>2023</u>
Invested in capital assets	\$ 1,566,927	\$ 1,539,585
Reserves	<u>864,838</u>	<u>853,549</u>
Accumulated surplus	<u>\$ 2,431,765</u>	<u>\$ 2,393,134</u>

The County of Bruce Library Board

Notes to Financial Statements

December 31, 2024

5. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. The 2024 budget amounts for The County of Bruce Library Board approved by the Board have been reclassified to conform to the presentation of the statements of operations and accumulated surplus and changes in net financial assets. The following is a reconciliation of the budget approved by the Board.

	2024	2024	2023
	Budget	Actual	Actual
Annual surplus (Page 5)	\$ 384,851	\$ 38,631	\$ 61,255
Net transfers (to) from reserves	98,477	(11,289)	128,317
Capital acquisitions and disposals	(483,328)	(450,782)	(579,015)
Amortization	-	423,440	389,443
General deficit	\$ -	\$ -	\$ -

6. Related Party Transactions

The Library Board was established and is controlled by the County of Bruce. Effective with the 2019 fiscal year, Bruce County commenced the allocation of the organization's Program Support (Finance, Information Technology and Human Resources) and Facilities costs to each of the service departments based on each departments' proportion of the organizations FTE and square footage usage respectively. This allocation is intended to increase awareness and transparency around the full cost of operating these businesses while making operational and strategic decisions throughout the year.

7. Financial Instruments

Financial Instrument Risk Management

The Library is exposed to credit risk and liquidity risk from its financial instruments. This note describes the Library'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.

The County of Bruce Library Board

Notes to Financial Statements

December 31, 2024

7. Financial Instruments (continued)

Credit Risk

The Library is exposed to credit risk through its cash and accounts receivables. There is the possibility of non-collection of trade and other receivables. The majority of the Library's receivables are from government entities. For receivables, the Library 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 Library's maximum exposure to credit risk related to receivables, were as follows:

	0 - 30 days	31 - 90 days	91 - 365 days	1 to 2 years	3 to 10 years
Cash	\$ 979,120	\$ -	\$ -	\$ -	\$ -
Due from County of Bruce	112,815	-	-	-	-
Due from Province of Ontario	3,800	-	-	-	-
Due from other municipalities	21	-	-	-	-
Accounts receivable	100	-	-	-	-
Total	\$ 1,095,856	\$ -	\$ -	\$ -	\$ -

Liquidity Risk

Liquidity risk is the risk that the Library encounters difficulty in meeting its obligations as they fall due. The Library has a planning and budgeting process in place to help determine the funds required to support the Library's normal operating requirements on an ongoing basis. The Library is exposed to liquidity risk through its accounts payable and accrued liabilities. The Library 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. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Within 6 months	6 months to 1 year	1 - 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 216,260	\$ -	\$ -	\$ -