

**The Corporation of the  
County of Bruce  
Financial Information  
For the year ended December 31, 2013**

The Corporation of the County of Bruce  
Financial Information  
For the year ended December 31, 2013

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## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the County of Bruce

We have audited the accompanying consolidated financial statements of the Corporation of the County of Bruce, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the County of Bruce as at December 31, 2013 and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario  
April 22, 2014

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

December 31	2013	2012
<b>Financial assets</b>		
Cash and temporary investments (Note 1)	\$ 24,496,713	\$ 20,865,866
Accounts receivable	2,335,743	2,190,604
Inventory held for resale	45,031	50,182
	<u>26,877,487</u>	<u>23,106,652</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	7,883,868	5,735,199
WSIB future benefits (Note 11)	1,355,034	1,276,733
Post-employment benefits (Note 10)	1,145,259	1,112,633
Deferred revenue	30,104	159,774
Long-term liabilities (Note 2)	29,106,564	31,056,649
	<u>39,520,829</u>	<u>39,340,988</u>
<b>Net debt</b>	<u>(12,643,342)</u>	<u>(16,234,336)</u>
<b>Contingencies (Note 9)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 3)	157,934,115	158,641,784
Other	455,307	526,719
	<u>158,389,422</u>	<u>159,168,503</u>
<b>Accumulated surplus (Note 4)</b>	<u>\$ 145,746,080</u>	<u>\$ 142,934,167</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**

<u>For the year ended December 31</u>	<u>2013</u>	<u>2013</u>	<u>2012</u>
	Budget (Note 7)	Actual	Actual
<b>Revenue</b>			
Taxation	\$ 38,389,531	\$38,620,371	\$ 36,623,116
Fees and user charges	9,486,991	9,690,503	9,609,702
Government transfers (Note 6)	31,006,850	30,804,212	29,983,878
Investment income	81,700	254,734	224,886
Gain (loss) on disposal of tangible capital assets	6,000	(82,904)	(402,151)
Donations and fundraising	175,299	801,950	211,544
Other income	155,979	347,718	234,267
	<u>79,302,350</u>	<u>80,436,584</u>	<u>76,485,242</u>
<b>Expenses</b>			
General government	5,927,722	5,684,490	5,077,212
Protection services	107,361	67,765	79,587
Transportation services	5,818,000	12,215,906	10,584,626
Environmental services	228,750	205,108	223,713
Land ambulance	8,850,913	9,233,510	9,012,913
Health Unit	1,164,924	1,145,682	1,158,991
Social and family services	37,109,928	38,500,552	36,745,320
Recreation and cultural services	4,944,230	5,803,796	5,579,584
Planning and development	3,122,464	2,947,718	2,916,064
Interest on long-term debt	1,820,062	1,820,144	1,941,303
	<u>69,094,354</u>	<u>77,624,671</u>	<u>73,319,313</u>
Annual surplus (Note 7)	10,207,996	2,811,913	3,165,929
Accumulated surplus, beginning of the year	142,934,167	142,934,167	139,768,238
<b>Accumulated surplus, end of the year</b>	<b>\$153,142,163</b>	<b>\$ 145,746,080</b>	<b>\$ 142,934,167</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 Changes in Net Debt**

<u>For the year ended December 31</u>	2013 Budget (Note 7)	2013 Actual	2012 Actual
Annual surplus (Page 6)	\$ 10,207,996	\$ 2,811,913	\$ 3,165,929
Acquisition of tangible capital assets	(12,165,875)	(8,786,634)	(8,456,040)
Amortization of tangible capital assets	-	9,354,902	8,980,853
(Gain) loss on disposal of tangible capital assets	(6,000)	82,904	402,151
Proceeds on disposal of capital assets	6,000	56,497	210,554
Write-downs of tangible capital assets	-	-	694,408
	<u>(12,165,875)</u>	<u>707,669</u>	<u>1,831,926</u>
Change in other assets	<u>-</u>	<u>71,412</u>	<u>(193,528)</u>
Increase (decrease) in net debt	(1,957,879)	3,590,994	4,804,327
Net debt, beginning of the year	<u>(16,234,336)</u>	<u>(16,234,336)</u>	<u>(21,038,663)</u>
Net debt, end of the year	<u>\$ (18,192,215)</u>	<u>\$ (12,643,342)</u>	<u>\$ (16,234,336)</u>

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

For the year ended December 31	2013	2012
Cash provided by (used in)		
<b>Operating activities</b>		
Annual surplus	\$ 2,811,913	\$ 3,165,929
Items not involving cash		
WSIB future benefits	78,301	(37,799)
Post-employment benefits	32,626	29,351
Amortization	9,354,902	8,980,853
Write-down of capital assets	-	694,408
Loss on disposal of capital assets	82,904	402,151
	<u>12,360,646</u>	<u>13,234,893</u>
<b>Changes in non-cash working capital balances</b>		
Accounts receivable	(145,139)	530,727
Inventory held for resale	5,151	2,465
Accounts payable and accrued liabilities	2,148,669	(865,049)
Deferred revenue	(129,670)	85,909
Other non-financial assets	71,412	(193,528)
	<u>1,950,423</u>	<u>(439,476)</u>
	<u>14,311,069</u>	<u>12,795,417</u>
<b>Capital transactions</b>		
Cash used to acquire capital assets	(8,786,634)	(8,456,040)
Proceeds on disposal of capital assets	56,497	210,554
	<u>(8,730,137)</u>	<u>(8,245,486)</u>
<b>Financing activities</b>		
Repayment of long-term liabilities	(1,950,085)	(1,837,889)
<b>Net change in cash and cash equivalents</b>	<u>3,630,847</u>	<u>2,712,042</u>
Cash and cash equivalents, beginning of the year	<u>20,865,866</u>	<u>18,153,824</u>
<b>Cash and cash equivalents, end of the year</b>	<u>\$24,496,713</u>	<u>\$ 20,865,866</u>

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

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## The Corporation of the County of Bruce Summary of Significant Accounting Policies

December 31, 2013

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Basis of Accounting	<p>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 Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing.</p> <p>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.</p>
Use of Estimates	<p>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, post-employment and WSIB future benefit liabilities and taxation revenue.</p>
Basis of Consolidation	<p>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.</p> <p>The following boards and municipal enterprises owned or controlled by Council have been consolidated:</p> <p>Bruce County Library Board Bruce County Housing Corporation</p>
Cash and Cash Equivalents	<p>Cash and cash equivalents include all cash balances and short term highly liquid investments that are readily convertible into cash.</p>
Temporary Investments	<p>Temporary investments are recorded at the lower of cost and market value.</p>

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**The Corporation of the County of Bruce**  
**Summary of Significant Accounting Policies**

December 31, 2013

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**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 held for consumption is recorded at the lower of cost and replacement cost.

**Non-Financial Assets** Tangible capital and other non-financial assets are accounted for as assets by the organization because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the organization unless they are sold.

**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	10 years
Technology	4 years
Vehicles and machinery	5 years
Furniture and fixtures	5 years
Roads	15 to 75 years
Bridges	25 to 75 years
Other infrastructure	10 years

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

**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-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.

The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit plan are expensed when contributions are due.

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## The Corporation of the County of Bruce Summary of Significant Accounting Policies

December 31, 2013

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Trust Funds	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 continuity and balance sheet.
Revenue Recognition	<p>Revenues are reported on the accrual basis of accounting. Revenues are recognized as follows:</p> <ol style="list-style-type: none"><li>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. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.</li><li>b) Fines and donations are recognized when collected.</li><li>c) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.</li><li>d) Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations and accumulated surplus in the year in which it is used for the specified purpose.</li><li>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.</li></ol>
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.

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The Corporation of the County of Bruce  
Notes to Financial Statements

December 31, 2013

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1. Cash and Temporary Investments

	<u>2013</u>	<u>2012</u>
Unrestricted	<u>\$24,496,713</u>	<u>\$ 20,865,866</u>

A cash balance of \$22,108,400 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.

Temporary investments of \$3,614,214 (2012 - \$2,812,793) consist of investments in Canadian short-term bond funds and a non-redeemable guaranteed investment certificate with interest at 2.05% due June 2015.

The cash balance includes \$90,230 (2012 - \$158,904) denominated in U.S. dollars.

The County of Bruce has a demand operating facility agreement with a financial institution. At December 31, 2013, the County of Bruce had undrawn credit capacity of \$3,000,000. Interest is calculated at bank prime rate minus 0.5%.

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The Corporation of the County of Bruce  
Notes to Financial Statements

December 31, 2013

2. Long-Term Liabilities

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

	2013	2012
<b>Bruce County Housing Corporation</b>		
Mortgage payable, Canada Mortgage & Housing Company, 4.37%, repayable in blended monthly instalments of \$2,631, due February 2018	\$ 120,180	\$ 145,942
Mortgage payable, Canada Mortgage & Housing Company, 3.65%, repayable in blended monthly instalments of \$3,448, due May 2018	168,651	203,238
Mortgage payable, Canada Mortgage & Housing Company, 3.54%, repayable in blended monthly instalments of \$7,958, due July 2018	403,704	483,484
Mortgage payable, Canada Mortgage & Housing Company, 4.39%, repayable in blended monthly instalments of \$7,032, due June 2015	455,700	518,765
Mortgage payable, Canada Mortgage & Housing Company, 4.32%, repayable in blended monthly instalments of \$12,643, due February 2016	1,805,401	1,878,121
Mortgage payable, Scotia Bank, 3.938%, repayable in blended monthly instalments of \$5,014, due June 2021	476,862	517,534
Mortgage payable, TD Canada Trust, 6.117%, repayable in blended monthly instalments of \$7,406, due April 2024	802,443	841,554
Mortgage payable, Scotiabank, 5.189%, repayable in blended monthly instalments of \$7,074, due September 2014	811,236	853,298
Mortgage payable, TD Canada Trust, 3.692%, repayable in blended monthly instalments of \$7,523, due May 2015	978,516	1,031,875
	\$ 6,022,693	\$ 6,473,811
<b>Total Bruce County Housing Corporation</b>	<b>\$ 6,022,693</b>	<b>\$ 6,473,811</b>

The Corporation of the County of Bruce  
Notes to Financial Statements

December 31, 2013

2. Long-Term Liabilities - (continued)

	2013	2012
Total Bruce County Housing Corporation - brought forward	\$ 6,022,693	\$ 6,473,811
County of Bruce		
Debenture payable, 6.73% repayable in blended quarterly instalments of \$597,315, due July 2022	15,742,789	17,018,452
Loan payable, OSIFA, 5.32% repayable in blended semi annual payments of \$311,399, due October 2032	7,341,082	7,564,386
Total County of Bruce	23,083,871	24,582,838
	\$29,106,564	\$ 31,056,649

All mortgages are secured by real property.

The gross interest paid relating to the above long-term debt was \$1,811,758 (2012 - \$1,922,942).

The gross interest expensed during the year was \$1,820,144 (2012 - \$1,941,304).

Principal payments for the next 5 fiscal years and thereafter are as follows:

2014	\$	2,047,151
2015		2,172,792
2016		2,306,419
2017		2,448,551
2018		2,508,618
Thereafter		17,623,033
		\$ 29,106,564

The Corporation of the County of Bruce  
Notes to Financial Statements

December 31, 2013

3. Tangible Capital Assets

2013

	Land	Buildings	Equipment	Technology	Vehicles and Machinery	Furniture and Fixtures	Roads, Bridges and Other Infrastructure	Work in Progress	Total
Cost, beginning of the year	\$ 8,430,218	\$ 79,853,877	\$ 5,422,872	\$ 3,723,640	\$ 7,813,834	\$ 1,869,710	\$ 138,761,955	\$ 1,983,382	\$ 247,859,488
Additions	18,185	1,838,242	608,797	366,608	737,807	29,774	4,028,343	1,158,878	8,786,634
Disposals	-	(360,457)	(484,810)	(103,136)	(409,646)	(3,767)	(150,189)	-	(1,512,005)
Write-downs	-	-	-	-	-	-	-	-	-
Reallocation of completed work	-	113,400	-	292,111	-	-	819,653	(1,225,164)	-
Cost, end of the year	8,448,403	81,445,062	5,546,859	4,279,223	8,141,995	1,895,717	143,459,762	1,917,096	255,134,117
Accumulated amortization, beginning of the year	-	26,595,633	3,478,452	2,870,111	5,732,314	1,809,927	48,731,267	-	89,217,704
Amortization	-	2,847,889	499,237	470,737	579,744	20,631	4,936,664	-	9,354,902
Disposals	-	(235,759)	(484,811)	(102,670)	(409,646)	(3,767)	(135,951)	-	(1,372,604)
Accumulated amortization, end of the year	-	29,207,763	3,492,878	3,238,178	5,902,412	1,826,791	53,531,980	-	97,200,002
Net carrying amount, end of the year	\$ 8,448,403	\$ 52,237,299	\$ 2,053,981	\$ 1,041,045	\$ 2,239,583	\$ 68,926	\$ 89,927,782	\$ 1,917,096	\$ 157,934,115

The Corporation of the County of Bruce  
Notes to Financial Statements

December 31, 2013

3. Tangible Capital Assets - (continued)

2012

	Land	Buildings	Equipment	Technology	Vehicles and Machinery	Furniture and Fixtures	Roads, Bridges and Other Infrastructure	Work in Progress	Total
Cost, beginning of the year	\$ 8,503,413	\$ 79,358,710	\$ 5,670,087	\$ 3,641,597	\$ 7,337,491	\$ 1,845,162	\$ 132,966,097	\$ 3,172,643	\$ 242,495,200
Additions	4,307	1,338,235	404,869	227,075	968,468	24,548	2,997,796	2,490,742	8,456,040
Disposals	(65,364)	(360,867)	(652,084)	(144,997)	(492,125)	-	(681,907)	-	(2,397,344)
Write-downs	(22,947)	(671,426)	-	(35)	-	-	-	-	(694,408)
Reallocation of completed work	10,809	189,225	-	-	-	-	3,479,969	(3,680,003)	-
Cost, end of the year	<u>8,430,218</u>	<u>79,853,877</u>	<u>5,422,872</u>	<u>3,723,640</u>	<u>7,813,834</u>	<u>1,869,710</u>	<u>138,761,955</u>	<u>1,983,382</u>	<u>247,859,488</u>
Accumulated amortization, beginning of the year	-	23,936,929	3,616,997	2,625,090	5,621,665	1,779,042	44,441,767	-	82,021,490
Amortization	-	2,840,640	509,086	389,947	601,917	30,885	4,608,378	-	8,980,853
Disposals	-	(181,936)	(647,631)	(144,926)	(491,268)	-	(318,878)	-	(1,784,639)
Accumulated amortization, end of the year	-	<u>26,595,633</u>	<u>3,478,452</u>	<u>2,870,111</u>	<u>5,732,314</u>	<u>1,809,927</u>	<u>48,731,267</u>	-	<u>89,217,704</u>
Net carrying amount, end of the year	<u>\$ 8,430,218</u>	<u>\$ 53,258,244</u>	<u>\$ 1,944,420</u>	<u>\$ 853,529</u>	<u>\$ 2,081,520</u>	<u>\$ 59,783</u>	<u>\$ 90,030,688</u>	<u>\$ 1,983,382</u>	<u>\$ 158,641,784</u>

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

December 31, 2013

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

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$1,917,096 (2012 - \$1,983,382).

\$18,617 (2012 - \$Nil) in contributed capital assets were recognized in the financial statements during the year.

The municipality 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.

**4. Accumulated Surplus**

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

	2013	2012
Invested in tangible capital assets		
Tangible capital assets purchased	\$ 157,934,115	\$158,641,784
Unfinanced capital assets	(2,663,413)	(2,768,904)
Capital assets financed by long-term liabilities and to be funded in future years	(29,106,564)	(31,056,649)
Total invested in capital assets	126,164,138	124,816,231
Unfunded post-employment benefits	(1,145,259)	(1,112,633)
Unfunded WSIB future benefits	(1,355,034)	(1,276,733)
General surplus (deficit) (Note 7)	51,822	(299,953)
	123,715,667	122,126,912
Reserve funds (Note 5)	22,030,413	20,807,255
Accumulated surplus	<b>\$ 145,746,080</b>	<b>\$ 142,934,167</b>

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

December 31, 2013

5. Reserve Funds Set Aside for Specific Purpose by Council

	2013	2012
Reserve funds		
Working funds	\$ 2,005,999	\$ 1,990,954
Tax stabilization	218,792	816,332
WSIB	2,003,756	1,910,670
Current purposes	250,000	250,000
Capital purposes	17,551,866	15,839,299
Reserves funds set aside for specific purpose by Council	\$22,030,413	\$ 20,807,255

6. Government Transfers

	2013	2013	2012
	Budget	Actual	Actual
Operating			
Province of Ontario	\$ 27,347,169	\$ 26,711,778	\$ 25,216,395
Government of Canada	1,003,923	1,191,427	893,794
Other municipalities	559,623	821,175	713,223
Total operating transfers	28,910,715	28,724,380	26,823,412
Capital			
Province of Ontario	73,936	73,709	596,252
Government of Canada	2,022,199	2,006,123	2,564,214
Total capital transfers	2,096,135	2,079,832	3,160,466
Total government transfers	\$ 31,006,850	\$ 30,804,212	\$ 29,983,878

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

December 31, 2013

7. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the consolidated statement of operations and changes in net debt for comparative purposes. The 2013 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 changes in net debt. The following is a reconciliation of the budget approved by Council.

	2013	2013	2012
	Budget	Actual	Actual
Annual surplus (Page 6)	\$ 10,207,996	\$ 2,811,913	\$ 3,165,929
Transfers to reserves	(3,747,679)	(6,848,128)	(6,814,471)
Transfers from reserves	7,761,214	5,843,761	4,231,474
Transfers of surplus to reserves	-	(218,791)	(848,898)
	<u>4,013,535</u>	<u>(1,223,158)</u>	<u>(3,431,895)</u>
Capital acquisitions, disposals and write-down	(12,165,875)	(8,647,233)	(7,148,927)
Amortization	-	9,354,902	8,980,853
	<u>(12,165,875)</u>	<u>707,669</u>	<u>1,831,926</u>
Debt principal repayments	<u>(2,055,656)</u>	<u>(1,950,085)</u>	<u>(1,837,889)</u>
Change in unfunded liabilities	-	110,927	(8,448)
Decrease in capital projects not funded	-	(105,491)	(1,868,480)
Change in general surplus in the year	-	351,775	(2,148,857)
Prior year general surplus (deficit)	-	(299,953)	1,848,904
General surplus (deficit) (Note 4)	<u>\$ -</u>	<u>\$ 51,822</u>	<u>\$ (299,953)</u>

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The Corporation of the County of Bruce  
Notes to Financial Statements

December 31, 2013

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8. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 533 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 municipality for 2013 was \$2,538,934 (2012 - \$2,230,844). The contribution rate for 2013 was 9.0% or 15.9% depending on income level (2012 - 8.3% or 12.8%).

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 municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2013. The plan reported a \$8.6 billion actuarial deficit (2012 - \$9.9 billion deficit) at that time, based on actuarial liabilities of \$73.0 billion (2012 - \$69.1 billion) and actuarial assets of \$64.4 billion (2012 - \$59.2 billion). Ongoing adequacy of the current contribution rates will need to be monitored and the decline in the financial markets may lead to increased future funding requirements.

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9. Contingencies

- (a) The County has been served with statements of claims as a result of an incident at the Mountain Bike Adventure Park, motor vehicle accidents and other claims. The likelihood of the success of these actions is undeterminable at this time. The County is not aware of any possible settlements in excess of its liability insurance coverage.
  - (b) The Counties of Bruce and Grey, the Province of Ontario and the Dominion of Canada as well as several lower tier municipalities in the Bruce Peninsula have been named as defendants in a land claim action filed by the Chippewas of Nawash and Saugeen, for damages alleged to total \$92,000,000,000. No breakdown as to each municipality's relative share of the damages has been provided. The likelihood of the success of this action is undeterminable at this time.
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The Corporation of the County of Bruce  
Notes to Financial Statements

December 31, 2013

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10. 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.

	2013	2012
Retirement benefits	\$ 1,060,798	\$ 1,020,494
Unamortized actuarial gain	84,461	92,139
Post-employment benefits	\$ 1,145,259	\$ 1,112,633

Actuarial valuations for accounting purposes are performed using the projected benefit method. The most recent actuarial report was prepared as at December 31, 2010.

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 4.75%. For extended health care costs, a 6.67% annual rate of increase was assumed for 2011, decreasing to an ultimate rate of 4% per year for 2020. For dental costs, a 4% annual rate of increase was assumed.

	2013	2012
Current period benefit cost	\$ 48,067	\$ 44,988
Amortization of actuarial gain	(7,678)	(7,678)
Retirement benefit expense	40,389	37,310
Interest costs	48,284	46,490
Total expense for the year	\$ 88,673	\$ 83,800

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The Corporation of the County of Bruce  
Notes to Financial Statements

December 31, 2013

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11. 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>2013</u>	<u>2012</u>
WSIB future benefit	\$ 1,355,034	\$ 1,276,733

Actuarial valuations for accounting purposes are performed using the projected benefit method. The most recent actuarial report was prepared as at December 31, 2011.

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 4.25%, average lost time injury payment rate of 65%, a WSIB administrative rate of 28% and a average lost time injury count of 12.

	<u>2013</u>	<u>2012</u>
Current period benefit cost	\$ 261,016	\$ 252,757
Interest costs	54,761	51,570
Total expense for the year	<u>\$ 315,777</u>	<u>\$ 304,327</u>

In addition to the amounts recorded in the financial statements, the County has a commitment for future benefit costs for injured workers which occurred in the past while a Schedule 2 employer. This liability is estimated at \$208,455. Management believes this liability will be fully funded for by a private insurer and, accordingly, is not recorded in these financial statements.

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12. Trust Funds

The trust funds administered by the municipality amounting to \$60,871 (2012 - \$75,659) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities.

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The Corporation of the County of Bruce  
Notes to Financial Statements

December 31, 2013

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13. Contractual Commitments

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, 2013 indicates the following:

Principal payments on debentures during the year	\$ 253,384
Interest payments on debentures during the year	<u>204,876</u>
Total	<u>\$ 458,260</u>
Debentures outstanding at year end	<u>\$ 2,974,031</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).

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14. Change in Accounting Policy

Effective January 1, 2013, the municipality adopted on a prospective basis the new accounting standards PS3410 Government Transfers and PS3510 Tax Revenue from the Chartered Professional Accountants of Canada Handbook.

Government transfers are recognized when authorized and eligibility criteria have been met unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized over the period that the liability is extinguished. The prospective application of this change in accounting policy has resulted in no changes in the current year.

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. The prospective application of this change in accounting policy resulted in an increase of \$117,175 in taxes receivable and an increase of \$117,175 in taxation revenue.

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

December 31, 2013

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**15. 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 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 and Child Care. 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.

**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.

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The Corporation of the County of Bruce  
Notes to Financial Statements

December 31, 2013

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15. Segmented Information - (continued)

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, 2013

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	2013 Total
<b>Revenue</b>									
Taxation	\$ 6,276,050	\$ 69,719	\$ 11,503,077	\$ 131,660	\$ 5,597,057	\$ 8,188,464	\$ 4,469,274	\$ 2,385,070	\$ 38,620,371
Fees and user charges	547,930	-	19,890	-	-	8,692,312	189,389	240,982	9,690,503
Government transfers	891,101	538,004	2,185,720	71,400	4,869,212	21,628,422	534,015	86,338	30,804,212
Investment income	231,231	-	-	-	-	23,503	-	-	254,734
Other revenue	1,631	-	76,750	-	9,086	50,688	40,763	168,800	347,718
Donations	-	-	18,617	-	4,860	127,214	637,259	14,000	801,950
Gain or loss on disposal of assets	(1,763)	-	42,079	-	-	(122,033)	(1,187)	-	(82,904)
	<u>7,946,180</u>	<u>607,723</u>	<u>13,846,133</u>	<u>203,060</u>	<u>10,480,215</u>	<u>38,588,570</u>	<u>5,869,513</u>	<u>2,895,190</u>	<u>80,436,584</u>
<b>Expenses</b>									
Salaries and benefits	3,214,707	-	3,013,330	33,919	8,863,489	20,218,607	3,508,818	1,733,369	40,586,239
Interest on debt	1,513,089	-	-	-	-	307,055	-	-	1,820,144
Materials and supplies	141,430	10,876	2,993,845	15,630	768,900	5,517,231	717,307	606,400	10,771,619
Contracted services	1,895,875	56,889	695,642	155,559	197,048	2,359,640	137,201	150,515	5,648,369
Other transfers	40,855	-	-	-	55,000	7,984,920	349,857	362,162	8,792,794
Rents and financial expenses	590	-	132,426	-	163,392	186,070	109,422	58,704	650,604
Amortization	391,033	-	5,380,663	-	331,363	2,234,083	981,192	36,568	9,354,902
	<u>7,197,579</u>	<u>67,765</u>	<u>12,215,906</u>	<u>205,108</u>	<u>10,379,192</u>	<u>38,807,606</u>	<u>5,803,797</u>	<u>2,947,718</u>	<u>77,624,671</u>
<b>Annual surplus (deficit)</b>	<b>\$ 748,601</b>	<b>\$ 539,958</b>	<b>\$ 1,630,227</b>	<b>\$ (2,048)</b>	<b>\$ 101,023</b>	<b>\$ (219,036)</b>	<b>\$ 65,716</b>	<b>\$ (52,528)</b>	<b>\$ 2,811,913</b>

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

**December 31, 2013**

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	2012 Total
<b>Revenue</b>									
Taxation	\$ 5,121,328	\$ 86,166	\$ 10,827,817	\$ 137,000	\$ 5,726,321	\$ 7,950,571	\$ 4,404,988	\$ 2,368,925	\$ 36,623,116
Fees and user charges	627,087	-	18,293	-	5,754	8,421,206	244,402	292,960	9,609,702
Government transfers	926,435	527,771	2,105,138	139,170	4,432,938	21,328,327	453,697	70,402	29,983,878
Investment income	200,921	-	-	-	-	23,965	-	-	224,886
Other revenue	8,156	-	14,795	-	422	63,987	56,013	90,894	234,267
Donations	800	-	-	-	59,985	27,615	99,144	24,000	211,544
Gain or loss on disposal of assets	(17,525)	-	(323,721)	-	3,205	(64,203)	93	-	(402,151)
	<b>6,867,202</b>	<b>613,937</b>	<b>12,642,322</b>	<b>276,170</b>	<b>10,228,625</b>	<b>37,751,468</b>	<b>5,258,337</b>	<b>2,847,181</b>	<b>76,485,242</b>
<b>Expenses</b>									
Salaries and benefits	2,717,928	-	2,307,511	33,004	8,703,785	19,376,122	3,318,390	1,765,394	38,222,134
Interest on debt	1,607,351	-	-	-	-	333,952	-	-	1,941,303
Materials and supplies	111,348	17,760	2,462,135	23,527	803,697	5,236,605	729,098	565,261	9,949,431
Contracted services	1,899,535	61,827	569,207	167,182	108,519	2,273,120	127,399	206,467	5,413,256
Other transfers	14,500	-	-	-	50,000	7,434,167	333,591	289,104	8,121,362
Rents and financial expenses	4	-	186,004	-	161,388	183,857	103,767	55,954	690,974
Amortization	333,897	-	5,059,769	-	344,515	2,241,449	967,339	33,884	8,980,853
	<b>6,684,563</b>	<b>79,587</b>	<b>10,584,626</b>	<b>223,713</b>	<b>10,171,904</b>	<b>37,079,272</b>	<b>5,579,584</b>	<b>2,916,064</b>	<b>73,319,313</b>
<b>Annual surplus (deficit)</b>	<b>\$ 182,639</b>	<b>\$ 534,350</b>	<b>\$ 2,057,696</b>	<b>\$ 52,457</b>	<b>\$ 56,721</b>	<b>\$ 672,196</b>	<b>\$ (321,247)</b>	<b>\$ (68,883)</b>	<b>\$ 3,165,929</b>

The Corporation of the  
County of Bruce  
Trust Funds  
Financial Information  
For the year ended December 31, 2013



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## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the County of Bruce

We have audited the accompanying financial information for the trust funds of the County of Bruce, which comprise the statement of financial position as at December 31, 2013, the statement of continuity for the year then ended, and a summary of significant accounting policies.

### Management's Responsibility for the Financial Information

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

### Auditor's Responsibility

Our responsibility is to express an opinion on this financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Basis for Qualified Opinion

The trust funds of the County derive receipts from and make disbursements to residents of the Bruce County Homes for the Aged which are not susceptible to complete audit verification. Accordingly, our verification of such receipts and disbursements was limited to accounting for the amounts recorded in the records of the trust funds and we were not able to determine whether any adjustments might be necessary to receipts, assets and liabilities.

### Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial information presents fairly, in all material respects, the statement of financial position for the trust funds of the County of Bruce as at December 31, 2013 and the statement of continuity for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario  
April 22, 2014

The Corporation of the County of Bruce  
Trust Funds  
Statement of Financial Position

December 31, 2013

Assets	<u>Total</u>	<u>Gateway Haven Residents</u>	<u>Brucelea Haven Residents</u>
Cash	\$ 60,871	\$ 25,609	\$ 35,262
Fund balance	\$ 60,871	\$ 25,609	\$ 35,262

Statement of Continuity

For the year ended December 31, 2013

	<u>Total</u>	<u>Gateway Haven Residents</u>	<u>Brucelea Haven Residents</u>
Balance, beginning of the year	\$ 75,659	\$ 28,524	\$ 47,135
Receipts			
Residents' contributions	342,899	175,286	167,613
	418,558	203,810	214,748
Expenses			
Residents' withdrawals	357,687	178,201	179,486
Balance, end of the year	\$ 60,871	\$ 25,609	\$ 35,262

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

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The Corporation of the County of Bruce  
Trust Funds  
Note to Financial Statements

December 31, 2013

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1. Summary of Significant Accounting Policies

**Management Responsibility** The financial information of the Corporation of the County of Bruce Trust Funds are the representation of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ontario Ministry of Municipal Affairs and Housing.

Revenue 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 information 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 information, 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.

**Basis of Consolidation** These trust funds have not been consolidated with the financial statements of the municipality.

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The County of Bruce  
Library Board  
Financial Statements  
For the year ended December 31, 2013



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## Independent Auditor's Report

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To the Board Members of the County of Bruce Library

We have audited the accompanying financial statements of the County of Bruce Library Board, which comprise the statement of financial position as at December 31, 2013, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the County of Bruce Library Board as at December 31, 2013 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario  
April 22, 2014

**The County of Bruce Library Board**  
**Statement of Financial Position**

December 31	2013	2012
<b>Financial assets</b>		
Cash held by the County of Bruce (Note 2)	\$ 657,192	\$ 620,468
Due from County of Bruce	192,667	-
Due from Canada	108	65
Due from Province of Ontario	7,952	197,558
Accounts receivable - other municipalities	159	145
Accounts receivable	2,764	540
	<u>860,842</u>	<u>818,776</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	194,397	161,020
Due to County of Bruce	-	27,759
	<u>194,397</u>	<u>188,779</u>
<b>Net financial assets</b>	<u>666,445</u>	<u>629,997</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 3)	1,310,329	1,316,720
Inventory and prepaids	6,445	6,297
	<u>1,316,774</u>	<u>1,323,017</u>
<b>Accumulated surplus (Note 4)</b>	<u>\$ 1,983,219</u>	<u>\$ 1,953,014</u>

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

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

<u>For the year ended December 31</u>	<u>2013</u>	<u>2013</u>	<u>2012</u>
	Budget (Note 5)	Actual	Actual
<b>Revenue</b>			
<b>Grants:</b>			
County of Bruce	\$ 2,947,944	\$ 2,955,209	\$ 2,858,217
Province of Ontario	214,137	221,897	209,444
Fines and sale of books	25,800	24,708	27,040
Donations	5,100	19,588	6,199
Rental income and user fees	18,400	29,412	34,799
Gain (loss) on disposal of tangible capital assets	-	(25)	900
	<u>3,211,381</u>	<u>3,250,789</u>	<u>3,136,599</u>
<b>Expenses</b>			
Salaries and benefits	2,147,919	2,124,359	2,028,607
Contract services	47,100	59,680	46,830
Materials	420,865	348,159	327,163
External transfers	323,947	323,913	317,368
Amortization	-	364,473	362,622
	<u>2,939,831</u>	<u>3,220,584</u>	<u>3,082,590</u>
<b>Annual surplus (Note 5)</b>	271,550	30,205	54,009
<b>Accumulated surplus, beginning of the year</b>	<u>1,953,014</u>	<u>1,953,014</u>	<u>1,899,005</u>
<b>Accumulated surplus, end of the year</b>	<u>\$ 2,224,564</u>	<u>\$ 1,983,219</u>	<u>\$ 1,953,014</u>

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

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

<u>For the year ended December 31</u>	<u>2013</u>	<u>2013</u>	<u>2012</u>
	Budget (Note 5)	Actual	Actual
Annual surplus (Page 4)	\$ 271,550	\$ 30,205	\$ 54,009
Acquisition of tangible capital assets	(358,550)	(358,107)	(391,437)
Amortization of tangible capital assets	-	364,473	362,622
Proceeds on disposal of tangible capital assets	-	-	900
Loss (gain) on the disposal of tangible capital assets	-	25	(900)
	<u>(358,550)</u>	<u>6,391</u>	<u>(28,815)</u>
Change in inventory and prepaid expenses	-	(148)	285
Increase (decrease) in net financial assets	(87,000)	36,448	25,479
Net financial assets, beginning of the year	<u>629,997</u>	<u>629,997</u>	<u>604,518</u>
<b>Net financial assets, end of the year</b>	<b>\$ 542,997</b>	<b>\$ 666,445</b>	<b>\$ 629,997</b>

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

**The County of Bruce Library Board**  
Consolidated Statement of Cash Flows

December 31, 2013	2013	2012
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 30,205	\$ 54,009
Items not involving cash		
Amortization	364,473	362,622
Loss (gain) on disposal of tangible capital assets	25	(900)
	<u>394,703</u>	<u>415,731</u>
Changes in non-cash working capital balances		
Accounts receivable	(2,224)	1,005
Accounts payable and accrued liabilities	33,377	(25,838)
Due from (to) Canada	(43)	3,485
Due from (to) Province of Ontario	189,606	(180,820)
Due from (to) other municipalities	(14)	(13)
Due from (to) County of Bruce	(220,426)	201,896
Inventory and prepaids	(148)	285
	<u>128</u>	<u>-</u>
	<u>394,831</u>	<u>415,731</u>
Capital transaction		
Cash used to acquire tangible capital assets	(358,107)	(391,437)
Proceeds from disposal of tangible capital assets	-	900
	<u>(358,107)</u>	<u>(390,537)</u>
Net change in cash	36,724	25,194
Cash, beginning of the year	<u>620,468</u>	<u>595,274</u>
Cash, end of the year	<u>\$ 657,192</u>	<u>\$ 620,468</u>

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

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**The County of Bruce Library Board**  
**Notes to Financial Statements**

December 31, 2013

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**1. Summary of Significant Accounting Policies**

<b>Basis of Accounting</b>	<p>The financial statements of the County of Bruce Library Board are the representation of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ontario Ministry of Municipal Affairs and Housing.</p> <p>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.</p>
<b>Basis of Consolidation</b>	<p>The Library Board has been consolidated within the financial statements of the County of Bruce.</p>
<b>Use of Estimates</b>	<p>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.</p>
<b>Inventory</b>	<p>Inventory held for consumption is recorded at the lower of cost and replacement cost.</p>

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The County of Bruce Library Board  
Notes to Financial Statements

December 31, 2013

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1. Summary of Significant Accounting Policies - (continued)

**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	5 years
Furniture and fixtures	20 years
Vehicle and machinery	5 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 municipal 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.
- 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, 2013

2. Cash Held by the County of Bruce

	2013	2012
Restricted	<u>\$ 657,192</u>	<u>\$ 620,468</u>

The cash balance is being held in County of Bruce bank accounts as 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

	2013		2012	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Library collections	\$ 3,014,806	\$ 1,880,992	\$ 3,163,131	\$ 2,057,638
Technology and communication	552,546	482,236	541,157	457,652
Vehicle and machinery	56,002	32,502	56,002	26,372
Furniture and fixtures	313,601	230,896	305,046	223,436
Work in progress	-	-	16,482	-
	<u>\$ 3,936,955</u>	<u>\$ 2,626,626</u>	<u>\$ 4,081,818</u>	<u>\$ 2,765,098</u>
Net book value		<u>\$ 1,310,329</u>		<u>\$ 1,316,720</u>

The net book value of tangible capital assets not being amortized because they are under construction (or development) is \$NIL (2012 - \$16,482).

**The County of Bruce Library Board**  
Notes to Financial Statements

December 31, 2013

4. Accumulated Surplus

The organization segregates its accumulated surplus in the following categories:

	2013	2012
Invested in capital assets	\$ 1,310,329	\$ 1,316,720
General surplus (Note 5)	16,693	-
	1,327,022	1,316,720
Reserves	656,197	636,294
Accumulated surplus	\$ 1,983,219	\$ 1,953,014

5. Budgets

Under Canadian public sector accounting principles, budget amounts are to be reported on the consolidated statement of operations and accumulated surplus and changes in net financial assets for comparative purposes. The 2013 budget amounts for The County of Bruce Library Board approved by the Board have been reclassified to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in net financial assets. The following is a reconciliation of the budget approved by the Board.

	2013 Budget	2013 Actual	2012 Actual
Annual surplus (Page 4)	\$ 271,550	\$ 30,205	\$ 54,009
Prior year general surplus	-	-	15,825
Net transfers (to) from reserves	87,000	(19,903)	(41,021)
Capital acquisitions	(358,550)	(358,082)	(391,435)
Amortization	-	364,473	362,622
General Surplus (Note 4)	\$ -	\$ 16,693	\$ -