
THE CORPORATION OF THE COUNTY OF LAMBTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011



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Independent Auditor's Report

**To the Members of Council, Inhabitants and Ratepayers
of the The Corporation of the County of Lambton**

We have audited the accompanying financial statements of the Corporation of the County of Lambton, which comprise the statement of financial position as at December 31, 2011, and the statement of operations, statement of change in net financial debt and statement of cash flow 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 generally accepted accounting principles, 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 Corporation of the County of Lambton as at December 31, 2011 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Sarnia, Ontario
July 3, 2012

**THE CORPORATION OF THE COUNTY OF LAMBTON
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FOR THE YEAR ENDED DECEMBER 31, 2011**

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**THE CORPORATION OF THE COUNTY OF LAMBTON
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011**

	2011 ACTUAL \$	2010 ACTUAL \$
<u>FINANCIAL ASSETS</u>		
Cash and Temporary Investments (Note 4)	26,166,657	28,021,266
Accounts Receivable	4,455,746	5,578,539
Due from Community Development Corporation	2,164,085	1,816,488
Amounts Recoverable on Long Term Debt (Note 8)	32,214,743	34,016,040
Investment in Community Development Corporation (Note 5)	2,258,042	3,041,733
TOTAL FINANCIAL ASSETS	67,259,273	72,474,066
<u>LIABILITIES</u>		
Bank Indebtedness (Note 6)	4,725,409	0
Accounts Payable and Accrued Liabilities	13,948,421	12,405,995
Deferred Grant (Note 7)	1,606,169	1,606,169
Long Term Debt (Note 8)	53,565,281	58,132,998
Landfill Closure and Post Closure Costs (Note 11)	5,373,996	5,871,718
Employment Benefits Payable (Note 2)	2,187,831	2,047,359
TOTAL LIABILITIES	81,407,107	80,064,239
NET FINANCIAL DEBT	(14,147,834)	(7,590,173)
<u>NON-FINANCIAL ASSETS</u>		
Tangible Capital Assets - net (Schedule 1)	248,156,549	236,286,311
Inventories	866,271	459,391
Prepaid Expenses	3,567,012	327,647
TOTAL NON-FINANCIAL ASSETS	252,589,832	237,073,349
ACCUMULATED SURPLUS (Schedule 2)	238,441,998	229,483,176

The accompanying notes and schedules are an integral part of this financial statement.

**THE CORPORATION OF THE COUNTY OF LAMBTON
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011 BUDGET	2011 ACTUAL	2010 ACTUAL
	\$	\$	\$
REVENUE			
Taxation	62,936,898	62,605,873	62,592,830
Federal Government Transfers	4,139,943	5,147,725	7,364,938
Provincial Government Transfers	66,535,556	74,149,037	72,091,817
Other Municipalities	809,218	934,191	2,025,193
User Charges	22,844,268	22,870,302	23,021,248
Investment Income	70,308	246,765	153,842
Donations	64,452	487,945	5,847,456
Other	0	716,293	170,236
Gain/Loss on Disposal of Tangible Capital Assets	0	(72,547)	(348,264)
Community Development Corporation Share of Income	0	(783,691)	(401,409)
	<u>157,400,643</u>	<u>166,301,893</u>	<u>172,517,887</u>
EXPENSES			
General Government	10,189,902	10,159,665	10,447,078
Protection Services	3,573,955	3,743,928	3,700,678
Transportation Services	15,343,342	15,317,008	15,418,894
Environmental Services	3,968,328	3,275,188	4,236,214
Health Services	21,152,807	21,380,739	20,397,177
Social and Family Services	79,016,613	81,138,494	79,922,493
Social Housing	9,820,438	10,744,214	11,775,026
Recreation and Cultural Services	7,894,727	7,756,349	7,429,110
Planning and Development	3,794,042	3,827,486	3,426,660
	<u>154,754,154</u>	<u>157,343,071</u>	<u>156,753,330</u>
ANNUAL SURPLUS	2,646,489	8,958,822	15,764,557
ACCUMULATED SURPLUS, beginning of the year	<u>229,483,176</u>	<u>229,483,176</u>	<u>213,718,619</u>
ACCUMULATED SURPLUS, end of the year	<u>232,129,665</u>	<u>238,441,998</u>	<u>229,483,176</u>

The accompanying notes and schedules are an integral part of this financial statement.

**THE CORPORATION OF THE COUNTY OF LAMBTON
STATEMENT OF CHANGE IN NET FINANCIAL DEBT
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011 BUDGET \$	2011 ACTUAL \$	2010 ACTUAL \$
ANNUAL SURPLUS	2,646,489	8,958,822	15,764,557
Amortization of Tangible Capital Assets	14,200,398	13,620,391	13,463,722
Acquisition of Tangible Capital Assets	(13,286,653)	(25,563,176)	(24,215,051)
Loss (Gain) on Sale of Tangible Capital Assets	0	72,547	348,264
Change in Inventories	0	(406,880)	(1,827)
Change in Prepaid Expenses	0	(3,239,365)	1,167,299
(INCREASE)/DECREASE IN NET FINANCIAL DEBT	3,560,234	(6,557,661)	6,526,964
NET FINANCIAL DEBT, beginning of the year	(7,590,173)	(7,590,173)	(14,117,137)
NET FINANCIAL DEBT, end of the year	(4,029,939)	(14,147,834)	(7,590,173)

The accompanying notes and schedules are an integral part of this financial statement.

THE CORPORATION OF THE COUNTY OF LAMBTON
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 ACTUAL \$	2010 ACTUAL \$
OPERATING TRANSACTIONS		
Annual Surplus	8,958,822	15,764,557
Uses of Cash		
Increase in Accounts Receivable	0	(632,815)
Increase in Prepaid Expenses	(3,239,365)	0
Increase in Due from Community Development Corporation	(347,597)	0
Decrease in Bank Indebtedness	0	(11,351,631)
Decrease in Landfill Closure and Post Closure Costs	(497,722)	0
Decrease in Employment Benefits Payable and Interest on Debt	0	(379,270)
Increase in Inventories	(406,880)	(1,827)
	<u>(4,491,564)</u>	<u>(12,365,543)</u>
Sources of Cash		
Decrease in Due from Community Development Corporation	0	11,483,906
Increase in Bank Indebtedness	4,725,409	0
Increase in Accounts Payable and Accrued Liabilities	1,542,426	366,158
Increase in Landfill Closure and Post Closure Costs	0	45,605
Increase in Employment Benefits Payable	140,472	0
Decrease in Accounts Receivable	1,122,793	0
Decrease in Prepaid Expenses	0	1,167,299
	<u>7,531,100</u>	<u>13,062,968</u>
Non-cash Charges to Operations		
Amortization	13,620,391	13,463,722
Loss on Sale of Tangible Capital Assets	72,547	348,264
	<u>13,692,938</u>	<u>13,811,986</u>
Cash Provided by Operations	<u>25,691,296</u>	<u>30,273,968</u>
CAPITAL TRANSACTIONS		
Cash Used to Acquire Tangible Capital Assets	<u>(25,563,176)</u>	<u>(24,215,051)</u>
INVESTING TRANSACTIONS		
Decrease in Investment in Community Development Corporation	<u>783,691</u>	<u>401,409</u>
FINANCING TRANSACTIONS		
Amounts Recoverable on Long Term Debt	1,801,297	(3,743,604)
Long Term Debt Issued	1,158,506	14,484,663
Long Term Debt Principal Repayments	<u>(5,726,223)</u>	<u>(13,173,135)</u>
Net Decrease in Cash from Financing Activities	<u>(2,766,420)</u>	<u>(2,432,076)</u>
INCREASE (DECREASE) IN CASH	(1,854,609)	4,028,250
CASH, beginning of the year	<u>28,021,266</u>	<u>23,993,016</u>
CASH, end of the year	<u>26,166,657</u>	<u>28,021,266</u>

The accompanying notes and schedules are an integral part of this financial statement.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

1. ACCOUNTING POLICIES

The financial statements of The Corporation of the County of Lambton (Municipality) are the representation of management and have been prepared in accordance with generally accepted accounting principles for municipal governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) Basis of Consolidation

(i) Government business enterprises are separate legal entities which do not rely on the Municipality for funding. Investments in government business enterprises are accounted for using the modified equity method. Under this method, the government business enterprise's accounting policies, which follow Canadian generally accepted accounting principles, are not adjusted to conform with Public Sector Accounting Standards and inter-entity transactions and balances are not eliminated. The following government business enterprise is reflected in the financial statements:

- Community Development Corporation

(ii) Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the "Trust Funds Financial Report".

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting.

(ii) 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.

(iii) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Debt for the year.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

a) **Tangible Capital Assets (TCAs)**

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, less accumulated amortization. The cost, less residual value, of the tangible capital assets, are amortized over their estimated useful lives as follows:

Bridges	35 - 75 years	Straight Line
Buildings	15 - 40 years	Double Declining Balance
Building Contents	5 - 50 years	Straight Line
Building Site Elements	10 - 50 years	Straight Line
Fleet	5 - 10 years	Straight Line
Information Technology	3 - 10 years	Straight Line
Leasehold Improvements	10 - 40 years	Declining Balance
Machinery and Equipment	3 - 40 years	Straight Line
Medical and Emergency Equipment	2 - 20 years	Straight Line
Roads	15 - 50 years	Straight Line
Signage and Illuminations	10 - 20 years	Straight Line

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Municipality has a capitalization threshold of \$5,000 so that individual TCAs of lesser value are expensed unless they are pooled because, collectively, they have significant value. Examples of pools are appliances, furnishing, shelving, street furniture, telephone equipment and tools.

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

Works of art, artifacts, cultural and historic assets are not recorded as assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

b) **Inventories and Prepaid Expenses**

Inventories and prepaid expenses held for consumption are recorded at the lower of cost and net realizable value. Cost for inventories is determined on the average cost basis.

(iv) **Revenue Recognition**

Taxation revenue is recognized in the year that the taxes are levied.

Government transfer revenues are recognized when the amount has been determined and approval has been obtained. If the government transfers relate to specific expenditures, the revenue is recognized when the resources have been used for the specific purpose.

User charges are recorded when the amount is determinable, collectibility is assured and the services provided.

Investment income is recorded as earned.

Donations are recorded when the amount is determinable and collectibility is reasonably assured.

(v) **Temporary Investments**

Temporary investments are recorded at the lower of cost and market value.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

2. EMPLOYMENT BENEFITS PAYABLE

Employment benefits payable are comprised of the following:

	2011	2010
	\$	\$
Liability for vacation credits	1,938,318	1,760,557
Liability for vested sick leave benefits	<u>249,513</u>	<u>286,802</u>
	<u>2,187,831</u>	<u>2,047,359</u>

Liability for Vacation Credits

Under the provisions of certain employee vacation plans, some vacation credits are earned as at December 31 but are generally unavailable for use until a later date. In addition, the provisions of certain plans allow the accumulation of vacation credits for use in future periods. The approximate value of these credits as of December 31, 2011 is \$1,938,318 (2010 - \$1,760,557).

Liability for Vested Sick Leave Benefits

Under the terms of the sick leave benefit plan, unused sick leave can increase according to remuneration increases and employees may become entitled to a cash payment of 10% annually, 100% upon termination or up to 100% by special request to County Council. The vested portion of sick leave days is payable to a maximum of one-half year's salary.

This plan is no longer in effect for accumulation of additional sick leave days, with the exception of members of CEP Local 65 and ONA Local 196.

To the extent that these accumulated days have vested and can be taken in cash by the employee, this liability amounted to \$249,513 (2010 - \$286,802) at the end of the year. An amount of \$44,070 (2010 - \$12,628) was paid to employees who left the Municipality's employment during the current year.

A reserve has been established to provide for this past service liability. The balance at the end of the year is \$259,592 (2010 - \$285,663).

3. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$160,455 (2010 - \$179,278) have not been included in the "Statement of Financial Position", nor have their operations been included in the "Statement of Operations".

4. CASH AND TEMPORARY INVESTMENTS

	2011	2010
	\$	\$
Cash on Hand and in Banks	26,082,242	27,937,846
Temporary Investments	<u>84,415</u>	<u>83,420</u>
	<u>26,166,657</u>	<u>28,021,266</u>

The Municipality's cash is held at a Canadian chartered bank and earns interest based on the 30 day average bankers acceptance (BA) rate.

The temporary investments, held in a money market fund, are due on demand.

The Municipality has a \$5,500,000 demand operating line available to it. Interest rate of prime less 1.0% is charged on money borrowed. As a December 31, 2011, the Municipality has not drawn anything on the operating line.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

5. GOVERNMENT BUSINESS ENTERPRISE

The following summarizes the financial position and operations of the government business enterprises which have been reported in these financial statements using the modified equity method:

- Community Development Corporation

The Community Development Corporation is a corporation incorporated under Part III of The Corporations Act. It has partnered with the University of Western Ontario to establish a university styled research and development park to act as a conduit for the delivery of professional development, education via interaction among institutions of higher education, contract research, technology transfer and commercialization of intellectual property. The Corporation of the County of Lambton holds the controlling interest in the Community Development Corporation.

	April 30, 2011	April 30, 2010
	<u>\$</u>	<u>\$</u>
Assets	<u>31,164,798</u>	<u>33,792,589</u>
Liabilities	28,906,756	30,750,856
Surplus	<u>2,258,042</u>	<u>3,041,733</u>
	<u>31,164,798</u>	<u>33,792,589</u>
Revenues	2,881,955	1,234,943
Expenditures	<u>3,665,646</u>	<u>1,636,352</u>
Net Expenditures	<u>(783,691)</u>	<u>(401,409)</u>

6. BANK INDEBTEDNESS

The County held a bankers acceptance which matured February 29, 2012 and incurred a stamping fee of 0.85%.

7. DEFERRED GRANT

The balance of \$1,606,169 represents monies received in 2006 for the Best Start Program and is still unspent at December 31, 2011.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

8. LONG TERM DEBT

(a) The balance of the long term debt reported on the Statement of Financial Position is:

Total long term debt incurred by the Municipality, including those incurred on behalf of local (lower tier) Municipalities, and outstanding at the end of the year:

	2011	2010
	\$	\$
Lambton Meadowview Villa	1,385,051	1,795,747
Roads	1,504,145	1,881,647
Homes Rebuild	15,809,932	17,056,068
Emergency Medical Services	637,716	761,890
Community Health Services	338,808	447,085
County Administration Building	65,454	86,950
Information Technology	669,344	1,093,424
Housing	271,357	282,019
Library	16,929	22,489
Lambton Heritage Museum	47,268	62,792
Inn of the Good Shepherd	604,534	626,847
Lambton Area Waterworks Supply System	16,302,000	18,375,000
County of Lambton - Community Development Corp.	<u>15,912,743</u>	<u>15,641,040</u>
	53,565,281	58,132,998
Long term debt assumed by local (lower tier) Municipalities and others	<u>32,214,743</u>	<u>34,016,040</u>
Net long term debt at the end of the year	<u>21,350,538</u>	<u>24,116,958</u>

(b) Of the long term debt reported in (a) of this note, \$40,693,182 in principal payments are payable from 2012 to 2016 \$9,720,284 from 2017 to 2021, and \$3,151,815 thereafter and are summarized as follows:

	Years 2012 2016	Years 2017 2021	Years 2022 Thereafter	Total
	\$	\$	\$	\$
from general municipal revenue	11,735,439	6,463,284	3,151,815	21,350,538
from local (lower tier) Municipalities	<u>28,957,743</u>	<u>3,257,000</u>	<u>0</u>	<u>32,214,743</u>
	<u>40,693,182</u>	<u>9,720,284</u>	<u>3,151,815</u>	<u>53,565,281</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

- (c) The long-term debt in (a) issued in the name of the Municipality has received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law.

Approval of the Ontario Municipal Board has been obtained for those pending issues of long-term debt and commitments to be financed by revenues beyond the term of council and approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law.

The principal and interest payments required to service these actual and pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs. The annual repayment limit to be effective January 1, 2012 has been authorized at \$15,627,266. Actual annual repayment of principal and interest in 2011 was \$3,651,171 (2010 - \$4,374,970). Interest rates on long term debt vary between 2.95% and 4.80%.

- (d) On May 9, 1997, the Municipality, on behalf of 10 member Municipalities, refinanced the Ontario Clean Water Agency (OCWA) debt for the Lambton Area Waterworks Supply System (LAWSS). The debenture issue, in the amount of \$35,506,000, will require annual principal and interest payments of approximately \$3,450,000 over 20 years. Annual payments made by the Municipality will be recovered 100% from the participating Municipalities.

9. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 871 members of its staff. The 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 Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the plan assets and administration of the benefits. OMERS provides pension services to more than 400,000 active and retired members and approximately 947 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2011. The results of the valuation disclosed total actuarial liabilities of \$64,500 million in respect of benefits accrued for service with actuarial assets at that date of \$57,400 million indicating an actuarial deficit of \$7,100 million.

Because OMERS is a multi-employer pension plan, 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 amount contributed to OMERS for 2011 was \$3,395,893 (2010 - \$2,862,386) for current service and is included as an expenditure on the Statement of Operations. The OMERS Board rate was 7.4% to 10.7% depending on income level for 2011 (2010 - 6.4% to 9.7% depending on income level).

The Municipality makes no contributions under the past services provisions of the OMERS Agreement.

10. SARNIA-LAMBTON ECONOMIC PARTNERSHIP ASSOCIATION

The Sarnia-Lambton Economic Partnership Association (SLEP) is an independent body charged with the responsibility for managing economic development within the County of Lambton. It is jointly funded by the Municipality, local Municipalities, the private sector and senior levels of government. The Municipality provided \$1,000,000 (2010 - \$1,000,000) in operating funds during 2011. SLEP has not been consolidated.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

11. LIABILITY FOR LANDFILL CLOSURE AND POST CLOSURE COSTS

The Ontario Environmental and Protection Act sets out regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance.

The total projected closure and post closure costs at December 31, 2011 are \$8,022,470.

The estimated liability of \$5,373,996 (2010 - \$5,871,718) represents the sum of the discounted future cash flows for closure and post closure care activities discounted at the Municipality's current long term borrowing rate of 3.8%. The estimated remaining capacity of the Municipality's sites are approximately 224,567 cubic metres, which will be filled in 4 years. Post-closure care is estimated to continue for a period of 25 years.

The Municipality has established a reserve fund in order to fund this future liability. The fund is currently valued at \$1,220,752.

12. EXPENDITURE BY OBJECT

Total current expenditures for the year reported on the Statement of Operations are as follows:

	2011	2010
	\$	\$
Salaries, wages and employee benefits	63,353,653	60,564,767
Materials	41,192,898	42,977,101
Contracted services	5,929,367	5,524,018
Rents and financial expenses	3,259,422	3,191,889
Interest on long-term debt	884,750	1,492,893
Contributions to other organizations	29,102,590	29,538,940
Amortization	<u>13,620,391</u>	<u>13,463,722</u>
	<u>157,343,071</u>	<u>156,753,330</u>

13. SEGMENTED INFORMATION

The County of Lambton is a diversified municipal government organization that provides a wide range of services to its citizens. For management reporting purposes the County's operations and activities are organized and reported by segments. The County's services are provided by departments and their activities are reported in these segments. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government & Administration - Providing support to the entire Corporation, this segment includes the Council, CAO, Clerk, Finance, Human Resources, Information Technology, Legal and Procurement and Project Management Departments.

Court Administration - Administration of the County's Court offices includes setting trials, recording court proceedings, generating transcripts and receiving payments for fines resulting from charges laid by the various police forces operating within the County. Grants to area Municipalities towards the cost of court security and local policing are also reflected.

THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

Protective Services - The Building Services Department provides County-wide inspections for plumbing, sewage disposal systems and weed control. Building inspection services and property standards enforcements for most local Municipalities, as well as zoning by-law enforcement is provided.

Public Works - The Public Works Department is responsible for the maintenance and upgrade of the County's road system and bridges. The County's fleet of road equipment operates out of two main depot locations.

Environmental Services - The County owns, operates and manages six former lower tier municipal landfill sites, of which only one continues to accept domestic and commercial waste for disposal. Environmental monitoring and post-closure care continues on an ongoing basis for the five closed facilities. Contracts with private landfills for additional capacity allow the County to fulfill its mandate to dispose of municipally collected waste.

Public Health - Provides specialized public health programs and services in the County through two main streams. Environmental Health & Prevention Services protects the public's health with programs and clinical services such as safe water and food handling, immunizations and the investigation of communicable disease outbreaks and health hazards. Health Promotion & Program Support focuses on the prevention of chronic disease, injury prevention and substance abuse prevention programs.

Emergency Medical Services - The EMS Department offers 24 hour, 7 days a week, land ambulance services to residents from nine stations located throughout the County.

General Assistance - The Ontario Works Department provides employment and income assistance to eligible participants. Income support assistance is provided to persons in need to cover the costs of food, shelter and basic needs. Persons receiving social assistance are required to participate in a plan of increased employment activity. The Social Planning & Program Support Department examines the community's needs, ensures compliance of funds allocated and administers the Lambton Shared Services Centre.

Assistance to Aged - The County operates three long-term care facilities which provide comfort, quality and security to rural and urban residents. In addition, two Adult Day programs are provided for seniors who continue to live in their own homes or with family members.

Child Care - The Children's Services Department operates a Day Care facility. In addition, service agreements with not-for-profit and profit centres in the County provide additional subsidized child care spaces. The Department also offers a variety of services through programs such as Healthy Babies Healthy Children, Best Start, and Child Health.

Housing - The Housing Services Department provides subsidized, well-maintained housing for County residents. The Department completes eligibility assessments, maintains the centralized waiting list for rent-geared-to-income assistance, and administers the non-profit housing programs, rent supplement programs and the affordable housing programs. A Home Ownership down payment program is also provided.

Library - The Library Department provides services to the public through numerous branch libraries, one bookmobile and deposit collections in Long-Term Care Homes.

Culture - Culture is comprised of the Museums and Gallery Departments. Two museums are operated by the County, one collects family and corporate artifacts which depict the history of Sarnia-Lambton and the other is located at the site of North America's first commercial oil well. Gallery Lambton collects, preserves and holds in trust a collection of Canadian paintings and sculptures. The Lambton Room gathers and maintains Lambton County archival materials.

Planning & Development - The Department prepares and maintains the County's Official Plan and provides consent, subdivision, municipal official plan and woodlot approvals. The Department also works closely with local Municipalities preparing official plan and zoning by-laws, and providing comprehensive, ongoing planning advisory services. The Community Development Corporation's deficit for the year of \$783,691 has been included in this segment.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

14. PUBLIC HEALTH GRANTS

The Municipality has signed the 2011 Grant Terms and Conditions offered by the Public Health Division, on behalf of the Ministry of Health and Long-Term Care under section 76 of the Health Protection and Promotion Act for the provision of public health programs and services. The 2011 settlement reports summarize by program, all revenue and expenditures and identify any resulting surplus or deficit related to the grants. The surplus amounts are included in accounts payable and accrued liabilities.

Public Health Division, Ministry of Health and Long-Term Care

75% Funded Mandatory and Related Programs	2011 Subsidy Received \$	2011 Subsidy Earned \$	(Surplus)/ Deficit \$
Mandatory Programs	5,217,655	5,217,655	-
Vector-borne Diseases	168,553	168,554	1
Total	5,386,208	5,386,209	1

100% Funded Programs	2011 Subsidy Received \$	2011 Subsidy Earned \$	(Surplus)/ Deficit \$
Infectious Diseases Control	166,675	166,675	-
Infection Prevention and Control Nurses	60,339	82,789	22,450
Small Drinking Water Systems	25,125	25,125	-
Healthy Smiles Ontario (Operational)	312,202	274,927	(37,275)
Public Health Nurse Initiative	33,771	35,244	1,473
	<u>598,112</u>	<u>584,760</u>	<u>(13,352)</u>

Smoke Free Ontario Strategy			
Protection and Enforcement	161,832	162,225	393
Youth Engagement Strategy	80,000	80,000	-
Other One-time Projects	12,766	12,766	-
Tobacco Control Coordination	100,000	100,000	-
	<u>354,598</u>	<u>354,991</u>	<u>393</u>

Ontario Heart Health	23,480	23,480	-
Children in Need Treatment Expansion (including Promotion)	22,650	11,708	(10,942)
Total	998,840	974,939	(23,901)

Included in Health Services on Schedule 1 for 2011 are assets relating to the Community Health Services Department (CHSD) with costs of \$4,028,501 accumulated amortization of \$1,409,264 and a net book value of \$2,619,237.

THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

15. SOCIAL SERVICE CONTRACTS

The Corporation of the County of Lambton has Service Contracts with the Ministry of Community and Social Services (MCSS), the Ministry of Children and Youth Services (MCYS) and the Ministry of Education (MOE). A reconciliation report summarizes, by detail code, all revenue and expenditures and resulting surplus or deficit related to the Service Contract. The surplus amounts are included in Accounts Payable and Accrued Liabilities.

The presentation below was prepared in accordance with the modified accrual basis of accounting, which includes short term accruals of revenue and expenditures and does not recognize non-cash transactions such as amortization. The presentation is reflected prior to application of flexibility of funding between detail codes. The subsidy received (revenue) and subsidy earned (expenditure) comprise part of Provincial Government Transfers Revenue and Social and Family Services and Health Services Expenses that are included in the Statement of Operations.

Detail Code	Program Name	2011 Subsidy Received \$	2011 Subsidy Earned \$	(Surplus/ Deficit \$)
MCSS				
8770	Consolidated Homeless Prevention Program	138,332	138,332	-
8766	Domiciliary Hostels	149,440	149,388	(52)
8758	Energy Emergency Fund	137,353	137,353	-
		<u>425,125</u>	<u>425,073</u>	<u>(52)</u>
MOE				
A380	Child Care Administration	196,092	196,092	-
A371	Child Care Delivery Agent Fee Subsidy (DNA)	1,761,410	1,761,410	-
A376	Child Care Delivery Agent Special Needs Resourcing	657,507	657,507	-
A390	Child Care Delivery Agent Wage Subsidy Non-Profit	1,091,814	1,091,814	-
A391	Child Care Delivery Agent Wage Subsidy Commercial	41,038	41,038	-
A393	Delivery Agents-Pay Equity Union Settlement	70,455	70,455	-
A400	Ontario Works Child Care Formal (Licensed)	335,700	338,930	3,230
A401	Ontario Works Child Care Informal	32,000	18,203	(13,797)
A425	ELCC Administration	31,000	31,000	-
A429	ELCC Fee Subsidy	484,500	484,500	-
A446	Wage Improvement Non-Profit	428,347	428,347	-
A644	Wage Improvement Commercial	10,353	10,353	-
A661	Best Start Operating (includes \$56,000 Health & Safety A375)	7,855,734	7,855,734	-
A663	ELCD 100% Child Care Fee Subsidy	203,300	203,300	-
A664	Extended Day Program	60,444	60,444	-
A665	Transition - Operating	68,198	68,198	-
A713	Transition - Capital	8,300	8,300	-
		<u>13,336,192</u>	<u>13,325,625</u>	<u>(10,567)</u>
MCYS				
A386	Child Care Delivery Agent Resource Centres	98,087	98,086	(1)
A525	Early Child Development Planning	34,450	34,450	-
A526	Early Child Development Demo	383,822	383,822	-
		<u>516,359</u>	<u>516,358</u>	<u>(1)</u>
Other MCYS				
	Healthy Babies Healthy Children	848,593	848,593	-
	Best Start Demonstration Community Integration	34,500	34,500	-
		<u>883,093</u>	<u>883,093</u>	<u>-</u>
	Total	<u>15,160,769</u>	<u>15,150,149</u>	<u>(10,620)</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

16. LIBRARY GOVERNMENT TRANSFERS

Government Transfers recorded as 2011 revenue for the Library segment are comprised of the following amounts:

Ministry of Tourism & Culture Operating Grant	\$265,865
Ministry of Tourism & Culture Pay Equity Grant	18,083
Creative Community Prosperity Funding Grant	5,000
Southern Ontario Library Services Grant	16,375
Museum & Technology Grant	9,293
Ministry of Culture One Time Grant	3,051
Service Ontario Grant	16,388
Special Student Grants - Provincial Programs	2,194
Special Student Grants - Federal Programs	<u>22,754</u>
	<u>\$359,003</u>

17. COMMITMENTS

The Municipality routinely enters into short term lease arrangements for the supply of vehicles, photocopiers, postage machines and other such similar office equipment. Annual payments in 2011 amounted to \$159,388.

The Municipality has entered into an agreement with the Bluewater Health Foundation to provide a grant of \$15 million dollars to the Foundation over a ten year period commencing October 1, 2006 and ending October 1, 2015. The Municipality will pay the Foundation \$1.5 million on October 1 of each year the Foundation complies with the terms of the agreement. The Foundation must provide the County with a statement of account for each year that it receives the Annual Contribution no later than six months after the receipt of the contribution. The statement of account shall include details on capital expenditures made on the project with the proceeds of the grant to date, a statement that only capital expenditures are paid with the proceeds of the Grant, a signature by a person with signing authority for the Foundation and original receipts if requested by the County. At December 31, 2011 a total of \$9 million has been paid.

The Municipality has entered into an agreement with the City of Sarnia for the maintenance of County roads within the City west of Modeland Road. The agreement covers a ten year period commencing June 1, 2010 and ending May 31, 2020.

The Municipality has entered into an agreement with the Village of Point Edward for the maintenance of County roads within the Village over a ten year period commencing January 1, 2010 and ending December 31, 2019.

The Municipality has committed to a renovation project.

Relocation of the Art Gallery to a newly renovated location has a design-build contract with an estimated cost of \$8,082,000 and is expected to be completed in 2012. As of December 31, 2011, \$7,187,730 has been spent (2010 - \$3,340,178) and recorded as work in progress on the Statement of Financial Position.

18. CONTINGENT LIABILITIES

The Municipality is a defendant in various legal actions. The ultimate outcomes are indeterminable at December 31, 2011 as litigation is still in progress. The Municipality's management is of the opinion that the Municipality has adequate insurance coverage to offset the amount of the claims and related costs, if any. Consequently, no provision for potential loss, if any, is reflected in these financial statements.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011**

19. USE OF ACCOUNTING ESTIMATES AND MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions 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 periods.

In particular, management's estimate for the Landfill closure and post closure liability is subject to measurement uncertainty. The estimate is based on assumptions and calculations prepared by the County's Public Works engineering staff. Actual results could differ significantly from those estimates because of the uncertainty related to future cost estimates, future use of the landfill site, etc.

20. BUDGET FIGURES

The approved operating budget for 2011 is reflected on the "Statement of Operations". These numbers have not been audited but are presented for information purposes only. The budgets established for capital funds, reserves and reserve funds are on a project-oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts and have not been reflected. Budget figures have been reclassified to comply with PSAB reporting requirements.

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
COST					
Land	37,485,394	8,782	0		37,494,176
Bridges	25,664,977	415,103	0	137	26,080,217
Buildings	112,830,003	12,137,073	0	(1,006,293)	123,960,783
Building Contents	12,800,127	1,320,343	672,700	1,002	13,448,772
Building Site Elements	6,494,175	632,437	28,243	(1,387)	7,096,982
Fleet	5,197,471	337,101	166,344		5,368,228
Information Technology	2,461,898	485,486	155,681		2,791,703
Leasehold Improvements	2,727,621	3,327	0	(2,726)	2,728,222
Machinery and Equipment	7,872,235	1,233,024	252,570	3,535	8,856,224
Medical and Emergency Equipment	2,358,532	148,610	81,977		2,425,165
Roads	172,258,206	9,444,160	0	7,742	181,710,108
Signage and Illuminations	2,536,694	29,472	43,404		2,522,762
Work In Progress	7,566,982	366,248	0	0	7,933,230
TOTAL COST	398,254,315	26,561,166	1,400,919	(997,990)	422,416,572
ACCUMULATED AMORTIZATION					
Land	0	0	0	0	0
Bridges	10,611,737	340,040	0	8	10,951,785
Buildings	48,780,745	3,831,660	0	(435,337)	52,177,068
Building Contents	5,546,023	1,033,259	661,331	(724)	5,917,227
Building Site Elements	3,609,340	233,474	15,441	(467)	3,826,906
Fleet	2,923,874	529,978	160,612	34,781	3,328,021
Information Technology	1,094,301	551,682	152,784	(2)	1,493,197
Leasehold Improvements	938,105	89,733	0	(1,095)	1,026,743
Machinery and Equipment	3,211,084	520,607	235,181	(1,406)	3,495,104
Medical and Emergency Equipment	1,226,715	246,493	71,629	15	1,401,594
Roads	82,476,547	6,548,481	0	380	89,025,408
Signage and Illuminations	1,549,533	98,913	31,394	(82)	1,616,970
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	161,968,004	14,024,320	1,328,372	(403,929)	174,260,023
NET BOOK VALUE					
Land	37,485,394	8,782	0	0	37,494,176
Bridges	15,053,240	75,063	0	129	15,128,432
Buildings	64,049,258	8,305,413	0	(570,956)	71,783,715
Building Contents	7,254,104	287,084	11,369	1,726	7,531,545
Building Site Elements	2,884,835	398,963	12,802	(920)	3,270,076
Fleet	2,273,597	(192,877)	5,732	(34,781)	2,040,207
Information Technology	1,367,597	(66,196)	2,897	2	1,298,506
Leasehold Improvements	1,789,516	(86,406)	0	(1,631)	1,701,479
Machinery and Equipment	4,661,151	712,417	17,389	4,941	5,361,120
Medical and Emergency Equipment	1,131,817	(97,883)	10,348	(15)	1,023,571
Roads	89,781,659	2,895,679	0	7,362	92,684,700
Signage and Illuminations	987,161	(69,441)	12,010	82	905,792
Work In Progress	7,566,982	366,248	0	0	7,933,230
NET BOOK VALUE - 2011	236,286,311	12,536,846	72,547	(594,061)	248,156,549

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011
Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
COST					
General Government	36,329,449	521,678	183,484	(4,452)	36,663,191
Protection Services	1,262	0	0	0	1,262
Transportation Services	210,273,146	10,657,330	309,641	7,879	220,628,714
Environmental Services	3,941,153	2,749	0	0	3,943,902
Health Services	7,238,720	2,247,780	6,908	(59,632)	9,419,960
Social and Family Services	60,534,196	729,963	194,188	(149,744)	60,920,227
Social Housing	58,160,249	11,315,263	40,573	(810,589)	68,624,350
Recreation and Cultural Services	14,131,678	718,614	666,125	18,548	14,202,715
Planning and Development	77,480	1,541	0	0	79,021
Work In Progress	7,566,982	366,248	0	0	7,933,230
TOTAL COST	398,254,315	26,561,166	1,400,919	(997,990)	422,416,572
ACCUMULATED AMORTIZATION					
General Government	5,112,865	656,859	180,587	(3,540)	5,585,597
Protection Services	126	84	0	0	210
Transportation Services	100,703,820	7,601,872	280,129	35,061	108,060,624
Environmental Services	3,705,098	16,487	0	(4)	3,721,581
Health Services	3,186,498	636,425	6,908	(34,761)	3,781,254
Social and Family Services	23,183,214	2,185,714	170,927	(67,725)	25,130,276
Social Housing	17,421,491	2,066,145	23,696	(327,954)	19,135,986
Recreation and Cultural Services	8,616,133	855,088	666,125	(5,004)	8,800,092
Planning and Development	38,759	5,646	0	(2)	44,403
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	161,968,004	14,024,320	1,328,372	(403,929)	174,260,023
NET BOOK VALUE					
General Government	31,216,584	(135,181)	2,897	(912)	31,077,594
Protection Services	1,136	(84)	0	0	1,052
Transportation Services	109,569,326	3,055,458	29,512	(27,182)	112,568,090
Environmental Services	236,055	(13,738)	0	4	222,321
Health Services	4,052,222	1,611,355	0	(24,871)	5,638,706
Social and Family Services	37,350,982	(1,455,751)	23,261	(82,019)	35,789,951
Social Housing	40,738,758	9,249,118	16,877	(482,635)	49,488,364
Recreation and Cultural Services	5,515,545	(136,474)	0	23,552	5,402,623
Planning and Development	38,721	(4,105)	0	2	34,618
Work In Progress	7,566,982	366,248	0	0	7,933,230
NET BOOK VALUE - 2011	236,286,311	12,536,846	72,547	(594,061)	248,156,549

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011
Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
COST					
Land	37,445,433	26,462	2,913	16,412	37,485,394
Bridges	24,575,628	447,270	3,841	645,920	25,664,977
Buildings	111,090,274	1,683,854	2,077	57,952	112,830,003
Building Contents	11,881,608	1,488,525	655,079	85,073	12,800,127
Building Site Elements	6,137,494	230,044	2,619	129,256	6,494,175
Fleet	5,096,646	631,640	559,050	28,235	5,197,471
Information Technology	2,197,758	636,650	405,914	33,404	2,461,898
Leasehold Improvements	2,700,494	27,127	0	0	2,727,621
Machinery and Equipment	7,276,484	643,061	124,711	77,401	7,872,235
Medical and Emergency Equipment	2,438,643	104,256	187,006	2,639	2,358,532
Roads	159,259,284	10,677,994	714,621	3,035,549	172,258,206
Signage and Illuminations	2,345,178	85,552	14,036	120,000	2,536,694
Work In Progress	4,266,207	3,300,775	0	0	7,566,982
TOTAL COST	376,711,131	19,983,210	2,671,867	4,231,841	398,254,315
ACCUMULATED AMORTIZATION					
Land	0	0	0	0	0
Bridges	10,318,202	318,692	3,585	(21,572)	10,611,737
Buildings	45,366,180	3,415,893	1,979	651	48,780,745
Building Contents	5,212,794	980,525	651,245	3,949	5,546,023
Building Site Elements	3,392,908	201,387	2,619	17,664	3,609,340
Fleet	2,749,874	475,550	525,435	223,885	2,923,874
Information Technology	967,745	526,916	405,914	5,554	1,094,301
Leasehold Improvements	844,529	93,576	0	0	938,105
Machinery and Equipment	2,788,411	470,794	122,365	74,244	3,211,084
Medical and Emergency Equipment	1,154,726	248,365	176,765	389	1,226,715
Roads	76,573,303	6,295,621	419,660	27,283	82,476,547
Signage and Illuminations	1,459,213	101,424	14,036	2,932	1,549,533
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	150,827,885	13,128,743	2,323,603	334,979	161,968,004
NET BOOK VALUE					
Land	37,445,433	26,462	2,913	16,412	37,485,394
Bridges	14,257,426	128,578	256	667,492	15,053,240
Buildings	65,724,094	(1,732,039)	98	57,301	64,049,258
Building Contents	6,668,814	508,000	3,834	81,124	7,254,104
Building Site Elements	2,744,586	28,657	0	111,592	2,884,835
Fleet	2,346,772	156,090	33,615	(195,650)	2,273,597
Information Technology	1,230,013	109,734	0	27,850	1,367,597
Leasehold Improvements	1,855,965	(66,449)	0	0	1,789,516
Machinery and Equipment	4,488,073	172,267	2,346	3,157	4,661,151
Medical and Emergency Equipment	1,283,917	(144,109)	10,241	2,250	1,131,817
Roads	82,685,981	4,382,373	294,961	3,008,266	89,781,659
Signage and Illuminations	885,965	(15,872)	0	117,068	987,161
Work In Progress	4,266,207	3,300,775	0	0	7,566,982
NET BOOK VALUE - 2010	225,883,246	6,854,467	348,264	3,896,862	236,286,311

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011
Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
COST					
General Government	37,180,415	(500,124)	425,960	75,118	36,329,449
Protection Services	1,262	0	0	0	1,262
Transportation Services	196,039,059	11,543,955	1,111,337	3,801,469	210,273,146
Environmental Services	3,942,820	410	2,077	0	3,941,153
Health Services	7,103,478	429,890	304,760	10,112	7,238,720
Social and Family Services	59,662,679	952,683	201,753	120,587	60,534,196
Social Housing	54,566,310	3,460,337	8,150	141,752	58,160,249
Recreation and Cultural Services	13,946,387	795,284	617,830	7,837	14,131,678
Planning and Development	2,514	0	0	74,966	77,480
Work In Progress	4,266,207	3,300,775	0	0	7,566,982
TOTAL COST	376,711,131	19,983,210	2,671,867	4,231,841	398,254,315
ACCUMULATED AMORTIZATION					
General Government	4,846,608	604,813	423,047	84,491	5,112,865
Protection Services	42	84	0	0	126
Transportation Services	94,040,072	7,332,158	796,608	128,198	100,703,820
Environmental Services	3,689,711	17,364	1,979	2	3,705,098
Health Services	2,913,330	544,980	288,311	16,499	3,186,498
Social and Family Services	21,155,206	2,188,152	187,678	27,534	23,183,214
Social Housing	15,811,988	1,614,664	8,150	2,989	17,421,491
Recreation and Cultural Services	8,370,065	862,733	617,830	1,165	8,616,133
Planning and Development	863	(36,205)	0	74,101	38,759
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	150,827,885	13,128,743	2,323,603	334,979	161,968,004
NET BOOK VALUE					
General Government	32,333,807	(1,104,937)	2,913	(9,373)	31,216,584
Protection Services	1,220	(84)	0	0	1,136
Transportation Services	101,998,987	4,211,797	314,729	3,673,271	109,569,326
Environmental Services	253,109	(16,954)	98	(2)	236,055
Health Services	4,190,148	(115,090)	16,449	(6,387)	4,052,222
Social and Family Services	38,507,473	(1,235,469)	14,075	93,053	37,350,982
Social Housing	38,754,322	1,845,673	0	138,763	40,738,758
Recreation and Cultural Services	5,576,322	(67,449)	0	6,672	5,515,545
Planning and Development	1,651	36,205	0	865	38,721
Work In Progress	4,266,207	3,300,775	0	0	7,566,982
NET BOOK VALUE - 2010	225,883,246	6,854,467	348,264	3,896,862	236,286,311

The County capitalized interest costs of \$6,380 (2010 - \$28,176) associated with the acquisition or construction of a tangible capital asset.

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2011
Schedule 2

	2011 ACTUAL \$	2010 ACTUAL \$
RESERVES (Schedule 3)	15,501,844	15,166,178
RESERVE FUNDS (Schedule 4)	6,236,918	6,477,085
Total Reserves and Reserve Funds	21,738,762	21,643,263
SURPLUSES		
Invested in Tangible Capital Assets	248,156,549	236,286,311
Invested in Community Development Corporation	2,258,042	3,041,733
General Revenue Fund	(4,798,990)	547,904
Unfunded		
Long Term Debt	(21,350,538)	(24,116,958)
Landfill Closure and Post Closure Costs	(5,373,996)	(5,871,718)
Employment Benefits Payable	(2,187,831)	(2,047,359)
Total Surpluses	216,703,236	207,839,913
ACCUMULATED SURPLUS	238,441,998	229,483,176

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CONTINUITY OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2011
Schedule 3**

	2011 BUDGET \$	2011 ACTUAL \$	2010 ACTUAL \$
BALANCE, beginning of the year	15,166,178	15,166,178	12,678,325
REVENUE CONTRIBUTIONS			
From Operations	2,314,711	12,489,015	11,553,366
TRANSFERS			
To Operations	1,285,136	1,876,680	1,417,958
To Capital Acquisitions	1,257,750	10,276,669	7,647,555
Total Transfers	2,542,886	12,153,349	9,065,513
BALANCE, end of the year	14,938,003	15,501,844	15,166,178
REPRESENTED BY:			
Reserve for Sick Leave	285,663	259,592	285,663
Reserve for Working Funds	456,515	419,652	457,797
Reserve for Future Operations	14,195,825	14,822,600	14,422,718
	14,938,003	15,501,844	15,166,178

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CONTINUITY OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
Schedule 4**

	2011 BUDGET \$	2011 ACTUAL \$	2010 ACTUAL \$
BALANCE, beginning of the year	6,477,085	6,477,085	6,738,418
REVENUE CONTRIBUTIONS			
Interest Income	0	72,506	43,968
From Operations	2,086,379	2,379,513	2,127,991
	2,086,379	2,452,019	2,171,959
TRANSFERS			
To Operations	2,158,275	1,778,347	1,687,234
To Capital Acquisitions	0	913,839	746,058
Total Transfers	2,158,275	2,692,186	2,433,292
BALANCE, end of the year	6,405,189	6,236,918	6,477,085
REPRESENTED BY:			
Capital Reserve Fund	4,814,515	4,230,578	4,465,284
Lambton Heritage Museum Reserve Fund	247,355	232,808	240,365
Oil Museum Reserve Fund	32,195	41,315	31,195
Gallery Lambton Reserve Fund	7,899	35,966	6,899
R.T. Bradley Reserve Fund	10,644	10,754	10,844
Library Piano Reserve Fund	5,826	5,972	10,226
Waste Management Reserve Fund	832,541	1,220,752	1,258,058
Senior Services Reserve Fund	3,955	3,995	3,955
Social Housing Reserve Fund	450,259	454,778	450,259
	6,405,189	6,236,918	6,477,085

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT FUND SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2011
Schedule 5**

	General Gov't & Administration \$	Court Administration \$	Protective Services \$	Public Works \$	Environmental Services \$	Public Health \$	Emergency Medical Services \$
REVENUE							
Taxation	11,080,941	(212,040)	217,328	12,268,242	1,832,510	2,815,882	5,982,917
Government Transfers	254,264	1,539	0	3,826,569	0	6,114,415	6,505,908
User Charges & Other	790,826	2,796,359	607,575	2,091,738	1,990,658	755,037	106,072
Gain/Loss from TCA Disposal	(2,897)	0	0	(29,512)	0	0	0
	12,123,134	2,585,858	824,903	18,157,037	3,823,168	9,685,334	12,594,897
EXPENDITURES							
Salaries, Wages & Employee Benefits	4,804,657	379,237	744,878	1,987,886	225,116	4,997,880	10,814,733
Interest on Long Term Debt	33,583	0	0	74,769	0	7,863	29,641
Goods and Services	4,618,107	1,230,130	124,098	5,617,420	3,033,589	2,379,210	1,006,212
Contributions to Other Organizations	50,000	1,265,500	0	0	0	1,540,000	0
Amortization	653,319	0	84	7,636,933	16,483	94,307	510,893
	10,159,666	2,874,867	869,060	15,317,008	3,275,188	9,019,260	12,361,479
ANNUAL SURPLUS (DEFICIT) 2011	1,963,468	(289,009)	(44,157)	2,840,029	547,980	666,074	233,418

The accompanying notes are an integral part of this financial statement.

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT FUND SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2011
Schedule 5**

	General Assistance \$	Assistance to Aged \$	Child Care \$	Housing \$	Library \$	Culture \$	Planning & Development \$	Total \$
REVENUE								
Taxation	8,554,028	4,683,679	1,666,760	3,934,487	5,247,017	1,579,922	2,954,200	62,605,873
Government Transfers	24,309,875	15,259,183	15,840,079	5,838,268	359,003	985,542	2,117	79,296,762
User Charges & Other	1,437,073	7,189,635	2,393,078	3,641,854	170,569	463,448	37,883	24,471,805
Gain/Loss from TCA Disposal	0	(23,261)	0	(16,877)	0	0	0	(72,547)
	<u>34,300,976</u>	<u>27,109,236</u>	<u>19,899,917</u>	<u>13,397,732</u>	<u>5,776,589</u>	<u>3,028,912</u>	<u>2,994,200</u>	<u>166,301,893</u>
EXPENDITURES								
Salaries, Wages & Employee Benefits	5,839,123	20,685,761	4,924,776	1,674,502	4,330,972	1,023,480	920,652	63,353,653
Interest on Long Term Debt	0	698,481	0	37,583	746	2,084	0	884,750
Goods and Services	3,938,104	4,130,739	14,568,741	7,293,938	709,164	839,619	892,616	50,381,687
Contributions to Other Organizations	24,118,315	0	120,000	0	0	200	2,008,575	29,102,590
Amortization	151,050	1,761,427	201,976	1,738,191	778,412	71,672	5,644	13,620,391
	<u>34,046,592</u>	<u>27,276,408</u>	<u>19,815,493</u>	<u>10,744,214</u>	<u>5,819,294</u>	<u>1,937,055</u>	<u>3,827,487</u>	<u>157,343,071</u>
ANNUAL SURPLUS (DEFICIT) 2011	254,384	(167,172)	84,424	2,653,518	(42,705)	1,091,857	(833,287)	8,958,822

The accompanying notes are an integral part of this financial statement.

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT FUND SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2011
Schedule 5**

	General Gov't & Administration \$	Court Administration \$	Protective Services \$	Public Works \$	Environmental Services \$	Public Health \$	Emergency Medical Services \$
REVENUE							
Taxation	11,040,778	(405,885)	214,911	11,261,584	1,865,181	2,711,762	5,953,752
Government Transfers	352,490	1,828	0	4,030,968	0	5,883,960	6,386,489
User Charges & Other	982,648	2,745,371	598,280	6,914,887	2,404,104	714,905	107,820
Gain/Loss from TCA Disposal	(2,913)	0	0	(314,729)	(98)	0	(16,449)
	12,373,003	2,341,314	813,191	21,892,710	4,269,187	9,310,627	12,431,612
EXPENDITURES							
Salaries, Wages & Employee Benefits	4,574,494	344,759	720,592	1,930,021	200,595	4,675,380	10,401,519
Interest on Long Term Debt	30,746	0	0	80,401	0	70	34,328
Goods and Services	5,118,564	1,244,035	125,708	5,932,087	4,018,253	2,180,217	1,006,179
Contributions to Other Organizations	50,000	1,265,500	0	0	0	1,540,000	0
Amortization	673,275	0	84	7,476,385	17,366	47,931	511,552
	10,447,079	2,854,294	846,384	15,418,894	4,236,214	8,443,598	11,953,578
ANNUAL SURPLUS (DEFICIT) 2010	1,925,924	(512,980)	(33,193)	6,473,816	32,973	867,029	478,034

The accompanying notes are an integral part of this financial statement.

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT FUND SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2011
Schedule 5**

	General Assistance \$	Assistance to Aged \$	Child Care \$	Housing \$	Library \$	Culture \$	Planning & Development \$	Total \$
REVENUE								
Taxation	11,152,777	4,572,020	1,523,538	3,679,597	4,975,027	1,248,833	2,798,955	62,592,830
Government Transfers	21,577,512	14,416,892	15,641,957	7,850,617	456,271	2,853,837	3,934	79,456,755
User Charges & Other	1,821,186	7,101,213	2,087,887	3,124,149	166,181	1,810,586	237,349	30,816,566
Gain/Loss from TCA Disposal		(14,075)	0	0	0	0	0	(348,264)
	<u>34,551,475</u>	<u>26,076,050</u>	<u>19,253,382</u>	<u>14,654,363</u>	<u>5,597,479</u>	<u>5,913,256</u>	<u>3,040,238</u>	<u>172,517,887</u>
EXPENDITURES								
Salaries, Wages & Employee Benefits	5,421,341	20,155,679	4,628,982	1,556,999	4,166,377	937,120	850,909	60,564,767
Interest on Long Term Debt	0	1,304,803	0	38,942	950	2,653	0	1,492,893
Goods and Services	3,679,806	3,302,469	14,409,816	8,561,432	598,251	859,661	656,530	51,693,008
Contributions to Other Organizations	24,801,915	0	0	0		200	1,881,325	29,538,940
Amortization	154,710	1,863,922	199,050	1,617,653	787,028	76,870	37,896	13,463,722
	<u>34,057,772</u>	<u>26,626,873</u>	<u>19,237,848</u>	<u>11,775,026</u>	<u>5,552,606</u>	<u>1,876,504</u>	<u>3,426,660</u>	<u>156,753,330</u>
ANNUAL SURPLUS (DEFICIT) 2010	493,703	(550,823)	15,534	2,879,337	44,873	4,036,752	(386,422)	15,764,557

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The accompanying notes are an integral part of this financial statement.