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**THE CORPORATION OF THE COUNTY OF LAMBTON**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

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**THE CORPORATION OF THE COUNTY OF LAMBTON  
INDEX TO FINANCIAL STATEMENTS  
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 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, 2013, 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 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 Corporation of the County of Lambton as at December 31, 2013 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Sarnia, Ontario  
July 2, 2014

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2013**

	2013 ACTUAL \$	2012 ACTUAL \$
<b><u>FINANCIAL ASSETS</u></b>		
Cash and Temporary Investments (Note 4)	33,254,225	22,001,073
Accounts Receivable	4,597,735	4,340,706
Due from Community Development Corporation	3,095,277	2,571,378
Amounts Recoverable on Long Term Debt (Note 7)	25,602,321	29,019,489
Investment in Community Development Corporation (Note 5)	49,882	1,255,380
<b>TOTAL FINANCIAL ASSETS</b>	<b>66,599,440</b>	<b>59,188,026</b>
<b><u>LIABILITIES</u></b>		
Accounts Payable and Accrued Liabilities	11,402,309	10,854,852
Deferred Grant (Note 6)	1,279,572	1,279,572
Long Term Debt (Note 7)	49,532,655	50,733,313
Landfill Closure and Post Closure Costs (Note 10)	5,002,422	5,386,686
Employment Benefits Payable (Note 2)	1,907,337	2,147,793
Accrued Tax Liabilities (Note 16)	600,000	0
<b>TOTAL LIABILITIES</b>	<b>69,724,295</b>	<b>70,402,216</b>
<b>NET FINANCIAL DEBT</b>	<b>(3,124,855)</b>	<b>(11,214,190)</b>
<b><u>NON-FINANCIAL ASSETS</u></b>		
Tangible Capital Assets - net (Schedule 1)	247,257,736	248,971,446
Inventories	539,053	509,365
Prepaid Expenses	589,842	572,509
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>248,386,631</b>	<b>250,053,320</b>
<b>ACCUMULATED SURPLUS</b> (Schedule 2)	<b>245,261,776</b>	<b>238,839,130</b>

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, 2013**

	2013 BUDGET \$	2013 ACTUAL \$	2012 ACTUAL \$
<b>REVENUE</b>			
Taxation (Note 16)	66,948,742	65,713,983	64,910,736
Federal Government Transfers	4,094,168	4,482,672	4,134,870
Provincial Government Transfers	75,178,829	80,641,232	74,401,979
Other Municipalities	776,009	699,115	1,179,022
User Charges	23,214,738	23,960,723	23,338,770
Investment Income	130,000	282,252	213,337
Donations	92,702	789,463	322,155
Other	0	556,200	52,246
Gain/Loss on Disposal of Tangible Capital Assets	0	(101,454)	(233,695)
Community Development Corporation Share of Income	0	(1,205,498)	(959,600)
	<u>170,435,188</u>	<u>175,818,688</u>	<u>167,359,820</u>
<b>EXPENSES</b>			
General Government	11,419,321	11,180,904	10,723,599
Protection Services	3,733,513	4,033,446	4,153,632
Transportation Services	16,261,760	16,907,104	15,851,288
Environmental Services	3,483,972	3,062,963	3,475,305
Health Services	23,148,679	23,643,314	22,910,816
Social and Family Services	85,265,610	84,822,528	85,036,884
Social Housing	11,100,273	12,261,640	11,893,371
Recreation and Cultural Services	9,546,757	9,409,597	8,812,585
Planning and Development	4,048,948	4,074,546	4,062,146
	<u>168,008,833</u>	<u>169,396,042</u>	<u>166,919,626</u>
<b>ANNUAL SURPLUS</b>	2,426,355	6,422,646	440,194
<b>ACCUMULATED SURPLUS, beginning of the year</b>	<u>238,839,130</u>	<u>238,839,130</u>	<u>238,398,936</u>
<b>ACCUMULATED SURPLUS, end of the year</b>	<u>241,265,485</u>	<u>245,261,776</u>	<u>238,839,130</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, 2013**

	<b>2013 BUDGET \$</b>	<b>2013 ACTUAL \$</b>	<b>2012 ACTUAL \$</b>
<b>ANNUAL SURPLUS</b>	2,426,355	6,422,646	440,194
Amortization of Tangible Capital Assets	14,774,500	14,931,726	15,214,108
Acquisition of Tangible Capital Assets	(13,974,701)	(13,319,470)	(16,262,700)
Loss on Sale of Tangible Capital Assets	0	101,454	233,695
Change in Inventories	0	(29,688)	356,906
Change in Prepaid Expenses	0	(17,333)	2,994,503
<b>DECREASE IN NET FINANCIAL DEBT</b>	3,226,154	8,089,335	2,976,706
<b>NET FINANCIAL DEBT, beginning of the year</b>	(11,214,190)	(11,214,190)	(14,190,896)
<b>NET FINANCIAL DEBT, end of the year</b>	(7,988,036)	(3,124,855)	(11,214,190)

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, 2013**

	2013 ACTUAL \$	2012 ACTUAL \$
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	6,422,646	440,194
Uses of Cash		
Increase in Accounts Receivable	(257,029)	0
Increase in Prepaid Expenses	(17,333)	0
Increase in Due from Community Development Corporation	(523,899)	(407,293)
Decrease in Bank Indebtedness	0	(4,725,409)
Decrease in Accounts Payable and Accrued Liabilities	0	(3,093,569)
Decrease in Deferred Grant	0	(326,597)
Decrease in Landfill Closure and Post Closure Costs	(384,264)	0
Decrease in Employment Benefits Payable	(240,456)	(40,038)
Increase in Inventories	(29,688)	0
	<u>(1,452,669)</u>	<u>(8,592,906)</u>
Sources of Cash		
Increase in Accounts Payable and Accrued Liabilities	547,457	0
Increase in Landfill Closure and Post Closure Costs	0	12,690
Increase in Accrued Tax Liabilities	600,000	0
Decrease in Accounts Receivable	0	115,040
Decrease in Inventories	0	356,906
Decrease in Prepaid Expenses	0	2,994,503
	<u>1,147,457</u>	<u>3,479,139</u>
Non-cash Charges to Operations		
Amortization	14,931,726	15,214,108
Loss on Sale of Tangible Capital Assets	101,454	233,695
	<u>15,033,180</u>	<u>15,447,803</u>
Cash Provided by Operations	<u>21,150,614</u>	<u>10,774,230</u>
<b>CAPITAL TRANSACTIONS</b>		
Cash Used to Acquire Tangible Capital Assets	<u>(13,319,470)</u>	<u>(16,262,700)</u>
<b>INVESTING TRANSACTIONS</b>		
Decrease in Investment in Community Development Corporation	<u>1,205,498</u>	<u>959,600</u>
<b>FINANCING TRANSACTIONS</b>		
Amounts Recoverable on Long Term Debt	3,417,168	3,195,254
Long Term Debt Issued	5,504,346	3,327,669
Long Term Debt Principal Repayments	<u>(6,705,004)</u>	<u>(6,159,637)</u>
Net Decrease in Cash from Financing Activities	<u>2,216,510</u>	<u>363,286</u>
DECREASE IN CASH	11,253,152	(4,165,584)
CASH, beginning of the year	<u>22,001,073</u>	<u>26,166,657</u>
CASH, end of the year	<u>33,254,225</u>	<u>22,001,073</u>

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



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**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013**

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**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 Canadian public sector accounting standards 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 International Financial Reporting Standards, 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, 2013**

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. Part of the assessment process is supplementary assessment rolls, which provide updated information with respect to changes in property assessment. The County receives supplemental tax revenues and is also subject to tax adjustments as a result of appeals. Each year, management provides a best estimate of the effect on tax revenue.

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made.

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

Investment income is recorded as earned.

Donations are recorded when the amount is determinable and collectability 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, 2013**

**2. EMPLOYMENT BENEFITS PAYABLE**

Employment benefits payable are comprised of the following:

	2013	2012
	<u>\$</u>	<u>\$</u>
Liability for vacation credits	1,888,289	1,901,900
Liability for vested sick leave benefits	<u>19,048</u>	<u>245,893</u>
	<u>1,907,337</u>	<u>2,147,793</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, 2013 is \$1,888,289 (2012 - \$1,901,900).

**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 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 \$19,048 (2012 - \$245,893) at the end of the year. An amount of \$226,322 (2012 - \$9,126) 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 \$39,744 (2012 - \$266,066).

**3. TRUST FUNDS**

Trust funds administered by the Municipality amounting to \$84,057 (2012 - \$92,771) 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**

	2013	2012
	<u>\$</u>	<u>\$</u>
Cash on Hand and in Banks	33,168,122	21,915,784
Temporary Investments	<u>86,103</u>	<u>85,289</u>
	<u>33,254,225</u>	<u>22,001,073</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 at December 31, 2013 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, 2013**

**5. GOVERNMENT BUSINESS ENTERPRISE**

The following summarizes the financial position and operations of the government business enterprise which has 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, 2013	April 30, 2012
	<u>\$</u>	<u>\$</u>
Assets	<u>29,132,268</u>	<u>29,945,994</u>
Liabilities	29,082,386	28,690,614
Retained Earnings	<u>49,882</u>	<u>1,255,380</u>
	<u>29,132,268</u>	<u>29,945,994</u>
Revenues	3,340,609	3,229,364
Expenditures	<u>4,546,107</u>	<u>4,188,964</u>
Net Expenditures	(1,205,498)	(959,600)

**6. DEFERRED GRANT**

The balance of \$1,279,572 represents monies received in 2006 for the Best Start Program and is unspent at December 31, 2013.

**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013**

**7. 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:

	2013	2012
	\$	\$
Lambton Meadowview Villa	873,068	958,705
Roads	1,252,233	1,110,107
Homes Rebuild	13,201,923	14,519,144
Emergency Medical Services	374,565	508,675
Community Health Services	110,287	226,590
County Administration Building	375,498	43,139
Information Technology	21,592	230,816
Housing	3,363,671	3,493,058
Library	16,099	11,157
Lambton Heritage Museum	14,425	31,153
Alix Art Gallery	3,769,928	0
Inn of the Good Shepherd	557,045	581,280
Lambton Area Waterworks Supply System	11,663,000	14,069,000
County of Lambton - Community Development Corp.	<u>13,939,321</u>	<u>14,950,489</u>
	49,532,655	50,733,313
Long term debt assumed by local (lower tier) Municipalities and others	<u>25,602,321</u>	<u>29,019,489</u>
Net long term debt at the end of the year	<u>23,930,334</u>	<u>21,713,824</u>

- (b) Of the long term debt reported in (a) of this note, \$47,182,707 in principal payments are payable from 2014 to 2018 \$1,000,020 from 2019 to 2023, and \$1,349,928 thereafter and are summarized as follows:

	Years 2014 2018	Years 2019 2023	Years 2024 Thereafter	Total
	\$	\$	\$	\$
from general municipal revenue	21,580,386	1,000,020	1,349,928	23,930,334
from local (lower tier) Municipalities	<u>25,602,321</u>	<u>0</u>	<u>0</u>	<u>25,602,321</u>
	<u>47,182,707</u>	<u>1,000,020</u>	<u>1,349,928</u>	<u>49,532,655</u>

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**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013**

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- (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, 2014 has been authorized at \$16,610,215. Actual annual repayment of principal and interest in 2013 was \$4,210,173 (2012 - \$3,846,033). Interest rates on long term debt vary between 2.75% and 5.24%.

- (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.

## **8. PENSION AGREEMENTS**

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 898 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 nearly 440,000 active and retired members and approximately 982 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, 2013. The results of the valuation disclosed total actuarial liabilities of \$73,000 million in respect of benefits accrued for service with actuarial assets at that date of \$64,400 million indicating an actuarial deficit of \$8,600 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 2013 was \$4,556,516 (2012 - \$4,208,905) for current service and is included as an expenditure on the Statement of Operations. The OMERS Board rate was 9.0% to 14.6 % depending on income level for 2013 (2012 – 8.3% to 12.8% depending on income level).

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

## **9. 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 \$1,030,955 (2012 - \$1,055,750) in operating funds during 2013. SLEP has not been consolidated.

**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013**

**10. 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, 2013 are \$9,428,693.

The estimated liability of \$5,002,422 (2012 - \$5,386,686) 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 4.0%. The estimated remaining capacity of the Municipality's sites are approximately 175,940 cubic metres, which will be filled in 3 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 \$1,171,613.

**11. EXPENDITURE BY OBJECT**

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

	2013	2012
	\$	\$
Salaries, wages and employee benefits	68,950,873	67,598,956
Materials	45,073,239	43,570,750
Contracted services	6,673,369	5,440,872
Rents and financial expenses	3,319,996	3,108,545
Interest on long-term debt	922,337	881,650
Contributions to other organizations	29,524,502	31,104,745
Amortization	14,931,726	15,214,108
	<u>169,396,042</u>	<u>166,919,626</u>

**12. 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.

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**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013**

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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 Art 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. Judith & Norman Alix Art Gallery collects, preserves and holds in trust a collection of Canadian paintings and sculptures. The Lambton County Archives 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 \$1,205,498 has been included in this segment.



**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013**

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.

**13. SOCIAL SERVICE CONTRACTS**

The Corporation of the County of Lambton has Service Contracts with the Ministry of Children and Youth Services (MCYS) and the Ministry of Education (EDU). A reconciliation report summarizes, by detail code where applicable, 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	2013 Subsidy Received \$	2013 Subsidy Earned \$	(Surplus)/ Deficit \$
<b>EDU</b>				
	Core Services Delivery - 100%	1,034,672	1,034,672	-
	Core Services Delivery-Cost Shared Requirement 80/20	3,872,735	3,872,735	-
	Core Services Delivery-Cost Shared Requirement 50/50 Administration	227,092	227,092	-
	Special Purpose Operating Allocation	6,916,377	6,916,377	-
	Capital Retrofits	77,645	77,645	-
		<u>12,128,521</u>	<u>12,128,521</u>	<u>-</u>
<b>MCYS</b>				
A386	Child Care Delivery Agent Resource Centres	98,086	98,086	-
A525	Early Child Development Planning	35,601	35,600	(1)
A526	Early Child Development Demo	383,821	383,822	1
		<u>517,508</u>	<u>517,508</u>	<u>-</u>
	<b>Total</b>	<u>12,646,029</u>	<u>12,646,028</u>	<u>-</u>

**14. TRANSITION TO THE COMMUNITY HOMELESSNESS PREVENTION INITIATIVE (CHPI)**

The Corporation of the County of Lambton has received \$1,117,500 one-time transition funding provided by the Ministry of Community and Social Services (MCSS) intended to support the transition to the Community Homelessness Prevention Initiative (CHPI). Terms and conditions of the funding are outlined in a grant letter. The grant period is from January 1, 2013 to March 31, 2014. The summary below indicates revenue recognized and expenditures incurred to December 31, 2013. The balance of the grant is included in Accounts Payable and Accrued Liabilities.

Program Name	2013 Subsidy Received \$	2013 Subsidy Earned \$	(Surplus)/ Deficit \$
<b>MCSS</b>			
One-time Funding for Transition to the Community Homelessness Prevention Initiative (CHPI)	856,352	856,352	-

**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE FINANCIAL STATEMENTS  
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**15. PUBLIC HEALTH GRANTS**

The Council of The Corporation of the County of Lambton is also the Board of Health for the County of Lambton. The departments and programs that together constitute the operation of the Lambton Health Unit all form parts of other functional areas as reported in these statements. The Ministry of Health and Long-Term Care requires that the values for the Lambton Health Unit be reported on the basis of a single integrated entity. Therefore, in order to meet these requirements these values are presented below.

	2013 Mandatory & Related	2013 Excluded Programs	2013 Total Public Health Unit
<b>Total Public Health Unit Operating Costs:</b>	9,397,834	1,264,495	10,662,329
<b>Total Public Health Unit Amortization Expense:</b>	41,517	10,536	52,053
<b>Total Public Health Unit TCA Expenditures:</b>	379,927	63,557	443,484

**Program Based Grants, Ministry of Health and Long-Term Care**

The Municipality has signed the 2013 Grant Terms and Conditions offered by 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 2013 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.

	2013 Subsidy Approved \$	2013 Subsidy Earned \$	2013 Subsidy Received \$	(Payable)/ Receivable \$
<b>75% Funded Mandatory and Related Programs</b>				
Mandatory Programs	5,428,448	5,553,580	5,428,448	-
CINOT Expansion	15,709	12,753	15,709	(2,956)
Small Drinking Water Systems	10,000	10,000	10,000	-
Vector-Borne Diseases	171,125	177,218	171,125	-
	<u>5,625,282</u>	<u>5,753,551</u>	<u>5,625,282</u>	<u>(2,956)</u>

**100% Funded Related Programs**

Chief Nursing Officer	119,033	119,033	119,033	-
Enhanced Food Safety - Haines	25,000	25,000	25,000	-
Enhanced Safe Water	15,500	15,500	15,500	-
Healthy Smiles Ontario	367,000	367,000	367,000	-
Infection Prevention and Control Nurses	88,300	88,300	88,300	-
Infectious Diseases Control	166,675	166,675	166,675	-
Needle Exchange Program Initiative	25,188	25,188	25,188	-
Infection Prevention and Control Week	8,000	8,000	8,000	-
Sexually Transmitted Infections Week	7,000	7,000	7,000	-
World Tuberculosis Day	2,000	2,000	2,000	-
Public Health Nurse	176,910	176,910	176,910	-
Smoke Free Ontario-OTS Prosecution	12,800	12,800	12,800	-
Smoke Free Ontario-OTS Protection and Enforcement	161,900	161,900	161,900	-
Smoke Free Ontario-OTS Tobacco Control Coordination	100,000	100,000	100,000	-
Smoke Free Ontario-OTS Youth Tobacco Use Prevention	80,000	80,000	80,000	-
	<u>1,355,306</u>	<u>1,355,306</u>	<u>1,355,306</u>	<u>-</u>

<b>Sub-Total Base Funding</b>	<u>6,980,588</u>	<u>7,108,857</u>	<u>6,980,588</u>	<u>(2,956)</u>
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**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013**

	2013 Subsidy Approved \$	2013 Subsidy Earned \$	2013 Subsidy Received \$	(Payable)/ Receivable \$
<b>One-Time Funded at 75%</b>				
HVAC Rooftop Unit Replacement	127,500	127,500	127,500	-
Roof Replacement	51,000	51,000	51,000	-
	<u>178,500</u>	<u>178,500</u>	<u>178,500</u>	<u>-</u>
<b>One-Time Funded at 100%</b>				
Panorama (2012/13)	-	39,842	39,579	-
Panorama (2013/14)	59,130	5,000	59,130	(54,130)
Healthy Communities Fund - Partnership Stream (2012/13)	-	33,960	35,600	(1,640)
Healthy Communities Fund - Partnership Stream (2013/14)	65,850	14,850	46,780	(31,930)
Smoke Free Ontario-OTS - Capital	5,240	4,415	5,240	(825)
Pharmacists Integration into UIIP (2012/13)	-	-	1,678	-
Pharmacists Integration into UIIP (2013/14)	1,852	1,852	-	1,852
	<u>132,072</u>	<u>99,919</u>	<u>188,007</u>	<u>(86,673)</u>
<b>Sub-Total One-Time Funding</b>	<u>310,572</u>	<u>278,419</u>	<u>366,507</u>	<u>(86,673)</u>
<b>Total Program Based Grants</b>	<u>7,291,160</u>	<u>7,387,276</u>	<u>7,347,095</u>	<u>(89,629)</u>
<b>MOH/AMOH Compensation</b>				
MOH/AMOH Compensation (2012/13)	40,456	40,458	40,456	-
MOH/AMOH Compensation (2013/14)	132,158	132,158	132,158	-
	<u>172,614</u>	<u>172,616</u>	<u>172,614</u>	<u>-</u>
<b>Total MOH/AMOH Compensation</b>	<u>172,614</u>	<u>172,616</u>	<u>172,614</u>	<u>-</u>
<b>Strategic Policy and Planning Division, Ministry of Children and Youth Services</b>				
<b>100% Funded Programs</b>				
Healthy Babies Healthy Children	883,090	883,090	874,471	8,619
9000 Nurses Initiative	50,000	29,281	3,556	25,725
One-Time Funding (PiPE)	1,554	1,554	1,554	-
	<u>934,644</u>	<u>913,925</u>	<u>879,581</u>	<u>34,344</u>
<b>Total Strategic Policy and Planning Division</b>	<u>934,644</u>	<u>913,925</u>	<u>879,581</u>	<u>34,344</u>

Included in Health Services on Schedule 1 for 2013 are assets relating to the Community Health Services Department (CHSD) with costs of \$4,257,102 accumulated amortization of \$1,644,102 and a net book value of \$2,613,000.

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**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013**

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**16. ACCRUED TAX LIABILITIES**

Taxation Revenue - General Levy	\$65,658,988
Taxation Revenue - Supplementary Tax Levy	564,364
Payment in Lieu Taxation Revenue	1,533,099
Tax Write-Offs	(1,442,468)
Accrued Tax Liability	<u>(600,000)</u>
 Total Property Taxation	 <u><u>\$65,713,983</u></u>

Reconciliation of Assessment Appeal Provision and Accrued Tax Liability

Estimate of Expected Appeals	\$1,253,231
Estimate of Expected Supplementary Taxes	(631,845)
Other Adjustments	<u>367,016</u>

Potential Future Tax Liability \$ 988,402

The potential future tax liability includes all potential changes due to the results of tax appeals and supplementary taxes as the result of Assessment Review Board Decisions, Minutes of Settlement, Post Roll Assessments notices, Supplementary and Omitted Assessments and other tax adjustments that are processed under the Municipal Act, 2001.

The actual future results will differ from these estimates as tax appeals are settled and actual assessment values are applied to supplemental properties.

The Municipality has set up a provision for assessment appeals of \$440,787 (2012 - \$308,194) and an accrued tax liability of \$600,000 (2012 - \$0) to recognize these future liabilities.

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**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2013**

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**17. LIBRARY GOVERNMENT TRANSFERS**

Government Transfers recorded as 2013 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
Ministry of Tourism & Culture CSIF Grant	34,000
Ministry of Culture One Time Grant	60,954
Service Ontario Grant	254
Special Student Grants - Federal Programs	<u>26,884</u>
	<u>\$406,040</u>

**18. 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 2013 amounted to \$154,040.

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, 2013 a total of \$12 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.

**19. CONTINGENT LIABILITIES**

The Municipality is a defendant in various legal actions. The ultimate outcomes are indeterminable at December 31, 2013 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, 2013**

**20. USE OF ACCOUNTING ESTIMATES AND MEASUREMENT UNCERTAINTY**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

**21. BUDGET FIGURES**

The Financial Plan (budget) adopted by the County of Lambton Council on March 20, 2013, was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$NIL. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the Statement of Operations and Statement of Changes in Net Financial Debt represent the budget adopted by Council with adjustments as follows:

	<b>2013</b>
	<b>\$</b>
Financial Plan (budget) surplus for the year	0
<b>Add:</b>	
Capital Expenditures	15,292,030
Principal Payments	2,986,341
Net Reserve and Reserve Fund Transfers	326,693
<b>Less:</b>	
Amortization	14,774,500
Long Term Financing	<u>1,404,209</u>
Budget Surplus per Statement of Operations	<u>2,426,355</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON  
SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Schedule 1**

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
<b>COST</b>					
Land	37,486,676	119,888	0	518,670	38,125,234
Bridges	27,378,569	428,116	0	(125,326)	27,681,359
Buildings	132,634,182	1,674,859	4,461	(1,112,411)	133,192,169
Building Contents	13,903,834	809,793	1,197,834	40,350	13,556,143
Building Site Elements	7,729,128	297,669	5,104	(46,329)	7,975,364
Fleet	5,580,693	836,568	356,135	936,689	6,997,815
Information Technology	2,622,428	418,433	312,281	523	2,729,103
Leasehold Improvements	2,496,681	0	0	0	2,496,681
Machinery and Equipment	9,202,132	155,249	219,844	(820,888)	8,316,649
Medical and Emergency Equipment	2,592,963	135,187	26,344	0	2,701,806
Roads	190,906,088	8,790,653	0	499,973	200,196,714
Signage and Illuminations	2,692,977	62,457	9,461	(12,303)	2,733,670
Work In Progress	660,274	(288,350)	0	0	371,924
<b>TOTAL COST</b>	<b>435,886,625</b>	<b>13,440,522</b>	<b>2,131,464</b>	<b>(121,052)</b>	<b>447,074,631</b>
<b>ACCUMULATED AMORTIZATION</b>					
Land	0	0	0	0	0
Bridges	11,319,468	394,638	0	(30,203)	11,683,903
Buildings	56,837,839	4,509,145	1,662	(631,391)	60,713,931
Building Contents	6,230,746	1,063,584	1,135,981	7,914	6,166,263
Building Site Elements	4,051,205	293,354	2,544	(23,777)	4,318,238
Fleet	3,141,619	661,656	350,266	649,173	4,102,182
Information Technology	1,332,970	457,730	312,281	47	1,478,466
Leasehold Improvements	979,068	76,406	0	(1,167)	1,054,307
Machinery and Equipment	3,769,443	502,317	191,471	(563,577)	3,516,712
Medical and Emergency Equipment	1,600,454	262,672	26,344	(54)	1,836,728
Roads	95,950,475	7,170,103	0	39,283	103,159,861
Signage and Illuminations	1,701,892	101,992	9,461	(8,119)	1,786,304
Work In Progress	0	0	0	0	0
<b>ACCUMULATED AMORTIZATION</b>	<b>186,915,179</b>	<b>15,493,597</b>	<b>2,030,010</b>	<b>(561,871)</b>	<b>199,816,895</b>
<b>NET BOOK VALUE</b>					
Land	37,486,676	119,888	0	518,670	38,125,234
Bridges	16,059,101	33,478	0	(95,123)	15,997,456
Buildings	75,796,343	(2,834,286)	2,799	(481,020)	72,478,238
Building Contents	7,673,088	(253,791)	61,853	32,436	7,389,880
Building Site Elements	3,677,923	4,315	2,560	(22,552)	3,657,126
Fleet	2,439,074	174,912	5,869	287,516	2,895,633
Information Technology	1,289,458	(39,297)	0	476	1,250,637
Leasehold Improvements	1,517,613	(76,406)	0	1,167	1,442,374
Machinery and Equipment	5,432,689	(347,068)	28,373	(257,311)	4,799,937
Medical and Emergency Equipment	992,509	(127,485)	0	54	865,078
Roads	94,955,613	1,620,550	0	460,690	97,036,853
Signage and Illuminations	991,085	(39,535)	0	(4,184)	947,366
Work In Progress	660,274	(288,350)	0	0	371,924
<b>NET BOOK VALUE - 2013</b>	<b>248,971,446</b>	<b>(2,053,075)</b>	<b>101,454</b>	<b>440,819</b>	<b>247,257,736</b>

**THE CORPORATION OF THE COUNTY OF LAMBTON  
SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Schedule 1**

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
<b>COST</b>					
General Government	20,350,055	806,529	312,281	465,464	21,309,767
Protection Services	1,262	0	0	0	1,262
Transportation Services	247,669,673	9,891,346	509,103	444,186	257,496,102
Environmental Services	3,943,902	0	0	0	3,943,902
Health Services	9,649,780	884,196	0	(192,667)	10,341,309
Social and Family Services	61,346,101	540,871	479,676	(143,123)	61,264,173
Social Housing	69,304,632	1,074,410	112,087	(815,143)	69,451,812
Recreation and Cultural Services	22,881,925	531,520	697,569	120,231	22,836,107
Planning and Development	79,021	0	20,748	0	58,273
Work In Progress	660,274	(288,350)	0	0	371,924
<b>TOTAL COST</b>	<b>435,886,625</b>	<b>13,440,522</b>	<b>2,131,464</b>	<b>(121,052)</b>	<b>447,074,631</b>
<b>ACCUMULATED AMORTIZATION</b>					
General Government	5,457,443	572,071	312,281	(64,462)	5,652,771
Protection Services	294	84	0	0	378
Transportation Services	115,503,750	8,326,694	481,120	88,168	123,437,492
Environmental Services	3,737,282	14,899	0	(10)	3,752,171
Health Services	4,222,320	746,806	0	(163,338)	4,805,788
Social and Family Services	27,260,124	2,071,499	471,381	(134,771)	28,725,471
Social Housing	21,764,743	2,335,458	46,911	(293,937)	23,759,353
Recreation and Cultural Services	8,919,119	1,420,378	697,569	6,483	9,648,411
Planning and Development	50,104	5,708	20,748	(4)	35,060
Work In Progress	0	0	0	0	0
<b>ACCUMULATED AMORTIZATION</b>	<b>186,915,179</b>	<b>15,493,597</b>	<b>2,030,010</b>	<b>(561,871)</b>	<b>199,816,895</b>
<b>NET BOOK VALUE</b>					
General Government	14,892,612	234,458	0	529,926	15,656,996
Protection Services	968	(84)	0	0	884
Transportation Services	132,165,923	1,564,652	27,983	356,018	134,058,610
Environmental Services	206,620	(14,899)	0	10	191,731
Health Services	5,427,460	137,390	0	(29,329)	5,535,521
Social and Family Services	34,085,977	(1,530,628)	8,295	(8,352)	32,538,702
Social Housing	47,539,889	(1,261,048)	65,176	(521,206)	45,692,459
Recreation and Cultural Services	13,962,806	(888,858)	0	113,748	13,187,696
Planning and Development	28,917	(5,708)	0	4	23,213
Work In Progress	660,274	(288,350)	0	0	371,924
<b>NET BOOK VALUE - 2013</b>	<b>248,971,446</b>	<b>(2,053,075)</b>	<b>101,454</b>	<b>440,819</b>	<b>247,257,736</b>



**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**Schedule 1**

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
<b>COST</b>					
Land	37,494,176	0	7,500	0	37,486,676
Bridges	26,080,217	1,298,352	0	0	27,378,569
Buildings	123,960,783	8,699,984	538	(26,047)	132,634,182
Building Contents	13,448,772	1,264,386	824,285	14,961	13,903,834
Building Site Elements	7,096,982	706,213	20,981	(53,086)	7,729,128
Fleet	5,368,228	761,978	653,378	103,865	5,580,693
Information Technology	2,791,703	459,932	677,597	48,390	2,622,428
Leasehold Improvements	2,728,222	8,305	233,105	(6,741)	2,496,681
Machinery and Equipment	8,856,224	617,709	286,669	14,868	9,202,132
Medical and Emergency Equipment	2,425,165	231,932	64,134	0	2,592,963
Roads	181,710,108	9,190,238	15,190	20,932	190,906,088
Signage and Illuminations	2,522,762	179,485	9,270	0	2,692,977
Work In Progress	7,933,230	(7,272,956)	0	0	660,274
<b>TOTAL COST</b>	<b>422,416,572</b>	<b>16,145,558</b>	<b>2,792,647</b>	<b>117,142</b>	<b>435,886,625</b>
<b>ACCUMULATED AMORTIZATION</b>					
Land	0	0	0	0	0
Bridges	10,951,785	367,691	0	(8)	11,319,468
Buildings	52,177,068	4,403,382	51	257,440	56,837,839
Building Contents	5,917,227	1,064,965	752,712	1,266	6,230,746
Building Site Elements	3,826,906	275,445	6,294	(44,852)	4,051,205
Fleet	3,328,021	569,921	647,829	(108,494)	3,141,619
Information Technology	1,493,197	508,970	677,597	8,400	1,332,970
Leasehold Improvements	1,026,743	82,954	128,893	(1,736)	979,068
Machinery and Equipment	3,495,104	536,544	268,574	6,369	3,769,443
Medical and Emergency Equipment	1,401,594	259,510	60,646	(4)	1,600,454
Roads	89,025,408	6,930,621	7,086	1,532	95,950,475
Signage and Illuminations	1,616,970	94,248	9,270	(56)	1,701,892
Work In Progress	0	0	0	0	0
<b>ACCUMULATED AMORTIZATION</b>	<b>174,260,023</b>	<b>15,094,251</b>	<b>2,558,952</b>	<b>119,857</b>	<b>186,915,179</b>
<b>NET BOOK VALUE</b>					
Land	37,494,176	0	7,500	0	37,486,676
Bridges	15,128,432	930,661	0	8	16,059,101
Buildings	71,783,715	4,296,602	487	(283,487)	75,796,343
Building Contents	7,531,545	199,421	71,573	13,695	7,673,088
Building Site Elements	3,270,076	430,768	14,687	(8,234)	3,677,923
Fleet	2,040,207	192,057	5,549	212,359	2,439,074
Information Technology	1,298,506	(49,038)	0	39,990	1,289,458
Leasehold Improvements	1,701,479	(74,649)	104,212	(5,005)	1,517,613
Machinery and Equipment	5,361,120	81,165	18,095	8,499	5,432,689
Medical and Emergency Equipment	1,023,571	(27,578)	3,488	4	992,509
Roads	92,684,700	2,259,617	8,104	19,400	94,955,613
Signage and Illuminations	905,792	85,237	0	56	991,085
Work In Progress	7,933,230	(7,272,956)	0	0	660,274
<b>NET BOOK VALUE - 2012</b>	<b>248,156,549</b>	<b>1,051,307</b>	<b>233,695</b>	<b>(2,715)</b>	<b>248,971,446</b>

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**Schedule 1**

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
<b>COST</b>					
General Government	36,663,191	(15,600,837)	724,402	12,103	20,350,055
Protection Services	1,262	0	0	0	1,262
Transportation Services	220,628,714	27,464,252	689,180	265,887	247,669,673
Environmental Services	3,943,902	0	0	0	3,943,902
Health Services	9,419,960	550,096	310,875	(9,401)	9,649,780
Social and Family Services	60,920,227	604,919	16,736	(162,309)	61,346,101
Social Housing	68,624,350	523,104	16,014	173,192	69,304,632
Recreation and Cultural Services	14,202,715	9,876,980	1,035,440	(162,330)	22,881,925
Planning and Development	79,021	0	0	0	79,021
Work In Progress	7,933,230	(7,272,956)	0	0	660,274
<b>TOTAL COST</b>	<b>422,416,572</b>	<b>16,145,558</b>	<b>2,792,647</b>	<b>117,142</b>	<b>435,886,625</b>
<b>ACCUMULATED AMORTIZATION</b>					
General Government	5,585,597	612,173	716,280	(24,047)	5,457,443
Protection Services	210	84	0	0	294
Transportation Services	108,060,624	8,035,778	643,367	50,715	115,503,750
Environmental Services	3,721,581	15,697	0	4	3,737,282
Health Services	3,781,254	729,148	307,387	19,305	4,222,320
Social and Family Services	25,130,276	2,142,221	14,504	2,131	27,260,124
Social Housing	19,135,986	2,397,516	5,041	236,282	21,764,743
Recreation and Cultural Services	8,800,092	1,155,931	872,373	(164,531)	8,919,119
Planning and Development	44,403	5,703	0	(2)	50,104
Work In Progress	0	0	0	0	0
<b>ACCUMULATED AMORTIZATION</b>	<b>174,260,023</b>	<b>15,094,251</b>	<b>2,558,952</b>	<b>119,857</b>	<b>186,915,179</b>
<b>NET BOOK VALUE</b>					
General Government	31,077,594	(16,213,010)	8,122	36,150	14,892,612
Protection Services	1,052	(84)	0	0	968
Transportation Services	112,568,090	19,428,474	45,813	215,172	132,165,923
Environmental Services	222,321	(15,697)	0	(4)	206,620
Health Services	5,638,706	(179,052)	3,488	(28,706)	5,427,460
Social and Family Services	35,789,951	(1,537,302)	2,232	(164,440)	34,085,977
Social Housing	49,488,364	(1,874,412)	10,973	(63,090)	47,539,889
Recreation and Cultural Services	5,402,623	8,721,049	163,067	2,201	13,962,806
Planning and Development	34,618	(5,703)	0	2	28,917
Work In Progress	7,933,230	(7,272,956)	0	0	660,274
<b>NET BOOK VALUE - 2012</b>	<b>248,156,549</b>	<b>1,051,307</b>	<b>233,695</b>	<b>(2,715)</b>	<b>248,971,446</b>

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**Schedule 2**

	<b>2013 ACTUAL \$</b>	<b>2012 ACTUAL \$</b>
<b>RESERVES</b> (Schedule 3)	22,099,105	15,688,865
<b>RESERVE FUNDS</b> (Schedule 4)	7,156,790	6,598,144
Total Reserves and Reserve Funds	<u>29,255,895</u>	<u>22,287,009</u>
<b>SURPLUSES</b>		
Invested in Tangible Capital Assets	247,257,736	248,971,446
Invested in Community Development Corporation	49,882	1,255,380
General Revenue Fund	138,356	(4,426,402)
Unfunded		
Long Term Debt	(23,930,334)	(21,713,824)
Landfill Closure and Post Closure Costs	(5,002,422)	(5,386,686)
Employment Benefits Payable	(1,907,337)	(2,147,793)
Accrued Tax Liabilities	(600,000)	0
Total Surpluses	<u>216,005,881</u>	<u>216,552,121</u>
<b>ACCUMULATED SURPLUS</b>	<u><u>245,261,776</u></u>	<u><u>238,839,130</u></u>

**THE CORPORATION OF THE COUNTY OF LAMBTON  
SCHEDULE OF CONTINUITY OF RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2013  
Schedule 3**

	<b>2013 BUDGET \$</b>	<b>2013 ACTUAL \$</b>	<b>2012 ACTUAL \$</b>
BALANCE, beginning of the year	15,688,865	15,688,865	15,501,844
<b>REVENUE CONTRIBUTIONS</b>			
From Operations	3,209,807	15,981,675	11,424,828
<b>TRANSFERS</b>			
To Operations	1,156,451	1,673,609	2,683,847
To Capital Acquisitions	1,806,458	7,897,826	8,553,960
Total Transfers	2,962,909	9,571,435	11,237,807
BALANCE, end of the year	15,935,763	22,099,105	15,688,865
<b>REPRESENTED BY:</b>			
Reserve for Sick Leave	415,942	39,744	266,066
Reserve for Working Funds	266,066	580,941	397,946
Reserve for Future Operations	15,253,755	21,478,420	15,024,853
	15,935,763	22,099,105	15,688,865

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF CONTINUITY OF RESERVE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**Schedule 4**

	<b>2013 BUDGET \$</b>	<b>2013 ACTUAL \$</b>	<b>2012 ACTUAL \$</b>
BALANCE, beginning of the year	6,598,144	6,598,144	6,236,918
<b>REVENUE CONTRIBUTIONS</b>			
Interest Income	0	72,408	71,078
From Operations	1,819,540	2,296,743	2,138,021
	1,819,540	2,369,151	2,209,099
<b>TRANSFERS</b>			
To Operations	1,739,745	1,801,538	1,845,898
To Capital Acquisitions	0	8,967	1,975
Total Transfers	1,739,745	1,810,505	1,847,873
BALANCE, end of the year	6,677,939	7,156,790	6,598,144
<b>REPRESENTED BY:</b>			
Capital Reserve Fund	4,908,653	5,213,028	4,643,687
Lambton Heritage Museum Reserve Fund	247,333	199,594	238,343
Oil Museum Reserve Fund	47,208	54,520	46,608
Gallery Lambton Reserve Fund	11,230	69,591	26,230
R.T. Bradley Reserve Fund	10,464	10,774	10,664
Library Piano Reserve Fund	112	0	1,673
Waste Management Reserve Fund	1,019,809	1,171,613	1,197,809
Senior Services Reserve Fund	4,035	4,077	4,035
Social Housing Reserve Fund	429,095	433,593	429,095
	6,677,939	7,156,790	6,598,144

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**Schedule 5**

	General Gov't & Administration \$	Court Administration \$	Protective Services \$	Public Works \$	Environmental Services \$	Public Health \$	Emergency Medical Services \$
<b>REVENUE</b>							
Taxation	11,350,301	(427,742)	173,292	12,270,137	1,895,529	3,312,322	6,782,715
Government Transfers	128,645	227,957	0	3,828,303	0	6,581,754	7,049,262
User Charges & Other	1,619,469	2,825,094	637,491	1,933,437	1,498,515	881,927	108,538
Gain/Loss from TCA Disposal	0	0	0	(27,983)	0	0	0
	<u>13,098,415</u>	<u>2,625,309</u>	<u>810,783</u>	<u>18,003,894</u>	<u>3,394,044</u>	<u>10,776,003</u>	<u>13,940,515</u>
<b>EXPENDITURES</b>							
Salaries, Wages & Employee Benefits	5,381,612	412,295	648,281	2,165,296	249,264	5,858,332	12,129,427
Interest on Long Term Debt	15,484	0	0	55,558	0	6,217	19,705
Goods and Services	5,226,199	1,265,949	165,145	6,271,388	2,798,810	2,356,432	1,182,763
Contributions to Other Organizations	50,000	1,541,692	0	0	0	1,500,000	0
Amortization	507,609	0	84	8,414,862	14,889	38,042	552,396
	<u>11,180,904</u>	<u>3,219,936</u>	<u>813,510</u>	<u>16,907,104</u>	<u>3,062,963</u>	<u>9,759,023</u>	<u>13,884,291</u>
<b>ANNUAL SURPLUS (DEFICIT) 2013</b>	1,917,511	(594,627)	(2,727)	1,096,790	331,081	1,016,980	56,224

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

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**Schedule 5**

	General Assistance \$	Assistance to Aged \$	Child Care \$	Housing \$	Library \$	Culture \$	Planning & Development \$	Total \$
<b>REVENUE</b>								
Taxation	7,608,368	5,429,819	1,623,266	4,159,846	5,801,250	2,454,887	3,279,993	65,713,983
Government Transfers	28,203,186	16,272,085	19,581,578	2,344,915	406,041	498,957	1,221	85,123,904
User Charges & Other	1,641,908	7,617,585	2,247,568	4,025,211	153,117	291,226	(398,831)	25,082,255
Gain/Loss from TCA Disposal	(260)	(5,869)	(2,166)	(65,176)	0	0	0	(101,454)
	<u>37,453,202</u>	<u>29,313,620</u>	<u>23,450,246</u>	<u>10,464,796</u>	<u>6,360,408</u>	<u>3,245,070</u>	<u>2,882,383</u>	<u>175,818,688</u>
<b>EXPENDITURES</b>								
Salaries, Wages & Employee Benefits	6,879,716	21,632,414	4,771,362	1,800,652	4,448,464	1,574,633	999,125	68,950,873
Interest on Long Term Debt	0	571,512	0	153,272	617	99,972	0	922,337
Goods and Services	5,886,641	4,328,112	14,588,628	8,266,195	1,050,208	808,642	871,492	55,066,604
Contributions to Other Organizations	24,092,718	16,667	125,000	0	0	200	2,198,225	29,524,502
Amortization	140,576	1,603,197	185,985	2,041,521	730,964	695,897	5,704	14,931,726
	<u>36,999,651</u>	<u>28,151,902</u>	<u>19,670,975</u>	<u>12,261,640</u>	<u>6,230,253</u>	<u>3,179,344</u>	<u>4,074,546</u>	<u>169,396,042</u>
<b>ANNUAL SURPLUS (DEFICIT) 2013</b>	453,551	1,161,718	3,779,271	(1,796,844)	130,155	65,726	(1,192,163)	6,422,646

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

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**Schedule 5**

	General Gov't & Administration \$	Court Administration \$	Protective Services \$	Public Works \$	Environmental Services \$	Public Health \$	Emergency Medical Services \$
<b>REVENUE</b>							
Taxation	11,832,982	(317,043)	254,362	11,933,405	1,843,231	3,008,023	6,736,952
Government Transfers	116,062	113,368	0	3,827,731	0	5,925,850	6,646,004
User Charges & Other	697,053	2,823,857	632,563	2,063,265	1,646,267	762,301	79,982
Gain/Loss from TCA Disposal	(8,122)	0	0	(45,813)	0	(3,488)	0
	<u>12,637,975</u>	<u>2,620,182</u>	<u>886,925</u>	<u>17,778,588</u>	<u>3,489,498</u>	<u>9,692,686</u>	<u>13,462,938</u>
<b>EXPENDITURES</b>							
Salaries, Wages & Employee Benefits	5,129,095	451,289	768,140	2,063,073	234,179	5,474,093	11,694,716
Interest on Long Term Debt	18,321	0	0	58,233	0	10,302	24,774
Goods and Services	4,938,057	1,336,769	156,068	5,643,489	3,225,425	2,243,556	1,177,952
Contributions to Other Organizations	50,000	1,441,282	0	0	0	1,530,000	0
Amortization	588,126	0	84	8,086,493	15,701	211,700	543,723
	<u>10,723,599</u>	<u>3,229,340</u>	<u>924,292</u>	<u>15,851,288</u>	<u>3,475,305</u>	<u>9,469,651</u>	<u>13,441,165</u>
<b>ANNUAL SURPLUS (DEFICIT) 2012</b>	1,914,376	(609,158)	(37,367)	1,927,300	14,193	223,035	21,773

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



**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**Schedule 5**

	General Assistance \$	Assistance to Aged \$	Child Care \$	Housing \$	Library \$	Culture \$	Planning & Development \$	Total \$
<b>REVENUE</b>								
Taxation	7,915,513	5,098,174	1,678,592	4,194,196	5,404,504	2,136,731	3,191,114	64,910,736
Government Transfers	26,872,221	15,444,919	16,495,649	2,459,237	456,853	177,570	1,385	78,536,849
User Charges & Other	1,980,070	7,395,532	2,226,190	3,438,148	137,242	398,936	(135,476)	24,145,930
Gain/Loss from TCA Disposal	0	(2,232)	0	(10,973)	(163,067)	0	0	(233,695)
	<u>36,767,804</u>	<u>27,936,393</u>	<u>20,400,431</u>	<u>10,080,608</u>	<u>5,835,532</u>	<u>2,713,237</u>	<u>3,057,023</u>	<u>167,359,820</u>
<b>EXPENDITURES</b>								
Salaries, Wages & Employee Benefits	6,518,554	21,537,956	4,998,105	1,887,075	4,383,799	1,506,873	952,009	67,598,956
Interest on Long Term Debt	0	629,709	0	138,283	535	1,493	0	881,650
Goods and Services	4,164,985	3,959,975	15,217,480	7,234,215	712,955	1,190,330	918,911	52,120,167
Contributions to Other Organizations	25,772,738	0	100,000	0	0	25,200	2,185,525	31,104,745
Amortization	144,955	1,805,909	186,518	2,633,798	603,268	388,132	5,701	15,214,108
	<u>36,601,232</u>	<u>27,933,549</u>	<u>20,502,103</u>	<u>11,893,371</u>	<u>5,700,557</u>	<u>3,112,028</u>	<u>4,062,146</u>	<u>166,919,626</u>
<b>ANNUAL SURPLUS (DEFICIT) 2012</b>	166,572	2,844	(101,672)	(1,812,763)	134,975	(398,791)	(1,005,123)	440,194

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