
THE CORPORATION OF THE COUNTY OF LAMBTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

**THE CORPORATION OF THE COUNTY OF LAMBTON
INDEX TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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Tel: 519 336 9900
Fax: 519 332 4828
www.bdo.ca

BDO Canada LLP
Kenwick Place, 250 Christina Street N
PO Box 730
Sarnia ON N7T 7J7 Canada

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, 2015, 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, 2015 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 Professional Accountants, Licensed Public Accountants

Sarnia, Ontario
June 14, 2016

THE CORPORATION OF THE COUNTY OF LAMBTON
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	2015 ACTUAL \$	2014 ACTUAL \$
<u>FINANCIAL ASSETS</u>		
Cash and Temporary Investments (Note 4)	34,316,628	33,963,475
Accounts Receivable	4,650,298	5,193,750
Due from Community Development Corporation	22,605	2,666,686
Amounts Recoverable on Long Term Debt (Note 7)	6,274,000	22,605,871
Debenture Receivable (Note 21)	4,939,954	0
Investment in Community Development Corporation (Note 5)	(8,007,685)	(2,602,755)
TOTAL FINANCIAL ASSETS	42,195,800	61,827,027
<u>LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	12,247,314	9,685,776
Deferred Grant (Note 6)	1,119,881	2,018,490
Long Term Debt (Note 7)	27,114,352	43,638,384
Landfill Closure and Post Closure Costs (Note 10)	4,220,705	4,483,644
Employment Benefits Payable (Note 2)	2,045,331	1,989,239
Accrued Tax Liabilities (Note 15)	2,693,130	2,841,330
TOTAL LIABILITIES	49,440,713	64,656,863
NET FINANCIAL DEBT	(7,244,913)	(2,829,836)
<u>NON-FINANCIAL ASSETS</u>		
Tangible Capital Assets - net (Schedule 1)	243,206,098	242,388,347
Inventories	497,147	508,180
Prepaid Expenses	2,551,598	646,111
TOTAL NON-FINANCIAL ASSETS	246,254,843	243,542,638
ACCUMULATED SURPLUS (Schedule 2)	239,009,930	240,712,802

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, 2015

	2015 BUDGET	2015 ACTUAL	2014 ACTUAL
	\$	\$	\$
REVENUE			
Taxation (Note 15)	69,482,792	69,512,107	65,703,417
Federal Government Transfers	3,901,090	3,925,069	3,979,118
Provincial Government Transfers	78,686,194	80,595,299	77,267,064
Other Municipalities	801,406	910,031	1,031,026
User Charges	20,771,773	21,776,413	24,366,477
Investment Income	160,000	335,723	257,341
Donations	128,552	266,787	179,670
Other	0	75,545	63,766
Gain/Loss on Disposal of Tangible Capital Assets	0	(343,855)	(355,748)
Community Development Corporation Share of Income(Loss)	0	(5,404,930)	(2,652,637)
	<u>173,931,807</u>	<u>171,648,189</u>	<u>169,839,494</u>
EXPENSES			
General Government	11,822,415	11,599,874	11,003,330
Protection Services	4,086,499	4,236,495	3,983,672
Transportation Services	17,216,107	17,400,702	18,129,903
Environmental Services	3,107,762	2,654,392	2,550,286
Health Services	26,691,079	26,764,661	24,549,308
Social and Family Services	83,187,242	84,734,998	87,711,732
Social Housing	11,990,017	11,884,126	12,593,862
Recreation and Cultural Services	10,572,978	9,897,432	9,537,802
Planning and Development	4,551,912	4,178,381	4,328,573
	<u>173,226,011</u>	<u>173,351,061</u>	<u>174,388,468</u>
ANNUAL SURPLUS(DEFICIT)	705,796	(1,702,872)	(4,548,974)
ACCUMULATED SURPLUS, beginning of the year	<u>240,712,802</u>	<u>240,712,802</u>	<u>245,261,776</u>
ACCUMULATED SURPLUS, end of the year	<u>241,418,598</u>	<u>239,009,930</u>	<u>240,712,802</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, 2015**

	2015 BUDGET \$	2015 ACTUAL \$	2014 ACTUAL \$
ANNUAL SURPLUS(DEFICIT)	705,796	(1,702,872)	(4,548,974)
Amortization of Tangible Capital Assets	15,168,830	13,541,504	15,842,972
Acquisition of Tangible Capital Assets	(16,971,460)	(14,703,110)	(11,329,331)
Loss on Sale of Tangible Capital Assets	0	343,855	355,748
Change in Inventories	0	11,033	30,873
Change in Prepaid Expenses	0	(1,905,487)	(56,269)
INCREASE/DECREASE IN NET FINANCIAL DEBT	(1,096,834)	(4,415,077)	295,019
NET FINANCIAL DEBT, beginning of the year	(2,829,836)	(2,829,836)	(3,124,855)
NET FINANCIAL DEBT, end of the year	(3,926,670)	(7,244,913)	(2,829,836)

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, 2015

	2014 ACTUAL \$	2014 ACTUAL \$
OPERATING TRANSACTIONS		
Annual Surplus(Deficit)	(1,702,872)	(4,548,974)
Uses of Cash		
Increase in Accounts Receivable	0	(596,015)
Increase in Prepaid Expenses	(1,905,487)	(56,269)
Increase in Debenture Receivable	(4,939,954)	0
Decrease in Accounts Payable and Accrued Liabilities	0	(1,716,533)
Decrease in Deferred Grant	(898,609)	0
Decrease in Landfill Closure and Post Closure Costs	(262,939)	(518,778)
Decrease in Accrued Tax Liabilities	(148,200)	0
	<u>(8,155,189)</u>	<u>(2,887,595)</u>
Sources of Cash		
Decrease in Accounts Receivable	543,452	0
Decrease in Due from Community Development Corporation	2,644,081	428,591
Increase in Accounts Payable and Accrued Liabilities	2,561,538	0
Increase in Deferred Grant	0	738,918
Increase in Employment Benefits Payable	56,092	81,902
Increase in Accrued Tax Liabilities	0	2,241,330
Decrease in Inventories	11,033	30,873
	<u>5,816,196</u>	<u>3,521,614</u>
Non-cash Charges to Operations		
Amortization	13,541,504	15,842,972
Loss on Sale of Tangible Capital Assets	343,855	355,748
	<u>13,885,359</u>	<u>16,198,720</u>
Cash Provided by Operations	<u>9,843,494</u>	<u>12,283,765</u>
CAPITAL TRANSACTIONS		
Cash Used to Acquire Tangible Capital Assets	<u>(14,703,110)</u>	<u>(11,329,331)</u>
INVESTING TRANSACTIONS		
Decrease in Investment in Community Development Corporation	<u>5,404,930</u>	<u>2,652,637</u>
FINANCING TRANSACTIONS		
Amounts Recoverable on Long Term Debt	16,331,871	2,996,450
Long Term Debt Issued	2,783,296	400,000
Long Term Debt Principal Repayments	(5,875,203)	(6,294,271)
Long Term Debt assumed by Community Development Corporation	(13,432,125)	0
Net Increase in Cash from Financing Activities	<u>(192,161)</u>	<u>(2,897,821)</u>
INCREASE IN CASH	353,153	709,250
CASH, beginning of the year	<u>33,963,475</u>	<u>33,254,225</u>
CASH, end of the year	<u>34,316,628</u>	<u>33,963,475</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, 2015**

1. ACCOUNTING POLICIES

The financial statements of The Corporation of the County of Lambton (the 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 Chartered Professional Accountants of Canada. 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.

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	Double 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 CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

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, furnishings, 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.

(vi) Change in Accounting Policy

During the current fiscal year, the Municipality has applied the new Canadian public sector accounting standard 3260 - Liability for Contaminated Sites. The Municipality has chosen to apply these changes prospectively and there is no effect in the financial statements for the current period.

(vii) Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. At December 31, 2015, the Municipality has not identified any instances that meet the criteria for a liability for contaminated sites.

(viii) Loan Guarantees

The Municipality has guaranteed the demand operating line and demand term instalment loan held by The County of Lambton Community Development Corporation ("CLCDC"). When it is determined that a loss is likely, a provision for loss is recorded. The provision is determined using the best estimates available and taking into consideration the principal amount outstanding, any guaranteed accrued and unpaid interest, any amounts recoverable from the borrower and from the sale of assets pledged as security, and all known circumstances. The provision for loan losses is reviewed by management on an annual basis.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

2. EMPLOYMENT BENEFITS PAYABLE

Employment benefits payable are comprised of the following:

	2015	2014
	<u>\$</u>	<u>\$</u>
Liability for vacation credits	2,037,288	1,975,238
Liability for vested sick leave benefits	<u>8,043</u>	<u>14,001</u>
	<u>2,045,331</u>	<u>1,989,239</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, 2015 is \$2,037,288 (2014 - \$1,975,238).

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 \$8,043 (2014 - \$14,001) at the end of the year. An amount of \$6,072 (2014 - \$0) 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 \$33,672 (2014 - \$39,744).

3. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$86,996 (2014 - \$81,140) 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

	2015	2014
	<u>\$</u>	<u>\$</u>
Cash on Hand and in Banks	34,229,201	33,876,631
Temporary Investments	<u>87,427</u>	<u>86,844</u>
	<u>34,316,628</u>	<u>33,963,475</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, 2015 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, 2015**

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, 2015 \$	April 30, 2014 \$
Assets	<u>26,232,042</u>	<u>29,875,918</u>
Liabilities	34,239,727	32,478,673
Deficit	<u>(8,007,685)</u>	<u>(2,602,755)</u>
	<u>26,232,042</u>	<u>29,875,918</u>
Revenues	3,652,137	2,748,477
Expenditures	<u>(9,057,067)</u>	<u>5,401,114</u>
Net Expenditures	(5,404,930)	(2,652,637)

6. DEFERRED GRANT

The balance of \$1,119,881 represents the monies received in 2006 for the Best Start Program and is unspent at December 31, 2015.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

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:

	2015	2014
	<u>\$</u>	<u>\$</u>
Long-Term Care	10,667,261	12,222,008
Roads	2,168,232	806,362
Emergency Medical Services	239,990	256,171
County Administration Building	784,953	276,386
Information Technology	304,600	303,112
Housing	3,089,239	3,229,256
Library	5,982	8,499
Lambton Heritage Museum	60,758	0
Alix Art Gallery	3,015,505	3,399,063
Inn of the Good Shepherd	503,832	531,656
Lambton Area Waterworks Supply System	6,274,000	9,070,000
County of Lambton - Community Development Corp.	<u>0</u>	<u>13,535,871</u>
	27,114,352	43,638,384
Long term debt assumed by local (lower tier) Municipalities and others	<u>6,274,000</u>	<u>22,605,871</u>
Net long term debt at the end of the year	<u>20,840,352</u>	<u>21,032,513</u>

- (b) Of the long term debt reported in (a) of this note, \$25,164,412 in principal payments are payable from 2016 to 2020 \$1,000,020 from 2021 to 2025, and \$949,920 thereafter and are summarized as follows:

	Years 2016 2020	Years 2021 2025	Years 2026 Thereafter	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
from general municipal revenue	18,890,412	1,000,020	949,920	20,840,352
from local (lower tier) Municipalities	<u>6,274,000</u>	<u>0</u>	<u>0</u>	<u>6,274,000</u>
	<u>25,164,412</u>	<u>1,000,020</u>	<u>949,920</u>	<u>27,114,352</u>

THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015

- (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, 2016 has been authorized at \$16,873,307. Actual annual repayment of principal and interest in 2015 was \$3,689,367 (2014 - \$4,144,762). Interest rates on long term debt vary between 2.47% 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.

8. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 877 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 461,000 active and retired members and approximately 1,000 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, 2015. The results of the valuation disclosed total actuarial liabilities of \$81,900 million in respect of benefits accrued for service with actuarial assets at that date of \$74,900 million indicating an actuarial deficit of \$7,000 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 2015 was \$4,628,072 (2014 - \$4,797,902) 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 2015 (2014 – 9.0% to 14.6% 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 \$1,162,552 (2014 - \$1,043,582) in operating funds during 2015. SLEP has not been consolidated.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

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, 2015 are \$7,286,170.

The estimated liability of \$4,220,705 (2014 - \$4,483,644) 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 3.0%. The estimated remaining capacity of the Municipality's sites are approximately 153,189 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 \$1,354,784.

11. EXPENDITURE BY OBJECT

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

	2015	2014
	\$	\$
Salaries, wages and employee benefits	70,771,351	72,274,509
Materials	46,849,467	44,791,101
Contracted services	6,747,514	6,731,719
Rents and financial expenses	3,542,952	3,710,392
Interest on long-term debt	710,942	846,942
Contributions to other organizations	31,187,331	30,190,833
Amortization	<u>13,541,504</u>	<u>15,842,972</u>
	<u>173,351,061</u>	<u>174,388,468</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.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

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 maintains service agreements with not-for-profit and profit centres in the County to provide subsidized child care spaces. The Department also offers a variety of services through programs such as 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 \$5,404,930 has been included in this segment.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

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	2015 Subsidy Received \$	2015 Subsidy Earned \$	(Surplus)/ Deficit \$
EDU			
Core Services Delivery - 100%	1,943,414	1,943,415	1
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	6,024,093	6,024,093	-
Capital Retrofits	61,184	61,184	-
A386 Delivery Agent Resource Centres-Operating (80/20)	98,086	98,086	-
A525 Early Child Development Planning - Regular	24,600	24,600	-
A525 Early Child Development Planning - Aboriginal	11,000	11,000	-
	<u>12,262,204</u>	<u>12,262,205</u>	1
Wage Enhancement	617,413	616,777	(636)
Waste Enhancement One Time Administration	79,696	79,696	-
	<u>12,959,313</u>	<u>12,959,678</u>	(635)
MCYS			
A526 Early Child Development Demo	383,822	383,822	-
Total	<u>13,343,135</u>	<u>13,342,500</u>	(635)

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

14. PUBLIC HEALTH UNIT

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.

	2015 Mandatory & Related	2015 Excluded Programs	2015 Total Public Health Unit
Total Public Health Unit Operating Costs:	10,185,835	1,367,048	11,552,883
Total Public Health Unit Amortization Expense:	(99,973)	(13,417)	(113,390)
Total Public Health Unit TCA Expenditures:	343,475	-	343,475

PUBLIC HEALTH GRANTS

**Program-Based Grants, Ministry of Health and Long-Term Care
Public Health Division (PHD) & Health Promotion Division (HPD)**

A. Base Funding

	2015 Subsidy Approved \$	2015 Subsidy Earned \$	2015 Subsidy Received \$	(Payable)/ Receivable \$
PHD and HPD Programs Funded at 75%				
Mandatory Programs	5,537,100	5,537,100	5,537,100	-
Total	<u>5,537,100</u>	<u>5,537,100</u>	<u>5,537,100</u>	<u>-</u>
Related Programs Funded at 75% (PHD)				
Small Drinking Water Systems	10,000	10,000	10,000	-
Vector-Borne Diseases	175,200	175,200	175,200	-
Total	<u>185,200</u>	<u>185,200</u>	<u>185,200</u>	<u>-</u>
Related Programs Funded at 75% (HPD)				
CINOT Expansion	15,800	15,800	15,800	-
Total	<u>15,800</u>	<u>15,800</u>	<u>15,800</u>	<u>-</u>
Related Programs Funded at 100% (PHD)				
Chief Nursing Officer	121,500	121,500	121,500	-
Enhanced Food Safety - Haines	25,000	25,000	25,000	-
Enhanced Safe Water	15,500	15,500	15,500	-
Healthy Smiles Ontario	390,000	390,000	390,000	-
Infection Prevention and Control Nurses	90,100	90,100	90,100	-
Infectious Diseases Control	166,700	166,700	166,700	-
Needle Exchange Program Initiative	35,300	35,300	35,300	-
Social Determinants of Health Nurses	180,500	180,500	180,500	-
Total	<u>1,024,600</u>	<u>1,024,600</u>	<u>1,024,600</u>	<u>-</u>
Related Programs Funded at 100% (HPD)				
SFO-OTS Prosecution	12,800	12,800	12,800	-
SFO-OTS Protection and Enforcement	161,900	161,900	161,900	-
SFO-OTS Tobacco Control Coordination	100,000	100,000	100,000	-
SFO-OTS Youth Tobacco Use Prevention	80,000	80,000	80,000	-
SFO-OTS Electronic Cigarette Act	7,800	7,800	7,800	-
Total	<u>362,500</u>	<u>362,500</u>	<u>362,500</u>	<u>-</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
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MOH/AMOH Compensation

MOH/AMOH Compensation (as revised March 2016)	149,000	132,342	129,849	2,493
Total	<u>149,000</u>	<u>132,342</u>	<u>129,849</u>	<u>2,493</u>
Sub-Total A. Base Funding	<u><u>7,274,200</u></u>	<u><u>7,257,542</u></u>	<u><u>7,255,049</u></u>	<u><u>2,493</u></u>

B. 2015 One-Time Funding Approved to December 31, 2015

2015 Subsidy Approved \$	2015 Subsidy Earned \$	2015 Subsidy Received \$	(Payable)/ Receivable \$
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Sub-Total B. 2015 One-Time Funding Approved to Dec. 31, 2015

-	-	-	-
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C. 2014 One-Time Funding Approved to March 31, 2015

Subsidy Carried Forward \$	Subsidy Earned \$	Further Subsidy Received \$	(Payable)/ Receivable \$
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PHD and HPD Programs Funded at 75%

-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

Related Programs Funded at 75% (PHD)

HVAC System Controls Replacement	66,304	66,304	-	-
Building Sustainability and Furniture Replacement	8,600	8,600	-	-
Total	<u>74,904</u>	<u>74,904</u>	<u>-</u>	<u>-</u>

Related Programs Funded at 100% (PHD)

New Purpose-Built Vaccine Refrigerator	12,500	12,500	-	-
PHI Practicum	-	8,000	8,000	-
Panorama (2014/15)	107,371	107,371	-	-
Total	<u>119,871</u>	<u>127,871</u>	<u>8,000</u>	<u>-</u>

Related Programs at 75% (HPD)

-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

Related Programs Funded at 100% (HPD)

SFO Strategy: Expanded Smoking Cessation Programming	424	-	-	(424)
Healthy Communities Fund - Partnership Stream (2014/15)	58,176	22,666	-	(35,510)
Total	<u>58,600</u>	<u>22,666</u>	<u>-</u>	<u>(35,934)</u>

Sub-Total C. 2014 One-Time Funding Approved to Mar. 31, 2015 253,375 225,441 8,000 (35,934)

Total Subsidy Receivable/(Payable) (33,441)

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

D. 2015 One-Time Funding Approved to March 31, 2016

	2015 Subsidy Approved \$	2015 Subsidy Earned \$	2015 Subsidy Received \$	Subsidy to Carryover \$
PHD and HPD Programs Funded at 75%	-	-	-	-
Total	-	-	-	-
Related Programs Funded at 75% (PHD)				
Intranet Hub Development	18,000	-	18,000	(18,000)
Total	18,000	-	18,000	(18,000)
Related Programs Funded at 100% (PHD)				
PHI Practicum	10,000	-	10,000	(10,000)
Panorama (2015/16)	96,500	28,828	48,250	(19,422)
Total	106,500	28,828	58,250	(29,422)
Related Programs Funded at 75% (HPD)	-	-	-	-
Total	-	-	-	-
Related Programs Funded at 100% (HPD)				
SFO Strategy: Expanded Smoking Cessation Programming	20,300	20,300	20,300	-
Electronic Cigarettes Act - Protection & Enforcement	10,400	3,785	10,400	(6,615)
Total	30,700	24,085	30,700	(6,615)
Capital Building Sustainability Funded at 75% (HCI)				
Building Sustainability and Furniture Replacement	39,800	9,090	39,800	(30,710)
Parking Lot Replacement - Phase I	117,000	117,000	117,000	-
Total	156,800	126,090	156,800	(30,710)
Total One-Time Subsidy Receivable/(Carryover)				<u>(84,747)</u>

Vaccine Program

	2015 Subsidy Earned \$	2015 Subsidy Received \$	(Payable)/ Receivable \$
Universal Influenza Immunization Program	9,505	95	9,410
Meningococcal C Conjugate Vaccine	17,374	4,709	12,665
Human Papilloma Virus Program	6,715	4,250	2,465
Total Vaccine Program	<u>33,594</u>	<u>9,054</u>	<u>24,540</u>

**Child and Youth Development Branch, Ministry of Children and Youth Services
Strategic Policy and Planning Division**

	Subsidy Approved \$	Subsidy Earned \$	Subsidy Received \$	(Payable)/ Receivable \$
100% Funded Programs				
Healthy Babies Healthy Children	933,093	933,093	933,093	-
Total	933,093	933,093	933,093	-
Total Child and Youth Development Branch	<u>933,093</u>	<u>933,093</u>	<u>933,093</u>	<u>-</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

15. ACCRUED TAX LIABILITIES

Taxation Revenue - General Levy	\$ 68,574,029
Taxation Revenue - Supplementary Tax Levy	775,349
Payment in Lieu Taxation Revenue	1,446,296
Tax Write-Offs	(1,631,767)
Accrued Tax Liability	<u>348,200</u>
 Total Property Taxation	 <u>\$ 69,512,107</u>

Reconciliation of Assessment Appeal Provision and Accrued Tax Liability

Estimate of Expected Appeals	\$ 2,559,030
Estimate of Expected Supplementary Taxes	(642,796)
Other Adjustments	<u>776,896</u>

Potential Future Tax Liability \$ 2,693,130

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.

16. LIBRARY GOVERNMENT TRANSFERS

Government Transfers recorded as 2015 revenue for the Library segment are comprised of the following amounts:

Ministry of Tourism, Culture and Sport Operating Grant	\$ 265,865
Ministry of Tourism, Culture and Sport Pay Equity Grant	18,083
Ministry of Tourism, Culture and Sport One Time Grant	22,344
Service Ontario Grant	<u>1,931</u>
	<u>\$ 308,223</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

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 2015 amounted to \$160,588.

The Municipality 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 paid the Foundation \$1.5 million on October 1 of each year the Foundation complied with the terms of the agreement. The Foundation must provide the County with a statement of account for each year that it received the Annual Contribution no later than six months after the receipt of the contribution. The statement of account included details on capital expenditures made on the project with the proceeds of the grant to date, a statement that only capital expenditures were 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, 2015 a total of \$15.0 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 entered into an agreement with the Town of Petrolia for the maintenance of County roads within the Town over a ten year period commencing November 3, 2015 and ending November 3, 2025.

The Municipality has entered into a lease agreement to rent office, storage, and terrace premises. This agreement expires in May 2017 and annual payments amount to \$660,000.

The Municipality has entered into an agreement with Lambton College to provide a grant of \$5 million dollars over a six year period commencing June 1, 2016 and ending June 1, 2021. The Municipality will pay \$833,333 on June 1 of each year the College complies with the terms of the agreement.

18. CONTINGENT LIABILITIES

The Municipality is a defendant in various legal actions. The ultimate outcomes are indeterminable at December 31, 2015 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.

19. 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.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2015**

20. BUDGET FIGURES

The Financial Plan (budget) adopted by the County of Lambton Council on March 18, 2015, 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:

	2015
	\$
Financial Plan (budget) surplus for the year	0
Add:	
Capital Expenditures	16,971,460
Principal Payments	3,113,522
Less:	
Amortization	15,168,830
Long Term Financing	1,765,000
Net Reserve and Reserve Fund Transfers	<u>2,445,356</u>
Budget Surplus per Statement of Operations	<u>705,796</u>

21. DEBENTURE RECEIVABLE

The amount to be received from The County of Lambton Community Development Corporation matures and is payable in 120 months and one day from April 9, 2015 and bears deferred pay interest at the rate of 2.61%.

22. LOAN GUARANTEE

During the 2015 fiscal year, the Municipality has entered into an agreement with CIBC to guarantee a demand operating line of credit with an authorized limit of up to \$2,000,000 and a demand term instalment loan in the amount of \$20,640,000 held by CLCDC.

At December 31, 2015, the demand operating line has a balance outstanding of \$0 bearing interest at a rate of prime minus 0.50%. All amounts under this operating line are repayable immediately on demand by CIBC.

The demand term instalment loan has a balance outstanding of \$20,113,492 bearing interest at a rate of prime minus 0.25%, with blending monthly payments of principal and interest of \$110,886 and amortized over 20 years. All amounts under this loan are repayable immediately on demand by CIBC.

The Municipality is responsible for any shortfalls in principal repayments or interest payments by CLCDC. There are no provisions for losses recorded in these financial statements as the Municipality is the sole owner of the CLCDC.

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015
Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
COST					
Land	38,125,234	5,698	0	0	38,130,932
Bridges	27,550,061	649,981	14,645	0	28,185,397
Buildings	133,927,603	2,280,281	46,297	(1,412,114)	134,749,473
Building Contents	13,623,840	714,528	758,677	3,280	13,582,971
Building Site Elements	8,195,348	331,538	69,281	(116,034)	8,341,571
Fleet	6,725,321	924,314	431,461	71,247	7,289,421
Information Technology	2,906,563	627,093	227,638	0	3,306,018
Leasehold Improvements	2,496,681	29,225	2,041	0	2,523,865
Machinery and Equipment	8,459,155	126,901	343,417	4,871	8,247,510
Medical and Emergency Equipment	2,881,404	202,427	160,198	0	2,923,633
Roads	206,471,926	9,886,077	2,761	17,369	216,372,611
Signage and Illuminations	2,748,450	48,477	10,047	10,375	2,797,255
Work In Progress	697,188	297,576	0	0	994,764
TOTAL COST	454,808,774	16,124,116	2,066,463	(1,421,006)	467,445,421
ACCUMULATED AMORTIZATION					
Land	0	0	0	0	0
Bridges	11,681,883	435,303	10,741	12	12,106,457
Buildings	65,328,649	4,255,775	25,554	(2,036,964)	67,521,906
Building Contents	6,490,023	1,036,795	696,700	9,703	6,839,821
Building Site Elements	4,586,446	306,278	36,575	(110,719)	4,745,430
Fleet	3,852,587	747,647	431,461	32,058	4,200,831
Information Technology	1,767,856	502,174	227,638	8,033	2,050,425
Leasehold Improvements	1,126,756	70,451	1,202	0	1,196,005
Machinery and Equipment	3,668,628	463,078	133,202	(35,111)	3,963,393
Medical and Emergency Equipment	1,561,496	260,251	146,873	(24)	1,674,850
Roads	110,503,657	7,485,190	2,761	3,245	117,989,331
Signage and Illuminations	1,852,446	108,083	9,901	246	1,950,874
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	212,420,427	15,671,025	1,722,608	(2,129,521)	224,239,323
NET BOOK VALUE					
Land	38,125,234	5,698	0	0	38,130,932
Bridges	15,868,178	214,678	3,904	(12)	16,078,940
Buildings	68,598,954	(1,975,494)	20,743	624,850	67,227,567
Building Contents	7,133,817	(322,267)	61,977	(6,423)	6,743,150
Building Site Elements	3,608,902	25,260	32,706	(5,315)	3,596,141
Fleet	2,872,734	176,667	0	39,189	3,088,590
Information Technology	1,138,707	124,919	0	(8,033)	1,255,593
Leasehold Improvements	1,369,925	(41,226)	839	0	1,327,860
Machinery and Equipment	4,790,527	(336,177)	210,215	39,982	4,284,117
Medical and Emergency Equipment	1,319,908	(57,824)	13,325	24	1,248,783
Roads	95,968,269	2,400,887	0	14,124	98,383,280
Signage and Illuminations	896,004	(59,606)	146	10,129	846,381
Work In Progress	697,188	297,576	0	0	994,764
NET BOOK VALUE - 2015	242,388,347	453,091	343,855	708,515	243,206,098

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
COST					
General Government	22,082,023	735,070	244,474	(20,096)	22,552,523
Protection Services	1,262	0	0	0	1,262
Transportation Services	263,949,324	11,283,703	494,146	44,124	274,783,005
Environmental Services	3,962,294	0	0		3,962,294
Health Services	10,140,862	722,629	130,284	(173,435)	10,559,772
Social and Family Services	61,424,632	1,310,657	323,906	(640,071)	61,771,312
Social Housing	69,749,449	1,046,372	187,145	(594,512)	70,014,164
Recreation and Cultural Services	22,743,467	666,699	686,508	(37,016)	22,686,642
Planning and Development	58,273	61,410	0	0	119,683
Work In Progress	697,188	297,576	0	0	994,764
TOTAL COST	454,808,774	16,124,116	2,066,463	(1,421,006)	467,445,421
ACCUMULATED AMORTIZATION					
General Government	5,998,299	689,535	240,135	(77,674)	6,370,025
Protection Services	462	84	0	0	546
Transportation Services	131,195,040	8,697,990	418,848	(46,292)	139,427,890
Environmental Services	3,762,394	16,156	0	4	3,778,554
Health Services	4,465,698	764,396	110,694	(324,636)	4,794,764
Social and Family Services	30,658,366	1,946,616	185,845	(519,480)	31,899,657
Social Housing	26,095,977	2,188,746	81,066	(1,094,023)	27,109,634
Recreation and Cultural Services	10,203,430	1,360,321	686,020	(67,416)	10,810,315
Planning and Development	40,761	7,181	0	(4)	47,938
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	212,420,427	15,671,025	1,722,608	(2,129,521)	224,239,323
NET BOOK VALUE					
General Government	16,083,724	45,535	4,339	57,578	16,182,498
Protection Services	800	(84)	0	0	716
Transportation Services	132,754,284	2,585,713	75,298	90,416	135,355,115
Environmental Services	199,900	(16,156)	0	(4)	183,740
Health Services	5,675,164	(41,767)	19,590	151,201	5,765,008
Social and Family Services	30,766,266	(635,959)	138,061	(120,591)	29,871,655
Social Housing	43,653,472	(1,142,374)	106,079	499,511	42,904,530
Recreation and Cultural Services	12,540,037	(693,622)	488	30,400	11,876,327
Planning and Development	17,512	54,229	0	4	71,745
Work In Progress	697,188	297,576	0	0	994,764
NET BOOK VALUE - 2015	242,388,347	453,091	343,855	708,515	243,206,098

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015
Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
COST					
Land	38,125,234	0	0	0	38,125,234
Bridges	27,681,359	602,506	736,775	2,971	27,550,061
Buildings	133,192,169	1,841,358	10,998	(1,094,926)	133,927,603
Building Contents	13,556,143	818,468	751,024	253	13,623,840
Building Site Elements	7,975,364	246,794	23,712	(3,098)	8,195,348
Fleet	6,997,815	682,013	1,047,551	93,044	6,725,321
Information Technology	2,729,103	355,285	177,825	0	2,906,563
Leasehold Improvements	2,496,681	0	0	0	2,496,681
Machinery and Equipment	8,316,649	505,138	261,126	(101,506)	8,459,155
Medical and Emergency Equipment	2,701,806	718,175	538,577	0	2,881,404
Roads	200,196,714	6,189,501	8,076	93,787	206,471,926
Signage and Illuminations	2,733,670	54,304	39,524	0	2,748,450
Work In Progress	371,924	325,264	0	0	697,188
TOTAL COST	447,074,631	12,338,806	3,595,188	(1,009,475)	454,808,774
ACCUMULATED AMORTIZATION					
Land	0	0	0	0	0
Bridges	11,683,903	410,430	412,587	137	11,681,883
Buildings	60,713,931	4,337,546	5,008	282,180	65,328,649
Building Contents	6,166,263	1,046,987	727,415	4,188	6,490,023
Building Site Elements	4,318,238	295,343	23,712	(3,423)	4,586,446
Fleet	4,102,182	716,900	1,047,551	81,056	3,852,587
Information Technology	1,478,466	467,229	177,825	(14)	1,767,856
Leasehold Improvements	1,054,307	72,449	0	0	1,126,756
Machinery and Equipment	3,516,712	472,359	259,490	(60,953)	3,668,628
Medical and Emergency Equipment	1,836,728	263,357	538,549	(40)	1,561,496
Roads	103,159,861	7,331,684	7,779	19,891	110,503,657
Signage and Illuminations	1,786,304	105,774	39,524	(108)	1,852,446
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	199,816,895	15,520,058	3,239,440	322,914	212,420,427
NET BOOK VALUE					
Land	38,125,234	0	0	0	38,125,234
Bridges	15,997,456	192,076	324,188	2,834	15,868,178
Buildings	72,478,238	(2,496,188)	5,990	(1,377,106)	68,598,954
Building Contents	7,389,880	(228,519)	23,609	(3,935)	7,133,817
Building Site Elements	3,657,126	(48,549)	0	325	3,608,902
Fleet	2,895,633	(34,887)	0	11,988	2,872,734
Information Technology	1,250,637	(111,944)	0	14	1,138,707
Leasehold Improvements	1,442,374	(72,449)	0	0	1,369,925
Machinery and Equipment	4,799,937	32,779	1,636	(40,553)	4,790,527
Medical and Emergency Equipment	865,078	454,818	28	40	1,319,908
Roads	97,036,853	(1,142,183)	297	73,896	95,968,269
Signage and Illuminations	947,366	(51,470)	0	108	896,004
Work In Progress	371,924	325,264	0	0	697,188
NET BOOK VALUE - 2014	247,257,736	(3,181,252)	355,748	(1,332,389)	242,388,347

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
COST					
General Government	21,309,767	1,147,665	200,337	(175,072)	22,082,023
Protection Services	1,262	0	0	0	1,262
Transportation Services	257,496,102	7,484,275	1,119,349	88,296	263,949,324
Environmental Services	3,943,902	23,973	0	(5,581)	3,962,294
Health Services	10,341,309	1,082,479	1,264,100	(18,826)	10,140,862
Social and Family Services	61,264,173	518,982	215,611	(142,912)	61,424,632
Social Housing	69,451,812	1,008,143	25,065	(685,441)	69,749,449
Recreation and Cultural Services	22,836,107	748,025	770,726	(69,939)	22,743,467
Planning and Development	58,273	0	0	0	58,273
Work In Progress	371,924	325,264	0	0	697,188
TOTAL COST	447,074,631	12,338,806	3,595,188	(1,009,475)	454,808,774
ACCUMULATED AMORTIZATION					
General Government	5,652,771	623,274	200,337	(77,409)	5,998,299
Protection Services	378	84	0	0	462
Transportation Services	123,437,492	8,512,348	794,864	40,064	131,195,040
Environmental Services	3,752,171	15,628	0	(5,405)	3,762,394
Health Services	4,805,788	749,571	1,251,398	161,737	4,465,698
Social and Family Services	28,725,471	1,994,874	212,456	150,477	30,658,366
Social Housing	23,759,353	2,253,958	9,659	92,325	26,095,977
Recreation and Cultural Services	9,648,411	1,364,614	770,726	(38,869)	10,203,430
Planning and Development	35,060	5,707	0	(6)	40,761
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	199,816,895	15,520,058	3,239,440	322,914	212,420,427
NET BOOK VALUE					
General Government	15,656,996	524,391	0	(97,663)	16,083,724
Protection Services	884	(84)	0	0	800
Transportation Services	134,058,610	(1,028,073)	324,485	48,232	132,754,284
Environmental Services	191,731	8,345	0	(176)	199,900
Health Services	5,535,521	332,908	12,702	(180,563)	5,675,164
Social and Family Services	32,538,702	(1,475,892)	3,155	(293,389)	30,766,266
Social Housing	45,692,459	(1,245,815)	15,406	(777,766)	43,653,472
Recreation and Cultural Services	13,187,696	(616,589)	0	(31,070)	12,540,037
Planning and Development	23,213	(5,707)	0	6	17,512
Work In Progress	371,924	325,264	0	0	697,188
NET BOOK VALUE - 2014	247,257,736	(3,181,252)	355,748	(1,332,389)	242,388,347

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2015
Schedule 2

	2015 ACTUAL \$	2014 ACTUAL \$
RESERVES (Schedule 3)	25,632,328	25,279,314
RESERVE FUNDS (Schedule 4)	8,119,720	7,621,653
Total Reserves and Reserve Funds	<u>33,752,048</u>	<u>32,900,967</u>
SURPLUSES		
Invested in Tangible Capital Assets	243,206,098	242,388,347
Invested in Community Development Corporation	(8,007,685)	(2,602,755)
General Revenue Fund	(634,715)	(1,920,733)
Unfunded		
Long Term Debt	(20,840,352)	(21,032,513)
Landfill Closure and Post Closure Costs	(4,220,705)	(4,483,644)
Employment Benefits Payable	(2,045,331)	(1,989,239)
Accrued Tax Liabilities	(2,199,428)	(2,547,628)
Total Surpluses	<u>205,257,882</u>	<u>207,811,835</u>
ACCUMULATED SURPLUS	<u><u>239,009,930</u></u>	<u><u>240,712,802</u></u>

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CONTINUITY OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015
Schedule 3

	2015 BUDGET \$	2015 ACTUAL \$	2014 ACTUAL \$
BALANCE, beginning of the year	25,279,314	25,279,314	22,099,105
REVENUE CONTRIBUTIONS			
From Operations	4,239,339	12,572,693	11,134,107
TRANSFERS			
To Operations	2,906,565	2,812,661	2,446,572
To Capital Acquisitions	3,648,984	9,407,018	5,507,326
Total Transfers	6,555,549	12,219,679	7,953,898
BALANCE, end of the year	22,963,104	25,632,328	25,279,314
REPRESENTED BY:			
Reserve for Sick Leave	39,743	33,672	39,744
Reserve for Working Funds	1,261,948	1,293,604	1,028,383
Reserve for Future Operations	21,661,413	24,305,052	24,211,187
	22,963,104	25,632,328	25,279,314

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CONTINUITY OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
Schedule 4

	2015 BUDGET \$	2015 ACTUAL \$	2014 ACTUAL \$
BALANCE, beginning of the year	7,621,653	7,621,653	7,156,790
REVENUE CONTRIBUTIONS			
Interest Income	0	83,476	77,522
From Operations	1,839,948	2,024,566	1,952,424
	1,839,948	2,108,042	2,029,946
TRANSFERS			
To Operations	1,969,094	1,371,865	1,548,488
To Capital Acquisitions	0	238,110	16,595
Total Transfers	1,969,094	1,609,975	1,565,083
BALANCE, end of the year	7,492,507	8,119,720	7,621,653
REPRESENTED BY:			
Capital Reserve Fund	5,605,987	5,724,118	5,583,363
Lambton Heritage Museum Reserve Fund	205,674	197,528	201,184
Oil Museum Reserve Fund	65,924	71,180	63,324
Gallery Lambton Reserve Fund	33,319	97,919	113,619
R.T. Bradley Reserve Fund	10,887	11,003	10,887
Waste Management Reserve Fund	964,914	1,354,784	1,207,014
Senior Services Reserve Fund	167,659	220,364	4,119
Social Housing Reserve Fund	438,143	442,824	438,143
	7,492,507	8,119,720	7,621,653

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2015
Schedule 5

	General Gov't & Administration \$	Court Administration \$	Protective Services \$	Public Works \$	Environmental Services \$	Public Health \$	Emergency Medical Services \$
REVENUE							
Taxation	14,654,885	(141,822)	178,492	11,554,135	1,940,150	3,685,660	7,048,658
Government Transfers	13,943	463,130	0	3,871,065	0	8,630,798	7,511,428
User Charges & Other	752,979	3,653,989	700,697	2,264,583	1,115,149	485,492	76,147
Gain/Loss from TCA Disposal	(4,339)	0	0	(75,298)	0	(232)	(19,358)
	<u>15,417,468</u>	<u>3,975,297</u>	<u>879,189</u>	<u>17,614,485</u>	<u>3,055,299</u>	<u>12,801,718</u>	<u>14,616,875</u>
EXPENDITURES							
Salaries, Wages & Employee Benefits	5,596,625	455,480	695,704	2,359,861	263,351	8,438,064	12,800,107
Interest on Long Term Debt	26,217	0	0	53,843	0	0	11,943
Goods and Services	5,344,867	1,483,018	122,209	6,335,300	2,374,882	2,190,127	1,321,711
Contributions to Other Organizations	20,302	1,480,000	0	0	0	1,542,000	0
Amortization	611,861	0	84	8,651,698	16,160	(113,390)	574,099
	<u>11,599,872</u>	<u>3,418,498</u>	<u>817,997</u>	<u>17,400,702</u>	<u>2,654,393</u>	<u>12,056,801</u>	<u>14,707,860</u>
ANNUAL SURPLUS (DEFICIT) 2015	3,817,596	556,799	61,192	213,783	400,906	744,917	(90,985)

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2015
Schedule 5

	General Assistance \$	Assistance to Aged \$	Child Care \$	Housing \$	Library \$	Culture \$	Planning & Development \$	Total \$
REVENUE								
Taxation	6,267,538	5,246,846	1,080,024	5,370,734	6,057,126	2,900,009	3,669,672	69,512,107
Government Transfers	31,065,714	16,915,965	13,502,191	2,009,776	334,228	185,810	16,320	84,520,368
User Charges & Other	1,914,164	7,780,117	79,792	3,805,413	133,851	279,934	(5,082,738)	17,959,569
Gain/Loss from TCA Disposal	(1,698)	(136,363)	0	(106,079)	0	(488)	0	(343,855)
	<u>39,245,718</u>	<u>29,806,565</u>	<u>14,662,007</u>	<u>11,079,844</u>	<u>6,525,205</u>	<u>3,365,265</u>	<u>(1,396,746)</u>	<u>171,648,189</u>
EXPENDITURES								
Salaries, Wages & Employee Benefits	7,016,367	22,906,374	1,092,252	2,007,385	4,562,397	1,516,322	1,061,062	70,771,351
Interest on Long Term Debt	0	373,023	0	136,017	248	109,651	0	710,942
Goods and Services	7,036,861	5,388,211	14,067,398	8,646,002	1,054,313	1,361,397	413,637	57,139,933
Contributions to Other Organizations	25,306,658	16,666	125,000	0	200	2,696,505	31,187,331	31,187,331
Amortization	136,987	1,116,085	153,115	1,094,723	685,956	606,949	7,177	13,541,504
	<u>39,496,873</u>	<u>29,800,359</u>	<u>15,437,765</u>	<u>11,884,127</u>	<u>6,302,914</u>	<u>3,594,519</u>	<u>4,178,381</u>	<u>173,351,061</u>
ANNUAL SURPLUS (DEFICIT) 2015	(251,155)	6,206	(775,758)	(804,283)	222,291	(229,254)	(5,575,127)	(1,702,872)

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2015
Schedule 5

	General Gov't & Administration \$	Court Administration \$	Protective Services \$	Public Works \$	Environmental Services \$	Public Health \$	Emergency Medical Services \$
REVENUE							
Taxation	11,281,708	(448,004)	178,492	11,124,270	1,933,368	3,321,550	6,928,546
Government Transfers	37,851	341,188	0	3,716,734	0	5,853,944	7,149,032
User Charges & Other	773,054	2,714,424	684,194	2,506,021	1,193,663	779,213	217,408
Gain/Loss from TCA Disposal	0	0	0	(324,485)	0	(12,711)	9
	<u>12,092,613</u>	<u>2,607,608</u>	<u>862,686</u>	<u>17,022,540</u>	<u>3,127,031</u>	<u>9,941,996</u>	<u>14,294,995</u>
EXPENDITURES							
Salaries, Wages & Employee Benefits	5,532,839	422,680	666,180	2,421,777	264,634	6,258,224	12,556,911
Interest on Long Term Debt	18,912	0	0	41,951	0	1,984	14,473
Goods and Services	4,903,714	1,214,554	173,458	7,113,763	2,275,429	1,895,342	1,404,092
Contributions to Other Organizations	2,000	1,506,716	0	0	0	1,500,000	0
Amortization	545,865	0	84	8,552,412	10,223	358,542	559,740
	<u>11,003,330</u>	<u>3,143,950</u>	<u>839,722</u>	<u>18,129,903</u>	<u>2,550,286</u>	<u>10,014,092</u>	<u>14,535,216</u>
ANNUAL SURPLUS (DEFICIT) 2014	1,089,283	(536,342)	22,964	(1,107,363)	576,745	(72,096)	(240,221)

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2015
Schedule 5

	General Assistance \$	Assistance to Aged \$	Child Care \$	Housing \$	Library \$	Culture \$	Planning & Development \$	Total \$
REVENUE								
Taxation	7,003,125	5,577,794	1,642,918	4,968,561	5,895,408	2,716,440	3,579,241	65,703,417
Government Transfers	29,682,787	16,858,663	15,208,871	1,960,663	318,152	104,442	13,855	81,246,182
User Charges & Other	1,800,450	7,881,214	2,605,127	3,616,152	166,623	239,060	(1,930,960)	23,245,643
Gain/Loss from TCA Disposal	0	(3,155)	0	(15,406)	0	0	0	(355,748)
	<u>38,486,362</u>	<u>30,314,516</u>	<u>19,456,916</u>	<u>10,529,970</u>	<u>6,380,183</u>	<u>3,059,942</u>	<u>1,662,136</u>	<u>169,839,494</u>
EXPENDITURES								
Salaries, Wages & Employee Benefits	7,003,775	22,591,630	5,468,916	1,899,918	4,545,957	1,597,952	1,043,116	72,274,509
Interest on Long Term Debt	0	500,763	0	146,838	420	121,601	0	846,942
Goods and Services	5,918,859	4,699,724	14,667,403	8,200,823	1,009,545	936,382	820,124	55,233,212
Contributions to Other Organizations	24,580,618	16,667	125,000	0	0	200	2,459,632	30,190,833
Amortization	138,862	1,817,176	182,339	2,346,283	705,985	619,760	5,701	15,842,972
	<u>37,642,114</u>	<u>29,625,960</u>	<u>20,443,658</u>	<u>12,593,862</u>	<u>6,261,907</u>	<u>3,275,895</u>	<u>4,328,573</u>	<u>174,388,468</u>
ANNUAL SURPLUS (DEFICIT) 2014	844,248	688,556	(986,742)	(2,063,892)	118,276	(215,953)	(2,666,437)	(4,548,974)