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**THE CORPORATION OF THE COUNTY OF LAMBTON**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**THE CORPORATION OF THE COUNTY OF LAMBTON  
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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Tel: (519)336-9900  
Fax: (519)332-4828  
[www.bdo.ca](http://www.bdo.ca)

BDO Canada LLP  
Kenwick Place, 250 Christina Street North  
P O Box 730  
Sarnia, Ontario N7T 7J7

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## Independent Auditor's Report

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

### Opinion

We have audited the consolidated financial statements of the Corporation of the County of Lambton (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of operations, the consolidated statement of change in net financial assets (debt) and the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2018, and its consolidated results of operations, its consolidated change in net assets (debt), and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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



## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Sarnia, Ontario  
June 19, 2019

**THE CORPORATION OF THE COUNTY OF LAMBTON  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018**

	<b>2018 ACTUAL \$</b>	<b>2017 ACTUAL \$</b>
<b><u>FINANCIAL ASSETS</u></b>		
Cash and Temporary Investments (Note 4)	49,402,918	43,941,509
Accounts Receivable	4,816,155	5,599,078
Due from Community Development Corporation	0	100
Amounts Recoverable on Long Term Debt (Note 8)	2,150,061	2,500,000
Debenture Receivable (Note 24)	0	4,939,954
Investment in Bioindustrial Innovation Canada (Note 25)	500,000	0
Investment in Community Development Corporation (Note 5)	0	(9,784,446)
<b>TOTAL FINANCIAL ASSETS</b>	<b>56,869,134</b>	<b>47,196,195</b>
<b><u>LIABILITIES</u></b>		
Accounts Payable and Accrued Liabilities	19,825,494	15,584,728
Deferred Grant (Note 7)	622,731	622,731
Long Term Debt (Note 8)	37,840,208	21,096,282
Landfill Closure and Post Closure Costs (Note 11)	2,925,242	3,721,906
Employment Benefits Payable (Note 2)	2,257,510	2,250,928
Accrued Tax Liabilities (Note 19)	718,828	1,177,140
<b>TOTAL LIABILITIES</b>	<b>64,190,013</b>	<b>44,453,715</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>(7,320,879)</b>	<b>2,742,480</b>
<b><u>NON-FINANCIAL ASSETS</u></b>		
Tangible Capital Assets - net (Schedule 1)	273,494,415	243,866,812
Inventories	510,177	391,830
Prepaid Expenses	3,742,709	2,803,733
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>277,747,301</b>	<b>247,062,375</b>
<b>ACCUMULATED SURPLUS</b> (Schedule 2)	<b>270,426,422</b>	<b>249,804,855</b>
<b>CONTINGENT LIABILITIES</b> (Note 20)		
<b>COMMITMENTS</b> (Note 21)		

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

**THE CORPORATION OF THE COUNTY OF LAMBTON  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018 BUDGET</b>	<b>2018 ACTUAL</b>	<b>2017 ACTUAL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>			
Taxation (Note 19)	75,774,781	76,826,007	72,919,598
Federal Government Transfers	4,688,207	4,270,022	4,186,008
Provincial Government Transfers	98,228,140	100,122,908	91,285,445
Other Municipalities	971,141	1,087,665	1,081,430
User Charges	24,628,982	26,578,234	21,576,071
Investment Income	300,000	896,267	495,372
Donations	95,540	214,226	603,436
Other	0	245,105	154,289
Loss on Disposal of Tangible Capital Assets	0	(179,930)	(215,228)
Community Development Corporation Share of Loss	0	0	(846,240)
	<u>204,686,791</u>	<u>210,060,504</u>	<u>191,240,181</u>
<b>EXPENSES</b>			
General Government	13,184,844	13,038,285	13,092,936
Protection Services	4,272,841	4,229,345	4,209,125
Transportation Services	17,713,662	18,944,767	18,037,739
Environmental Services	2,576,440	1,591,163	2,371,925
Health Services	26,556,435	26,991,010	25,271,051
Social and Family Services	98,036,555	99,537,175	90,274,880
Social Housing	14,929,089	16,197,021	17,719,430
Recreation and Cultural Services	10,906,695	10,530,821	10,149,310
Planning and Development	8,661,861	9,267,330	3,953,523
	<u>196,838,422</u>	<u>200,326,917</u>	<u>185,079,919</u>
<b>ANNUAL SURPLUS</b>	7,848,369	9,733,587	6,160,262
<b>ACCUMULATED SURPLUS, beginning of the year</b>	249,804,855	249,804,855	243,644,593
<b>ACCUMULATED SURPLUS, CDC beginning of the year</b>	0	1,103,534	0
<b>REVERSAL OF INVESTMENT IN CDC</b>	0	9,784,446	0
	<u>257,653,224</u>	<u>270,426,422</u>	<u>249,804,855</u>

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

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018 BUDGET \$</b>	<b>2018 ACTUAL \$</b>	<b>2017 ACTUAL \$</b>
<b>ANNUAL SURPLUS</b>	7,848,369	9,733,587	6,160,262
Amortization of Tangible Capital Assets	16,371,210	17,536,440	14,522,508
Prior Amortization of Tangible Capital Assets - CLCDC	1,152,000	9,864,676	0
Acquisition of Tangible Capital Assets	(22,468,710)	(22,990,718)	(14,594,181)
Acquisition of Tangible Capital Assets - CLCDC	0	(34,217,931)	0
Loss on Sale of Tangible Capital Assets	0	179,930	215,228
Change in Inventories	0	(118,347)	60,041
Change in Prepaid Expenses	0	88,323	(104,280)
Change in Prior Prepaid Expenses - CLCDC	0	(1,027,299)	0
<b>(INCREASE) / DECREASE IN NET FINANCIAL DEBT</b>	<b>2,902,869</b>	<b>(20,951,339)</b>	<b>6,259,578</b>
NET FINANCIAL ASSETS (DEBT), beginning of the year	2,742,480	2,742,480	(3,517,098)
REVERSAL OF INVESTMENT IN CLCDC	0	9,784,446	0
ACCUMULATED SURPLUS - CLCDC, beginning of the year	0	1,103,534	0
<b>NET FINANCIAL ASSETS (DEBT), end of the year</b>	<b>5,645,349</b>	<b>(7,320,879)</b>	<b>2,742,480</b>

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

**THE CORPORATION OF THE COUNTY OF LAMBTON  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018 ACTUAL \$</b>	<b>2017 ACTUAL \$</b>
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	9,733,587	6,160,262
Uses of Cash		
Increase in Accounts Receivable	0	(1,334,504)
Increase in Prepaid Expenses	(938,976)	(104,280)
Increase in Due from Community Development Corporation	0	(100)
Increase in Inventories	(118,347)	0
Decrease in Deferred Grant	0	(163,029)
Decrease in Landfill Closure and Post Closure Costs	(796,664)	(72,059)
Decrease in Employment Benefits Payable	0	(74,081)
Decrease in Accrued Tax Liabilities	(458,312)	0
	<u>(2,312,299)</u>	<u>(1,748,053)</u>
Sources of Cash		
Decrease in Accounts Receivable	782,923	0
Decrease in Due from Community Development Corporation	100	0
Increase in Accounts Payable and Accrued Liabilities	4,240,766	1,245,942
Increase in Employment Benefits Payable	6,582	0
Increase in Accrued Tax Liabilities	0	385,438
Decrease in Inventories	0	60,041
Decrease in Debenture Receivab;e	4,939,954	0
	<u>9,970,325</u>	<u>1,691,421</u>
Non-cash Charges to Operations		
Amortization	17,536,440	14,522,508
Prior Amortization of Tangible Capital Assets - CLCDC	9,864,676	0
Loss on Sale of Tangible Capital Assets	179,930	215,228
Accumulated Surplus - CLCDC, beginning of the year	1,103,534	0
	<u>28,684,580</u>	<u>14,737,736</u>
Cash Provided by Operations	<u>46,076,193</u>	<u>20,841,366</u>
<b>CAPITAL TRANSACTIONS</b>		
Tangible Capital Assets Assumed - CLCDC	(34,217,931)	0
Cash Used to Acquire Tangible Capital Assets	(22,990,718)	(14,594,181)
	<u>(57,208,649)</u>	<u>(14,594,181)</u>
<b>INVESTING TRANSACTIONS</b>		
Increase in Investment in Bioindustrial Innovation Canada	(500,000)	0
Decrease (Increase) of Investment in Community Development Corporation	(9,784,446)	846,240
Reversal of Investment in Community Development Corporation	9,784,446	0
	<u>(500,000)</u>	<u>846,240</u>
<b>FINANCING TRANSACTIONS</b>		
Amounts Recoverable on Long Term Debt	349,939	757,000
Long Term Debt Assumed - CLCDC	19,032,188	0
Long Term Debt Issued	2,806,535	6,401,480
Long Term Debt Principal Repayments	(5,094,797)	(7,079,908)
Opening CLCDC Bank Indebtedness	28,932	0
Net Increase in Cash from Financing Activities	<u>17,122,797</u>	<u>78,572</u>
INCREASE IN CASH	5,490,341	7,171,997
<b>CASH, beginning of the year</b>	43,941,509	36,769,512
<b>BANK INDEBTEDNESS, beginning of the year - CLCDC</b>	(28,932)	0
<b>CASH, end of the year</b>	<u>49,402,918</u>	<u>43,941,509</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 CONSOLIDATED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2018**

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**1. ACCOUNTING POLICIES**

The consolidated 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 consolidated 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 consolidated financial statements for 2017:

- 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".

(iii) The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations owned or controlled by the Municipality. The following entity has been consolidated for 2018:

- Community Development Corporation 100%

All inter-entity transactions and balances have been eliminated.

(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 Consolidated Change in Net Financial Assets (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, is amortized over their estimated useful lives as follows:

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**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2018**

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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 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 consolidated 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.

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**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2018**

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(vi) 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, 2018, the Municipality has not identified any instances that meet the criteria for a liability for contaminated sites.

(vii) Loan Guarantees

In 2017, the Municipality 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.

(viii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to operations as incurred.

**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2018**

**2. EMPLOYMENT BENEFITS PAYABLE**

Employment benefits payable are comprised of the following:

	2018	2017
	<u>\$</u>	<u>\$</u>
Liability for vacation credits	2,257,480	2,250,899
Liability for vested sick leave benefits	<u>30</u>	<u>29</u>
	<u>2,257,510</u>	<u>2,250,928</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, 2018 is \$2,257,480 (2017 - \$2,250,899).

**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 \$30 (2017 - \$29) at the end of the year. An amount of \$0 (2017 - \$5,412) 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 \$1,181 (2017 - \$25,616).

**3. TRUST FUNDS**

Trust funds administered by the Municipality amounting to \$73,917 (2017 - \$79,802) have not been included in the "Consolidated Statement of Financial Position", nor have their operations been included in the "Consolidated Statement of Operations".

**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2018**

**4. CASH AND TEMPORARY INVESTMENTS**

	2018	2017
	<u>\$</u>	<u>\$</u>
Cash on Hand and in Banks	49,313,258	43,853,116
Temporary Investments	<u>89,660</u>	<u>88,393</u>
	<u>49,402,918</u>	<u>43,941,509</u>

The Municipality's cash is held at a Canadian chartered bank and earns interest based on the monthly average prime rate less 1.65%.

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

The Corporation of the County of Lambton has a \$5,000,000 demand operating line available to it. Interest rate of prime less 1.0% is charged on money borrowed. As at December 31, 2018, The Corporation of the County of Lambton has not drawn anything on the operating line.

The County of Lambton Community Development Corporation has a revolving line of credit of \$2,000,000 with its banker that bears interest at the bank prime rate minus 0.50% per annum. As of April 30, 2018, the County of Lambton Community Development Corporation has an unused line of credit balance of \$229,510.

**5. INVESTMENT IN COMMUNITY DEVELOPMENT CORPORATION**

The following summarizes the financial position and operations of the government business enterprise which has been reported in these financial statements for 2017 using the modified equity method:

- The County of Lambton 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, 2017
	<u>\$</u>
Assets	<u>22,143,719</u>
Liabilities	31,928,165
Deficit	<u>(9,784,446)</u>
	<u>22,143,719</u>
Revenues	3,939,024
Expenditures	<u>4,785,264</u>
Net Expenditures	( 846,240)

During the 2018 year, it was determined that CLCDC no longer meets the definition of a Government Business Entity ("GBE").

**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2018**

Capital financing needs and continuing constraints on non-operational revenues caused County of Lambton management to review this business entity. County of Lambton management has concluded that given their involvement in CLCDC and the nature of the financial guarantee the County of Lambton has provided it, that this entity cannot currently be considered self-sufficient nor can it be expected to be so in the near future, even though the County of Lambton has not been required to provide any direct financial support during either this or the preceding fiscal year. Management also does not foresee that the County of Lambton will need to contribute funds to this entity in the coming year. Nonetheless, the CLCDC cannot function without the County of Lambton's financial guarantee and therefore the County has ceased to classify it as a GBE.

This means that the CLCDC is now classified as an Other Government Organization ("OGO"), and has become a governmental unit which is fully consolidated. This change in accounting treatment is applied prospectively. The CLCDC was consolidated using the modified equity basis of accounting in the comparative figures.

Upon conversion of the CLCDC to Canadian public sector accounting standards, there were adjustments to opening accumulated deficit in it totaling \$10,877,980.

	As Originally Stated	Change	Adjusted
Accumulated Surplus, Beginning of the Year	\$249,804,855	\$10,887,980	\$260,692,835

**6. COUNTY OF LAMBTON COMMUNITY DEVELOPMENT CORPORATION CONSOLIDATION**

The following summarizes the financial position and operations of CLCDC prepared in accordance with IFRS. CLCDC has been converted to Canadian public sector accounting standards and has been consolidated in these financial statements.

	<b>April 30, 2018</b>
	<u>\$</u>
<b><u>Statement of Financial Position</u></b>	
Assets	21,797,102
Liabilities	<u>32,566,896</u>
Deficit	(10,769,794)
<b><u>Statement of Operations</u></b>	
Revenues	3,906,114
Expenses	<u>4,891,462</u>
Deficiency of revenue over expenses	( 985,348)

CLCDC is included in these consolidated financial statements using the financial information of CLCDC prepared as of April 30, 2018, covering the period May 1, 2017 - April 30, 2018.

**7. DEFERRED GRANT**

The balance of \$622,731 represents the monies received in 2006 for the Best Start Program and is unspent at December 31, 2018.

**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2018**

**8. LONG-TERM DEBT**

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

Total long-term debt incurred by the Municipality, including those incurred on behalf of others, and outstanding at the end of the year:

	2018	2017
	\$	\$
Long-Term Care	5,982,107	7,453,473
Roads	4,516,819	3,737,330
Emergency Medical Services	739,867	914,501
County Administration Building	336,991	538,992
Information Technology	250,108	315,577
Housing	2,627,262	2,800,235
Library	0	687
Lambton Heritage Museum	135,662	181,672
Alix Art Gallery	2,021,794	2,208,556
Inn of the Good Shepherd	414,443	445,259
Bioindustrial Innovation Centre - non recoverable	469,301	0
Bioindustrial Innovation Centre - recoverable	2,150,061	2,500,000
CLCDC	<u>18,195,793</u>	<u>0</u>
	37,840,208	21,096,282
Long-term debt assumed by others	<u>20,345,854</u>	<u>2,500,000</u>
Net long-term debt at the end of the year	<u>17,494,354</u>	<u>18,596,282</u>

- (b) Of the long-term debt reported in (a) of this note, \$22,729,096 in principal payments are payable from 2019 to 2023 \$6,268,157 from 2024 to 2028, and \$8,842,955 thereafter and are summarized as follows:

	Years 2019 2023	Years 2024 2028	Years 2029 Thereafter	Total
	\$	\$	\$	\$
from general municipal revenue	16,048,243	1,096,203	349,908	17,494,354
from others	<u>6,680,853</u>	<u>5,171,954</u>	<u>8,493,047</u>	<u>20,345,854</u>
	<u>22,729,096</u>	<u>6,268,157</u>	<u>8,842,955</u>	<u>37,840,208</u>

The assumed CLCDC long-term debt is due on demand and is structured with fixed repayment terms which will retire the debt over an agreed period of time.

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**THE CORPORATION OF THE COUNTY OF LAMBTON**  
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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, 2019 has been authorized at \$18,979,198. Actual annual repayment of principal and interest in 2018 was \$5,887,920 (2017 - \$4,348,515). Interest rates on long term debt vary between 2.25% and 3.48%.

**9. PENSION AGREEMENTS**

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 936 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 500,000 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, 2018. The results of the valuation disclosed total actuarial liabilities of \$99,100 million in respect of benefits accrued for service with actuarial assets at that date of \$94,900 million indicating an actuarial deficit of \$4,200 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 2018 was \$5,156,338 (2017 - \$4,903,494) for current service and is included as an expenditure on the Consolidated Statement of Operations. The OMERS Board rate was 9.0% to 14.6% depending on income level for 2018 (2017 – 9.0% to 14.6% depending on income level).

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

**10. SARNIA-LAMBTON ECONOMIC PARTNERSHIP ASSOCIATION**

The Sarnia-Lambton Economic Partnership Association (SLEP) is an independent body charged with the responsibility for managing economic development within the County of Lambton. It is jointly funded by the Municipality, local Municipalities, the private sector and senior levels of government. The Municipality provided \$1,344,341 (2017 - \$1,107,187) in operating funds during 2018. SLEP has not been consolidated.



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**11. LIABILITY FOR LANDFILL CLOSURE AND POST CLOSURE COSTS**

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

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

The total projected closure and post closure costs at December 31, 2018 are \$7,815,244.

The estimated liability of \$2,925,242 (2017 - \$3,721,906) 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 is approximately 142,184 cubic metres, which will be filled in 12 years. Post-closure care is estimated to continue for a period of at least 25 years.

The Municipality has established a reserve fund in order to fund this future liability. The fund is currently valued at \$1,453,392.

**12. EXPENDITURE BY OBJECT**

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

	2018	2017
	\$	\$
Salaries, wages and employee benefits	79,346,764	73,699,816
Materials	55,300,069	53,204,714
Contracted services	9,514,906	7,057,175
Rents and financial expenses	3,834,668	3,502,969
Interest on long-term debt	1,143,062	525,607
Contributions to other organizations	33,651,008	32,567,130
Amortization	<u>17,536,440</u>	<u>14,522,508</u>
	<u>200,326,917</u>	<u>185,079,919</u>

**13. SEGMENTED INFORMATION**

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

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

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

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**THE CORPORATION OF THE COUNTY OF LAMBTON  
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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 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.

Community Development Corporation - A university styled research and development park, located in Sarnia, Ontario.

**THE CORPORATION OF THE COUNTY OF LAMBTON  
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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 consolidated financial statements as disclosed in Note 1.

**14. SOCIAL SERVICE CONTRACTS**

The Corporation of the County of Lambton has Service Contracts with the Ministry of Education (EDU) and the Ministry of Children, Community and Social Services (MCSS). A reconciliation report summarizes by detail code where applicable, all revenue and expenditures and resulting surplus or deficit related to the Service Contracts. The surplus amount is 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 Expenses that are included in the Consolidated Statement of Operations.

Detail Code Program Name	2018 Subsidy Received \$	2018 Subsidy Earned \$	(Surplus)/ Deficit \$
<b>EDU</b>			
<u>Operating Allocations</u>			
Core Services Delivery - 100%	3,553,240	3,553,240	-
Core Services Delivery - Cost Shared Requirement 80/20	3,872,736	3,872,736	-
Core Services Delivery - Cost Shared Requirement 50/50 Administration	227,092	227,092	-
Special Purpose Operating Allocation	4,621,955	4,621,955	-
Capital Retrofits	-	-	-
	12,275,023	12,275,023	-
<u>Wage Enhancement</u>			
Wage Enhancement	1,651,301	1,426,033	(225,268)
Wage Enhancement Administration	79,696	79,696	-
	1,730,997	1,505,729	(225,268)
Fee Stabilization Support	429,681	429,681	-
Expansion Plan Year 1	1,569,773	1,569,773	-
Operating Funding for Expansion Plan Capital Spaces	234,218	234,218	-
ELCC	785,434	706,891	(78,543)
Base Funding for Licensed Home Child Care (LHCC)	72,450	72,450	-
Total Child Care Allocation	17,097,576	16,793,765	(303,811)
<u>The Journey Together</u>			
Home Child Care Agency	559,226	1,609	(557,617)
Indigenous Hub	352,880	352,880	-
	912,106	354,489	(557,617)
Ontario Early Years Child Care and Family Centres	2,298,173	2,298,173	-
Community-Base Early Years and Child Care Capital	983,400	-	(983,400)
Total Contract	21,291,255	19,446,427	(1,844,828)

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Detail Code Program Name	2018 Subsidy Received \$	2018 Subsidy Earned \$	(Surplus)/ Deficit \$
<b>MCSS</b>			
<u>Program Delivery</u>			
8693 Ontario Works Upload Funding	2,426,800	2,426,800	-
8648 Ontario Works 50/50 Funding	4,265,172	4,251,194	(13,978)
8668 LEAP Incentives	1,500	1,500	-
9285 Admin Time Limited Projects	68,894	65,890	(3,004)
Total Contract	<u>6,762,366</u>	<u>6,745,384</u>	<u>(16,982)</u>

15. **MINISTER OF CITIZENSHIP AND IMMIGRATION**

The Corporation of the County of Lambton has a Transfer Payment Agreement with the Minister of Citizenship and Immigration. The Ontario Municipal Innovation Fund provided funding for the Anti-Racism Arts Project. The goal of the project was to engage Lambton County residents in challenging racism. This was completed through a series of community events such as multimedia art workshops for those who have experienced racism and discrimination, an Anti-Racism Arts Challenge, community engagement and awareness and a community wide campaign supported by a committee of concerned citizens and professionals. The project was completed in March 2019.

The summary for the Anti-Racism Arts Project below illustrates revenue and expenditures to December 31, 2018 and resulting surplus or deficit related to the Transfer Payment Agreement to that date. The surplus amount is 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 subsidy received (revenue) and subsidy earned (expenditure) to December 31 comprise part of Provincial Government Transfers Revenue and Social and Family Services Expenses that are included in the Consolidated Statement of Operations.

Program Name	2018 Subsidy Received \$	2018 Subsidy Earned \$	(Surplus)/ Deficit \$
<b>Municipal Innovation Fund (2017-2018)</b>			
<b>County of Lambton (Case #: 2017-06-1-585821851)</b>			
Anti-Racism Arts Project (October 1, 2017 - December 31, 2018)	<u>29,250</u>	<u>24,770</u>	<u>(4,480)</u>

Subsequent to December 31, 2018, final payment for the project was received. Final full revenue and expenditure for the project at March 31, 2019 are reflected below.

Program Name	2018-19 Subsidy Received \$	2018-19 Subsidy Earned \$	(Surplus)/ Deficit \$
<b>Municipal Innovation Fund (2017-2018)</b>			
<b>County of Lambton (Case #: 2017-06-1-585821851)</b>			
Anti-Racism Arts Project (January 1, 2019 - March 31, 2019)	<u>44,612</u>	<u>44,612</u>	<u>-</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON  
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**16. 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.

	<b>2018 Mandatory &amp; Related</b>	<b>2018 Excluded Programs</b>	<b>2018 Total Public Health Unit</b>
<b>Total Public Health Unit Operating Costs:</b>	10,078,935	1,176,765	11,255,700
<b>Total Public Health Unit Amortization Expense:</b>	171,866	20,066	191,932
<b>Total Public Health Unit TCA Expenditures:</b>	55,837	-	55,837

**PUBLIC HEALTH GRANTS**

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

**A. Base Funding**

	<b>2018 Subsidy Approved \$</b>	<b>2018 Subsidy Earned \$</b>	<b>2018 Subsidy Received \$</b>	<b>(Payable)/ Receivable \$</b>
<b>PHD and HPD Programs Funded at 75%</b>				
Mandatory Programs	5,356,900	5,356,900	5,356,900	-
<b>Total</b>	<u>5,356,900</u>	<u>5,356,900</u>	<u>5,356,900</u>	<u>-</u>
<b>Related Programs Funded at 75% (PHD)</b>				
Small Drinking Water Systems	10,000	9,557	10,000	(443)
Vector-Borne Diseases	175,200	174,015	174,015	-
<b>Total</b>	<u>185,200</u>	<u>183,572</u>	<u>184,015</u>	<u>(443)</u>
<b>Related Programs Funded at 100% (PHD)</b>				
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	-
Harm Reduction Program Enhancement	150,000	148,898	148,898	-
Healthy Smiles Ontario	633,800	573,462	573,462	-
Infection Prevention and Control Nurses	90,100	90,100	90,100	-
Infectious Diseases Control	166,700	166,551	166,700	(149)
Needle Exchange Program Initiative	46,300	46,300	46,300	-
Social Determinants of Health Nurses	180,500	180,500	180,500	-
<b>Total</b>	<u>1,429,400</u>	<u>1,367,811</u>	<u>1,367,960</u>	<u>(149)</u>
<b>Related Programs Funded at 100% (HPD)</b>				
SFO-OTS Prosecution	12,800	4,060	4,061	(1)
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	10,400	10,400	10,400	-
<b>Total</b>	<u>365,100</u>	<u>356,360</u>	<u>356,361</u>	<u>(1)</u>

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**MOH/AMOH Compensation**

MOH/AMOH Compensation		149,000	141,607	141,607	-
	Total	<u>149,000</u>	<u>141,607</u>	<u>141,607</u>	<u>-</u>
<b>Sub-Total A. Base Funding</b>		<u>7,485,600</u>	<u>7,406,250</u>	<u>7,406,843</u>	<u>(593)</u>
<b>B. 2018 One-Time Funding Approved to December 31, 2018</b>		<b>2018 Subsidy Approved \$</b>	<b>2018 Subsidy Earned \$</b>	<b>2018 Subsidy Received \$</b>	<b>(Payable)/ Receivable \$</b>
	Sub-Total B. 2018 One-Time Funding Approved to Dec. 31, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>C. 2017 One-Time Funding Approved to March 31, 2018</b>		<b>Subsidy Carried Forward \$</b>	<b>Subsidy Earned \$</b>	<b>Further Subsidy Received \$</b>	<b>(Payable)/ Receivable \$</b>
<b>Related Programs Funded at 100% (PHD)</b>					
Healthy Menu Choices Act - Enforcement		2,496	2,496	-	-
Needle Exchange Program Initiative		19,668	19,668	-	-
Panorama (2017/18)		<u>74,000</u>	<u>74,000</u>	<u>-</u>	<u>-</u>
	Total	<u>96,164</u>	<u>96,164</u>	<u>-</u>	<u>-</u>
<b>Related Programs Funded at 100% (HPD)</b>					
SFO Expanded Smoking Cessation Programming		<u>2,214</u>	<u>2,214</u>	<u>-</u>	<u>-</u>
	Total	<u>2,214</u>	<u>2,214</u>	<u>-</u>	<u>-</u>
<b>Capital Building Sustainability Funded @ 100% (HCI)</b>					
Building Sustainability and Repairs		<u>11,800</u>	<u>11,151</u>	<u>-</u>	<u>(649)</u>
	Total	<u>11,800</u>	<u>11,151</u>	<u>-</u>	<u>(649)</u>
<b>Sub-Total C. 2017 One-Time Funding Approved to Mar. 31, 2018</b>		<u>110,178</u>	<u>109,529</u>	<u>-</u>	<u>(649)</u>
<b>Total Subsidy Receivable/(Payable)</b>					<u><u>(1,242)</u></u>

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**D. 2018 One-Time Funding Approved to March 31, 2019**

	<b>2018 Subsidy Approved \$</b>	<b>2018 Subsidy Earned \$</b>	<b>2018 Subsidy Received \$</b>	<b>Subsidy to Carryover \$</b>
<b>Related Programs Funded at 100% (PHD)</b>				
Healthy Menu Choices Act - Enforcement	9,000	-	9,000	(9,000)
Needle Exchange Program Initiative	26,700	7,313	26,700	(19,387)
Public Health Inspector Practicum Program	10,000	10,000	10,000	-
<b>Total</b>	<u>45,700</u>	<u>17,313</u>	<u>45,700</u>	<u>(28,387)</u>

**Total One-Time Subsidy Receivable/(Carryover)** (28,387)

**Vaccine Program**

	<b>2018 Subsidy Earned \$</b>	<b>2018 Subsidy Received \$</b>	<b>(Payable)/ Receivable \$</b>
Universal Influenza Immunization Program	8,365	8,365	-
Meningococcal C Conjugate Vaccine	10,370	10,370	-
Human Papilloma Virus Program	12,580	12,580	-
	<u>31,315</u>	<u>31,315</u>	<u>-</u>

**Total Vaccine Program Receivable/(Payable)** -

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

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

**THE CORPORATION OF THE COUNTY OF LAMBTON  
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**17. LAMBTON PUBLIC HEALTH - COMMUNITY PROJECT**

The Municipality has a Transfer Payment Agreement with the Ministry of Health and Long-Term Care - Public Health Division's Healthy Communities Fund. The Health and Well-Being Grant Program (HWB), under the focus of Community Development, provides funding for Lambton Public Health to create an integrated community care model, linking health and social sectors in Lambton County to support seniors who are aging in place. This project aims to improve information access for older adults, their families and caregivers; increase capacity for community outreach services and develop a sustainability plan for community supports and health services.

The summary for the Health and Well-Being Grant Project below illustrates the expenditures over the first year of the two year period ending on March 31, 2020 and the funding related to the Transfer Payment Agreement to date, namely March 31, 2019.

The presentation below was prepared in accordance with the modified accrual basis of accounting, which includes short term accruals of revenues and expenditures and does not recognize non-cash transactions such as amortization. The subsidy received (revenue) and subsidy earned (expenditure) to December 31 comprises part of Provincial Government Transfers Revenue and Health Services that are included in the Consolidated Statement of Operations for the relevant year.

**Health and Well-Being Grant Program - MOHLTC Healthy Communities Fund**

	<b>2018-19 Budget</b>	<b>April to December 2018 Expenditures</b>	<b>January to March 2019 Expenditures</b>	<b>Total Expenditures</b>
Salaries & Wages	165,400	94,000	71,400	165,400
Contract Employees	80,000	28,843	51,157	80,000
Fees for Services	244,010	80,811	163,199	244,010
Transportation & Communication Services	2,440	165	2,275	2,440
Supplies	2,700	-	2,700	2,700
	1,150	127	1,023	1,150
Total	495,700	203,946	291,754	495,700
MOHLTC - Funding	495,700	371,772	123,928	495,700

**18. LIBRARY GOVERNMENT TRANSFERS**

Government Transfers recorded as 2018 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 Improving Library Digital Services	45,197
Service Ontario Grant	385
Canadian Council of Archives - Young Canada Works	13,787
Government of Canada - Canada Summer Jobs	<u>13,440</u>
	<u>\$ 356,757</u>



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**THE CORPORATION OF THE COUNTY OF LAMBTON  
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**19. ACCRUED TAX LIABILITIES**

Taxation Revenue - General Levy	\$ 74,810,512
Taxation Revenue - Supplementary Tax Levy	946,907
Payment in Lieu Taxation Revenue	1,414,424
Tax Write-Offs	(804,148)
Accrued Tax Liability	<u>458,312</u>
 Total Property Taxation	 <u>\$ 76,826,007</u>

Reconciliation of Assessment Appeal Provision and Accrued Tax Liability

Estimate of Expected Appeals	\$ 923,765
Estimate of Expected Supplementary Taxes	(401,825)
Other Adjustments	<u>196,888</u>

Potential Future Tax Liability \$ 718,828

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.

**20. CONTINGENT LIABILITIES**

The Municipality is a defendant in various legal actions. The ultimate outcomes are indeterminable at December 31, 2018 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 consolidated financial statements.

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**THE CORPORATION OF THE COUNTY OF LAMBTON  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2018**

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**21. 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 2018 amounted to \$98,359.

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 January 1, 2010 and ending December 31, 2019.

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 June 1, 2010 and ending May 31, 2020.

The Municipality has entered into an agreement with the Town of Petrolia for the maintenance of County roads within the Town over a five year period commencing September 1, 2015 and ending August 31, 2020.

The Municipality's lease agreement to rent office, storage and terrace premises expired in May 2017 but has continued under the same terms on a month to month basis. The Municipality is currently in negotiations to formalize a new lease with the intention of continuing to rent space at the same location. 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.

The Municipality has approved the provision of a \$1,050,000 grant to the Strathroy Middlesex General Hospital over a ten year period commencing in 2018 and ending 2027. The Municipality will pay \$105,000 each year to the hospital.

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

The preparation of consolidated 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 consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS  
AS AT DECEMBER 31, 2018**

**23. BUDGET FIGURES**

The Financial Plan (budget) adopted by the County of Lambton Council on March 22, 2018, 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 Consolidated Statement of Operations and Consolidated Statement of Changes in Net Financial Debt represent the budget adopted by Council with adjustments as follows:

	<b>2018</b>
	<b>\$</b>
Financial Plan (budget) surplus for the year - County	0
Add:	
Capital Expenditures	22,468,710
Principal Payments	4,053,981
Less:	
Amortization	15,171,210
Long Term Financing	2,157,200
Net Reserve and Reserve Fund Transfers	440,295
Budget Surplus for the County of Lambton	8,753,986
Less:	
Community Development Corporation budget deficit for the year	905,617
Budget Surplus per Consolidated Statement of Operation	7,848,369

**24. DEBENTURE RECEIVABLE**

In 2017, 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%.

**25. INVESTMENT IN BIOINDUSTRIAL INNOVATION CANADA**

In 2018, the Municipality entered into an agreement with the Bioindustrial Innovation Centre (BIC). The intent of this agreement was to assist the BIC in leveraging funding from the Federal Government for the purpose of investing emerging bioindustrial enterprises.

The Municipality has invested \$500,000 directly into the BIC's investment portfolio, assuming an indirect equity position in three bioindustrial enterprises located in Lambton County. The value of these investments varies with the financial performance of the three enterprises. There is no guarantee as to what value, if any, will be realized from these investments when the Municipality moves to redeem them.

**THE CORPORATION OF THE COUNTY OF LAMBTON  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Schedule 1**

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
<b>COST</b>					
Land	37,730,966	1,313,940	0	0	39,044,906
Bridges	32,290,088	319,093	0	58,367	32,667,548
Buildings	137,493,756	38,736,356	105,259	(655,257)	175,469,596
Building Contents	13,476,051	1,885,523	1,132,617	0	14,228,957
Building Site Elements	9,129,378	758,136	86,910	(9,126)	9,791,478
Fleet	8,010,822	823,738	1,247,613	460	7,587,407
Information Technology	3,026,801	683,955	934,400	51,360	2,827,716
Leasehold Improvements	2,599,892	9,108	0	0	2,609,000
Machinery and Equipment	8,158,960	493,287	103,319	0	8,548,928
Medical and Emergency Equipment	3,002,336	321,598	139,097	0	3,184,837
Roads	232,083,687	10,646,701	139,244	1,136,665	243,727,809
Signage and Illuminations	2,884,979	31,343	22,534	0	2,893,788
Work In Progress	1,351,799	603,402	0	0	1,955,201
<b>TOTAL COST</b>	<b>491,239,515</b>	<b>56,626,180</b>	<b>3,910,993</b>	<b>582,469</b>	<b>544,537,171</b>
<b>ACCUMULATED AMORTIZATION</b>					
Land	0	0	0	0	0
Bridges	12,833,136	636,409	0	(4,966)	13,464,579
Buildings	72,204,407	14,492,758	54,536	(369,151)	86,273,478
Building Contents	7,299,418	1,966,831	1,060,820	20,242	8,225,671
Building Site Elements	5,033,975	350,935	73,590	(5,519)	5,305,801
Fleet	4,672,030	833,417	1,244,356	19	4,261,110
Information Technology	2,214,907	426,715	904,960	8,548	1,745,210
Leasehold Improvements	1,287,898	79,432	0	0	1,367,330
Machinery and Equipment	4,307,164	453,990	92,729	39	4,668,464
Medical and Emergency Equipment	1,899,656	248,690	138,294	(730)	2,009,322
Roads	133,469,189	7,890,183	139,244	280,155	141,500,283
Signage and Illuminations	2,150,923	93,121	22,534	(2)	2,221,508
Work In Progress	0	0	0	0	0
<b>ACCUMULATED AMORTIZATION</b>	<b>247,372,703</b>	<b>27,472,481</b>	<b>3,731,063</b>	<b>(71,365)</b>	<b>271,042,756</b>
<b>NET BOOK VALUE</b>					
Land	37,730,966	1,313,940	0	0	39,044,906
Bridges	19,456,952	(317,316)	0	63,333	19,202,969
Buildings	65,289,349	24,243,598	50,723	(286,106)	89,196,118
Building Contents	6,176,633	(81,308)	71,797	(20,242)	6,003,286
Building Site Elements	4,095,403	407,201	13,320	(3,607)	4,485,677
Fleet	3,338,792	(9,679)	3,257	441	3,326,297
Information Technology	811,894	257,240	29,440	42,812	1,082,506
Leasehold Improvements	1,311,994	(70,324)	0	0	1,241,670
Machinery and Equipment	3,851,796	39,297	10,590	(39)	3,880,464
Medical and Emergency Equipment	1,102,680	72,908	803	730	1,175,515
Roads	98,614,498	2,756,518	0	856,510	102,227,526
Signage and Illuminations	734,056	(61,778)	0	2	672,280
Work In Progress	1,351,799	603,402	0	0	1,955,201
<b>NET BOOK VALUE - 2018</b>	<b>243,866,812</b>	<b>29,153,699</b>	<b>179,930</b>	<b>653,834</b>	<b>273,494,415</b>

**THE CORPORATION OF THE COUNTY OF LAMBTON  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Schedule 1**

	<b>Balance, beginning of year \$</b>	<b>Additions \$</b>	<b>Disposals \$</b>	<b>Other- Donations, Writedowns \$</b>	<b>Balance, end of year \$</b>
<b>COST</b>					
General Government	22,731,711	2,279,284	973,407	50,669	24,088,257
Protection Services	1,262	0	0	0	1,262
Transportation Services	295,143,142	11,774,793	631,488	1,195,492	307,481,939
Environmental Services	3,997,937	1,877	0	0	3,999,814
Health Services	12,261,144	462,255	678,803	(11,218)	12,033,378
Social and Family Services	60,606,402	1,167,394	223,932	(103,931)	61,445,933
Social Housing	72,185,797	4,766,436	257,894	(548,264)	76,146,075
Recreation and Cultural Services	22,838,495	1,287,183	1,145,469	(279)	22,979,930
Planning and Development	121,826	34,283,556	0	0	34,405,382
Work In Progress	1,351,799	603,402	0	0	1,955,201
<b>TOTAL COST</b>	<b>491,239,515</b>	<b>56,626,180</b>	<b>3,910,993</b>	<b>582,469</b>	<b>544,537,171</b>
<b>ACCUMULATED AMORTIZATION</b>					
General Government	6,879,436	718,140	928,430	7,946	6,677,092
Protection Services	714	84	0	0	798
Transportation Services	156,267,276	9,286,862	622,394	275,200	165,206,944
Environmental Services	3,792,742	18,939	0	(4)	3,811,677
Health Services	5,756,282	881,938	665,176	(6,018)	5,967,026
Social and Family Services	33,732,928	1,812,785	221,450	(60,102)	35,264,161
Social Housing	29,015,106	2,519,786	157,182	(309,217)	31,068,493
Recreation and Cultural Services	11,864,347	1,190,511	1,136,431	20,836	11,939,263
Planning and Development	63,872	11,043,436	0	(6)	11,107,302
Work In Progress	0	0	0	0	0
<b>ACCUMULATED AMORTIZATION</b>	<b>247,372,703</b>	<b>27,472,481</b>	<b>3,731,063</b>	<b>(71,365)</b>	<b>271,042,756</b>
<b>NET BOOK VALUE</b>					
General Government	15,852,275	1,561,144	44,977	42,723	17,411,165
Protection Services	548	(84)	0	0	464
Transportation Services	138,875,866	2,487,931	9,094	920,292	142,274,995
Environmental Services	205,195	(17,062)	0	4	188,137
Health Services	6,504,862	(419,683)	13,627	(5,200)	6,066,352
Social and Family Services	26,873,474	(645,391)	2,482	(43,829)	26,181,772
Social Housing	43,170,691	2,246,650	100,712	(239,047)	45,077,582
Recreation and Cultural Services	10,974,148	96,672	9,038	(21,115)	11,040,667
Planning and Development	57,954	23,240,120	0	6	23,298,080
Work In Progress	1,351,799	603,402	0	0	1,955,201
<b>NET BOOK VALUE - 2018</b>	<b>243,866,812</b>	<b>29,153,699</b>	<b>179,930</b>	<b>653,834</b>	<b>273,494,415</b>

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**Schedule 1**

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
<b>COST</b>					
Land	37,430,966	0	0	300,000	37,730,966
Bridges	30,394,268	1,999,758	40,374	(63,564)	32,290,088
Buildings	135,632,418	4,627,777	99,465	(2,666,974)	137,493,756
Building Contents	13,321,138	932,289	777,376	0	13,476,051
Building Site Elements	8,547,658	709,500	115,039	(12,741)	9,129,378
Fleet	7,895,063	884,494	768,735	0	8,010,822
Information Technology	3,094,669	182,592	250,460	0	3,026,801
Leasehold Improvements	2,592,319	7,573	0	0	2,599,892
Machinery and Equipment	8,227,604	222,502	292,580	1,434	8,158,960
Medical and Emergency Equipment	3,109,198	154,435	261,297	0	3,002,336
Roads	225,101,559	6,502,301	0	479,827	232,083,687
Signage and Illuminations	2,856,835	38,447	10,303	0	2,884,979
Work In Progress	1,057,268	294,531	0	0	1,351,799
<b>TOTAL COST</b>	<b>479,260,963</b>	<b>16,556,199</b>	<b>2,615,629</b>	<b>(1,962,018)</b>	<b>491,239,515</b>
<b>ACCUMULATED AMORTIZATION</b>					
Land	0	0	0	0	0
Bridges	12,345,138	591,321	40,374	(62,949)	12,833,136
Buildings	69,608,832	4,251,314	38,617	(1,617,122)	72,204,407
Building Contents	7,037,196	1,005,660	749,445	6,007	7,299,418
Building Site Elements	4,804,965	333,744	87,012	(17,722)	5,033,975
Fleet	4,618,192	822,579	768,735	(6)	4,672,030
Information Technology	1,978,771	482,925	250,460	3,671	2,214,907
Leasehold Improvements	1,203,275	84,623	0	0	1,287,898
Machinery and Equipment	4,077,879	437,352	210,565	2,498	4,307,164
Medical and Emergency Equipment	1,891,874	253,171	244,890	(499)	1,899,656
Roads	125,637,560	7,782,167	0	49,462	133,469,189
Signage and Illuminations	2,046,914	114,384	10,303	(72)	2,150,923
Work In Progress	0	0	0	0	0
<b>ACCUMULATED AMORTIZATION</b>	<b>235,250,596</b>	<b>16,159,240</b>	<b>2,400,401</b>	<b>(1,636,732)</b>	<b>247,372,703</b>
<b>NET BOOK VALUE</b>					
Land	37,430,966	0	0	300,000	37,730,966
Bridges	18,049,130	1,408,437	0	(615)	19,456,952
Buildings	66,023,586	376,463	60,848	(1,049,852)	65,289,349
Building Contents	6,283,942	(73,371)	27,931	(6,007)	6,176,633
Building Site Elements	3,742,693	375,756	28,027	4,981	4,095,403
Fleet	3,276,871	61,915	0	6	3,338,792
Information Technology	1,115,898	(300,333)	0	(3,671)	811,894
Leasehold Improvements	1,389,044	(77,050)	0	0	1,311,994
Machinery and Equipment	4,149,725	(214,850)	82,015	(1,064)	3,851,796
Medical and Emergency Equipment	1,217,324	(98,736)	16,407	499	1,102,680
Roads	99,463,999	(1,279,866)	0	430,365	98,614,498
Signage and Illuminations	809,921	(75,937)	0	72	734,056
Work In Progress	1,057,268	294,531	0	0	1,351,799
<b>NET BOOK VALUE - 2017</b>	<b>244,010,367</b>	<b>396,959</b>	<b>215,228</b>	<b>(325,286)</b>	<b>243,866,812</b>

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**Schedule 1**

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
<b>COST</b>					
General Government	21,957,797	1,045,125	253,903	(17,308)	22,731,711
Protection Services	1,262	0	0	0	1,262
Transportation Services	286,272,347	9,167,028	682,572	386,339	295,143,142
Environmental Services	3,979,654	26,759	0	(8,476)	3,997,937
Health Services	11,849,656	235,933	267,533	443,088	12,261,144
Social and Family Services	60,361,856	653,934	350,610	(58,778)	60,606,402
Social Housing	70,923,253	4,323,655	356,531	(2,704,580)	72,185,797
Recreation and Cultural Services	22,736,044	809,234	704,480	(2,303)	22,838,495
Planning and Development	121,826	0	0	0	121,826
Work In Progress	1,057,268	294,531	0	0	1,351,799
<b>TOTAL COST</b>	<b>479,260,963</b>	<b>16,556,199</b>	<b>2,615,629</b>	<b>(1,962,018)</b>	<b>491,239,515</b>
<b>ACCUMULATED AMORTIZATION</b>					
General Government	6,433,258	717,479	253,014	(18,287)	6,879,436
Protection Services	630	84	0	0	714
Transportation Services	147,832,080	9,159,217	682,572	(41,449)	156,267,276
Environmental Services	3,782,605	18,417	0	(8,280)	3,792,742
Health Services	5,164,558	869,320	263,222	(14,374)	5,756,282
Social and Family Services	32,243,574	1,846,134	318,477	(38,303)	33,732,928
Social Housing	28,392,615	2,314,000	184,265	(1,507,244)	29,015,106
Recreation and Cultural Services	11,344,629	1,227,358	698,851	(8,789)	11,864,347
Planning and Development	56,647	7,231	0	(6)	63,872
Work In Progress	0	0	0	0	0
<b>ACCUMULATED AMORTIZATION</b>	<b>235,250,596</b>	<b>16,159,240</b>	<b>2,400,401</b>	<b>(1,636,732)</b>	<b>247,372,703</b>
<b>NET BOOK VALUE</b>					
General Government	15,524,539	327,646	889	979	15,852,275
Protection Services	632	(84)	0	0	548
Transportation Services	138,440,267	7,811	0	427,788	138,875,866
Environmental Services	197,049	8,342	0	(196)	205,195
Health Services	6,685,098	(633,387)	4,311	457,462	6,504,862
Social and Family Services	28,118,282	(1,192,200)	32,133	(20,475)	26,873,474
Social Housing	42,530,638	2,009,655	172,266	(1,197,336)	43,170,691
Recreation and Cultural Services	11,391,415	(418,124)	5,629	6,486	10,974,148
Planning and Development	65,179	(7,231)	0	6	57,954
Work In Progress	1,057,268	294,531	0	0	1,351,799
<b>NET BOOK VALUE - 2017</b>	<b>244,010,367</b>	<b>396,959</b>	<b>215,228</b>	<b>(325,286)</b>	<b>243,866,812</b>

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**Schedule 2**

	<b>2018 ACTUAL \$</b>	<b>2017 ACTUAL \$</b>
<b>RESERVES</b> (Schedule 3)	35,357,379	34,539,714
<b>RESERVE FUNDS</b> (Schedule 4)	9,212,881	8,669,449
Total Reserves and Reserve Funds	44,570,260	43,209,163
<b>SURPLUSES</b>		
Invested in Tangible Capital Assets	273,494,415	243,866,812
Invested in Community Development Corporation	0	(9,784,446)
Invested in Bioindustrial Innovation Canada	500,000	0
General Revenue Fund	(5,982,451)	(2,419,115)
Unfunded		
Long Term Debt	(17,494,354)	(18,596,282)
Long Term Debt - CLCDC	(18,195,793)	0
Landfill Closure and Post Closure Costs	(2,925,242)	(3,721,906)
Employment Benefits Payable	(2,257,510)	(2,250,928)
Accrued Tax Liabilities	(40,131)	(498,443)
Bank Indebtedness - CLCDC	(1,780,109)	0
Accounts Payable & Accrued Liabilities - CLCDC	(676,322)	0
Accounts Receivable - CLCDC	339,712	0
Prepaid Expenses - CLCDC	873,947	0
Total Surpluses	225,856,162	206,595,692
<b>ACCUMULATED SURPLUS</b>	<b>270,426,422</b>	<b>249,804,855</b>



**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**CONSOLIDATED SCHEDULE OF CONTINUITY OF RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**Schedule 3**

	<b>2018 BUDGET \$</b>	<b>2018 ACTUAL \$</b>	<b>2017 ACTUAL \$</b>
BALANCE, beginning of the year	34,539,714	34,539,714	29,309,760
REVENUE CONTRIBUTIONS			
From Operations	5,880,718	17,847,530	17,518,200
TRANSFERS			
To Operations	1,568,237	2,112,467	2,584,851
To Capital Acquisitions	4,764,900	14,917,398	9,703,395
Total Transfers	6,333,137	17,029,865	12,288,246
BALANCE, end of the year	34,087,295	35,357,379	34,539,714
REPRESENTED BY:			
Reserve for Sick Leave	25,616	1,181	25,616
Reserve for Working Funds	1,996,809	2,057,798	1,699,001
Reserve for Future Operations	32,064,870	33,298,400	32,815,097
	34,087,295	35,357,379	34,539,714

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**CONSOLIDATED SCHEDULE OF CONTINUITY OF RESERVE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**Schedule 4**

	<b>2018 BUDGET \$</b>	<b>2018 ACTUAL \$</b>	<b>2017 ACTUAL \$</b>
BALANCE, beginning of the year	8,669,449	8,669,449	8,112,414
<b>REVENUE CONTRIBUTIONS</b>			
Interest Income	0	192,198	123,248
From Operations	1,973,340	2,211,452	2,032,090
	<u>1,973,340</u>	<u>2,403,650</u>	<u>2,155,338</u>
<b>TRANSFERS</b>			
To Operations	1,646,716	1,440,214	1,433,420
To Capital Acquisitions	314,500	420,004	164,883
	<u>1,961,216</u>	<u>1,860,218</u>	<u>1,598,303</u>
BALANCE, end of the year	<u>8,681,573</u>	<u>9,212,881</u>	<u>8,669,449</u>
<b>REPRESENTED BY:</b>			
Capital Reserve Fund	5,547,575	5,575,522	5,566,988
Lambton Heritage Museum Reserve Fund	268,401	262,077	250,261
Oil Museum Reserve Fund	88,197	106,416	85,597
Gallery Lambton Reserve Fund	87,386	147,429	127,386
R.T. Bradley Reserve Fund	11,314	11,559	11,314
Waste Management Reserve Fund	1,015,221	1,453,392	1,331,463
Senior Services Reserve Fund	1,208,141	1,254,281	841,102
Social Housing Reserve Fund	455,338	402,205	455,338
	<u>8,681,573</u>	<u>9,212,881</u>	<u>8,669,449</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**CONSOLIDATED SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**Schedule 5**

	General Gov't & Administration \$	Court Administration \$	Protective Services \$	Public Works \$	Environmental Services \$	Public Health \$	Emergency Medical Services \$	General Assistance \$
<b>REVENUE</b>								
Taxation	18,137,763	(756,913)	178,492	11,548,505	2,103,063	2,145,174	7,910,930	4,245,515
Government Transfers	104,215	777,871	0	4,655,990	0	8,708,496	8,120,193	38,790,838
User Charges & Other	1,776,799	3,327,356	930,896	2,532,487	429,452	371,337	327,461	2,141,478
Gain/Loss from TCA Disposal	(47,169)	0	0	(9,094)	0	0	(13,627)	0
	19,971,608	3,348,314	1,109,388	18,727,888	2,532,515	11,225,007	16,344,957	45,177,831
<b>EXPENDITURES</b>								
Salaries, Wages & Employee Benefits	6,516,479	448,940	828,908	2,523,884	267,498	8,757,110	14,014,653	7,919,273
Interest on Long Term Debt	20,506	0	0	103,275	0	0	21,131	0
Goods and Services	4,941,881	1,300,418	205,029	6,755,545	1,304,730	1,765,615	1,440,802	9,127,476
Contributions to Other Organizations	833,333	1,445,966	0	0	0	105,000	0	28,403,010
Amortization	726,086	0	84	9,562,062	18,935	191,932	694,766	144,758
	13,038,285	3,195,324	1,034,021	18,944,766	1,591,163	10,819,657	16,171,352	45,594,517
<b>ANNUAL SURPLUS (DEFICIT) 2018</b>	6,933,323	152,990	75,367	(216,878)	941,352	405,350	173,605	(416,686)

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**CONSOLIDATED SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**Schedule 5**

	Assistance to Aged \$	Child Care \$	Housing \$	Library \$	Culture \$	Planning & Development \$	CLCDC \$	Total \$
<b>REVENUE</b>								
Taxation	7,285,625	1,051,267	9,003,574	6,656,978	2,991,561	4,324,473	0	76,826,007
Government Transfers	17,837,702	20,392,524	4,526,022	356,757	122,322	0	0	104,392,930
User Charges & Other	8,624,915	21,073	4,379,405	155,284	172,857	216,340	3,614,357	29,021,497
Gain/Loss from TCA Disposal	(2,482)	0	(100,712)	0	(6,846)	0	0	(179,930)
	<u>33,745,760</u>	<u>21,464,864</u>	<u>17,808,289</u>	<u>7,169,019</u>	<u>3,279,894</u>	<u>4,540,813</u>	<u>3,614,357</u>	<u>210,060,504</u>
<b>EXPENDITURES</b>								
Salaries, Wages & Employee Benefits	25,521,843	1,241,807	2,258,434	5,229,102	1,632,893	1,097,172	1,088,768	79,346,764
Interest on Long Term Debt	201,396	0	87,135	4	74,015	5,667	629,933	1,143,062
Goods and Services	4,968,061	20,412,405	11,640,883	1,250,461	1,132,800	404,957	1,998,580	68,649,643
Contributions to Other Organizations	0	0	0	0	200	2,863,499	0	33,651,008
Amortization	1,531,648	65,499	2,210,569	604,989	606,358	4,573	1,174,181	17,536,440
	<u>32,222,948</u>	<u>21,719,711</u>	<u>16,197,021</u>	<u>7,084,556</u>	<u>3,446,266</u>	<u>4,375,868</u>	<u>4,891,462</u>	<u>200,326,917</u>
<b>ANNUAL SURPLUS (DEFICIT) 2018</b>	1,522,812	(254,847)	1,611,268	84,463	(166,372)	164,945	(1,277,105)	9,733,587

**THE CORPORATION OF THE COUNTY OF LAMBTON**  
**SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**Schedule 5**

	General Gov't & Administration \$	Court Administration \$	Protective Services \$	Public Works \$	Environmental Services \$	Public Health \$	Emergency Medical Services \$
<b>REVENUE</b>							
Taxation	15,915,407	(583,121)	178,492	11,630,974	1,974,156	1,869,848	7,472,819
Government Transfers	5,468	664,003	0	4,339,062	0	8,452,394	7,859,702
User Charges & Other	1,382,285	3,352,445	885,461	2,145,695	466,961	324,498	363,797
Gain/Loss from TCA Disposal	(889)	0	0	0	0	(20,718)	0
	<u>17,302,271</u>	<u>3,433,327</u>	<u>1,063,953</u>	<u>18,115,731</u>	<u>2,441,117</u>	<u>10,626,022</u>	<u>15,696,318</u>
<b>EXPENDITURES</b>							
Salaries, Wages & Employee Benefits	6,065,373	413,504	720,041	2,463,005	259,185	7,921,711	13,377,738
Interest on Long Term Debt	26,219	0	0	76,056	0	0	16,649
Goods and Services	5,468,820	1,345,658	251,637	6,380,910	2,102,603	1,743,418	1,339,732
Contributions to Other Organizations	833,333	1,478,201	0	0	0	0	0
Amortization	699,192	0	84	9,117,768	10,137	183,293	688,509
	<u>13,092,937</u>	<u>3,237,363</u>	<u>971,762</u>	<u>18,037,739</u>	<u>2,371,925</u>	<u>9,848,422</u>	<u>15,422,628</u>
<b>ANNUAL SURPLUS (DEFICIT) 2017</b>	4,209,334	195,964	92,191	77,992	69,192	777,600	273,690

**THE CORPORATION OF THE COUNTY OF LAMBTON  
SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE  
FOR THE YEAR ENDED DECEMBER 31, 2018  
Schedule 5**

	General Assistance \$	Assistance to Aged \$	Child Care \$	Housing \$	Library \$	Culture \$	Planning & Development \$	Total \$
<b>REVENUE</b>								
Taxation	4,977,416	6,407,004	1,050,669	8,670,668	6,556,202	2,987,289	3,811,775	72,919,598
Government Transfers	36,046,418	17,262,328	14,763,424	5,474,922	413,389	190,343	0	95,471,453
User Charges & Other	2,072,575	8,294,064	0	3,981,376	339,197	185,079	(729,075)	23,064,358
Gain/Loss from TCA Disposal	0	(15,726)	0	(172,266)	0	(5,629)	0	(215,228)
	<u>43,096,409</u>	<u>31,947,670</u>	<u>15,814,093</u>	<u>17,954,700</u>	<u>7,308,788</u>	<u>3,357,082</u>	<u>3,082,700</u>	<u>191,240,181</u>
<b>EXPENDITURES</b>								
Salaries, Wages & Employee Benefits	7,293,544	24,306,753	1,070,428	2,142,819	4,956,845	1,599,482	1,109,388	73,699,816
Interest on Long Term Debt	0	223,809	0	97,801	72	85,001	0	525,607
Goods and Services	7,395,091	5,114,240	15,415,304	14,672,055	1,219,422	1,069,718	246,250	63,764,858
Contributions to Other Organizations	27,664,737	0	0	0	0	200	2,590,659	32,567,130
Amortization	148,959	1,573,813	68,203	806,756	629,282	589,287	7,225	14,522,508
	<u>42,502,331</u>	<u>31,218,615</u>	<u>16,553,935</u>	<u>17,719,431</u>	<u>6,805,621</u>	<u>3,343,688</u>	<u>3,953,522</u>	<u>185,079,919</u>
<b>ANNUAL SURPLUS (DEFICIT) 2017</b>	594,078	729,055	(739,842)	235,269	503,167	13,394	(870,822)	6,160,262