
THE CORPORATION OF THE COUNTY OF LAMBTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

**THE CORPORATION OF THE COUNTY OF LAMBTON
INDEX TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the Corporation of the County of Lambton, which comprise the statement of financial position as at December 31, 2010, and the statement of operations, statement of change in net financial debt and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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, 2010 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Sarnia, Ontario
September 6, 2011

THE CORPORATION OF THE COUNTY OF LAMBTON
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	2010	2009
	ACTUAL	ACTUAL
	\$	\$
<u>FINANCIAL ASSETS</u>		
Cash and Temporary Investments (Note 4)	28,021,266	23,993,016
Accounts Receivable	5,578,539	4,945,724
Due from Community Development Corporation	1,816,488	13,300,394
Amounts Recoverable on Long Term Debt (Note 8)	34,016,040	30,272,436
Investment in Community Development Corporation (Note 5)	3,041,733	3,443,142
TOTAL FINANCIAL ASSETS	72,474,066	75,954,712
<u>LIABILITIES</u>		
Bank Indebtedness (Note 6)	0	11,351,631
Accounts Payable and Accrued Liabilities	12,405,995	12,039,837
Deferred Grant (Note 7)	1,606,169	1,606,169
Interest on Debt	0	412,583
Long Term Debt (Note 8)	58,132,998	56,821,470
Landfill Closure and Post Closure Costs (Note 11)	5,871,718	5,826,113
Employment Benefits Payable (Note 2)	2,047,359	2,014,046
TOTAL LIABILITIES	80,064,239	90,071,849
NET FINANCIAL DEBT	(7,590,173)	(14,117,137)
<u>NON-FINANCIAL ASSETS</u>		
Tangible Capital Assets - net (Schedule 1)	236,286,311	225,883,246
Inventories	459,391	457,564
Prepaid Expenses	327,647	1,494,946
TOTAL NON-FINANCIAL ASSETS	237,073,349	227,835,756
ACCUMULATED SURPLUS (Schedule 2)	229,483,176	213,718,619

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, 2010

	2010 BUDGET \$	2010 ACTUAL \$	2009 ACTUAL \$
REVENUE			
Taxation	61,600,295	62,592,830	60,164,248
Federal Government Transfers	4,332,491	7,364,938	5,566,704
Provincial Government Transfers	65,001,869	72,091,817	64,605,403
Other Municipalities	780,437	2,025,193	721,221
User Charges	22,953,182	23,021,248	24,444,281
Investment Income	15,396	153,842	98,506
Donations	60,507	5,847,456	129,766
Other	5,500	170,236	2,869,392
Gain/Loss on Disposal of Tangible Capital Assets	0	(348,264)	(2,053,213)
Community Development Corporation Share of Income	0	(401,409)	(238,857)
	<u>154,749,677</u>	<u>172,517,887</u>	<u>156,307,451</u>
EXPENSES			
General Government	9,769,349	10,447,078	10,920,411
Protection Services	3,506,287	3,700,678	3,914,552
Transportation Services	15,003,324	15,418,894	20,580,572
Environmental Services	4,394,814	4,236,214	5,045,325
Health Services	20,345,443	20,397,177	19,947,381
Social and Family Services	78,054,042	79,922,493	77,242,990
Social Housing	11,332,299	11,775,026	11,872,705
Recreation and Cultural Services	7,339,210	7,429,110	6,923,632
Planning and Development	3,065,272	3,426,660	3,131,342
	<u>152,810,040</u>	<u>156,753,330</u>	<u>159,578,910</u>
ANNUAL SURPLUS (DEFICIT)	1,939,637	15,764,557	(3,271,459)
ACCUMULATED SURPLUS, beginning of the year	<u>213,718,619</u>	<u>213,718,619</u>	<u>216,990,078</u>
ACCUMULATED SURPLUS, end of the year	215,658,256	229,483,176	213,718,619

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, 2010

	2010 BUDGET \$	2010 ACTUAL \$	2009 ACTUAL \$
ANNUAL SURPLUS (DEFICIT)	1,939,637	15,764,557	(3,271,459)
Amortization of Tangible Capital Assets	13,157,528	13,463,722	12,977,992
Acquisition of Tangible Capital Assets	(13,274,808)	(24,215,051)	(17,953,920)
Loss (Gain) on Sale of Tangible Capital Assets	0	348,264	2,053,213
Transfer of Tangible Capital Assets	0	0	0
Change in Inventories	0	(1,827)	(24,948)
Change in Prepaid Expenses	0	1,167,299	382,536
(INCREASE)/DECREASE IN NET FINANCIAL DEBT	1,822,357	6,526,964	(5,836,586)
NET FINANCIAL DEBT, beginning of the year	(14,117,137)	(14,117,137)	(8,280,551)
NET FINANCIAL DEBT, end of the year	(12,294,780)	(7,590,173)	(14,117,137)

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, 2010

	2010 ACTUAL \$	2009 ACTUAL \$
OPERATING TRANSACTIONS		
Annual Surplus (Deficit)	15,764,557	(3,271,459)
Uses of Cash		
Increase in Accounts Receivable	(632,815)	(2,174,237)
Increase in Due from Community Development Corporation	0	(11,668,915)
Decrease in Bank Indebtedness	(11,351,631)	0
Decrease in Accounts Payable and Accrued Liabilities	0	(2,614,388)
Decrease in Employment Benefits Payable and Interest on Debt	(379,270)	0
Increase in Inventories	(1,827)	(24,948)
	<u>(12,365,543)</u>	<u>(16,482,488)</u>
Sources of Cash		
Decrease in Due from Community Development Corporation	11,483,906	0
Increase in Bank Indebtedness	0	11,351,631
Increase in Accounts Payable and Accrued Liabilities	366,158	0
Increase in Landfill Closure and Post Closure Costs	45,605	468,656
Increase in Employment Benefits Payable and Interest on Debt	0	556,397
Decrease in Prepaid Expenses	1,167,299	382,536
	<u>13,062,968</u>	<u>12,759,220</u>
Non-cash Charges to Operations		
Amortization	13,463,722	12,977,992
Loss on Sale of Tangible Capital Assets	348,264	2,053,213
	<u>13,811,986</u>	<u>15,031,205</u>
Cash Provided by Operations	<u>30,273,968</u>	<u>8,036,478</u>
CAPITAL TRANSACTIONS		
Cash Used to Acquire Tangible Capital Assets	<u>(24,215,051)</u>	<u>(17,953,920)</u>
INVESTING TRANSACTIONS		
Decrease in Investment in Community Development Corporation	<u>401,409</u>	<u>238,857</u>
FINANCING TRANSACTIONS		
Amounts Recoverable on Long Term Debt	(3,743,604)	3,331,502
Long Term Debt Issued	14,484,663	4,409,945
Long Term Debt Principal Repayments	(13,173,135)	(5,741,745)
Net Increase (Decrease) in Cash from Financing Activities	<u>(2,432,076)</u>	<u>1,999,702</u>
INCREASE (DECREASE) IN CASH	4,028,250	(7,678,883)
CASH, beginning of the year	<u>23,993,016</u>	<u>31,671,899</u>
CASH, end of the year	<u>28,021,266</u>	<u>23,993,016</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, 2010**

1. ACCOUNTING POLICIES

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

(a) Basis of Consolidation

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

- Community Development Corporation

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

(b) Basis of Accounting

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

(ii) The accrual basis of accounting recognizes revenues, as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Non-Financial Assets

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010**

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	Declining Balance
Building Contents	5 - 50 years	Straight Line
Building Site Elements	10 - 50 years	Straight Line
Fleet	6 - 10 years	Straight Line
Information Technology	3 - 10 years	Straight Line
Leasehold Improvements	10 - 40 years	Declining Balance
Machinery and Equipment	3 - 40 years	Straight Line
Medical and Emergency Equipment	2 - 20 years	Straight Line
Roads	15 - 50 years	Straight Line
Signage and Illuminations	10 - 20 years	Straight Line

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

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

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

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

b) **Inventories and Prepaid Expenses**

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

(iv) **Revenue Recognition**

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

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

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

Investment income is recorded as earned.

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

(v) **Temporary Investments**

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010**

2. EMPLOYMENT BENEFITS PAYABLE

Employment benefits payable are comprised of the following:

	2010	2009
	<u>\$</u>	<u>\$</u>
Liability for vacation credits	1,760,557	1,766,817
Liability for vested sick leave benefits	<u>286,802</u>	<u>247,229</u>
	<u>2,047,359</u>	<u>2,014,046</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, 2010 is \$1,760,557 (2009 - \$1,766,817).

Liability for Vested Sick Leave Benefits

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

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

To the extent that these accumulated days have vested and can be taken in cash by the employee, this liability amounted to \$286,802 (2009 - \$247,229) at the end of the year. An amount of \$12,628 (2009 - \$29,637) 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 \$285,663 (2009 - \$264,291).

3. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$179,278 (2009 - \$207,592) 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

	2010	2009
	<u>\$</u>	<u>\$</u>
Cash on Hand and in Banks	27,937,846	23,910,132
Temporary Investments	<u>83,420</u>	<u>82,884</u>
	<u>28,021,266</u>	<u>23,993,016</u>

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

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

The Municipality has a \$5,500,000 demand operating line available to it. Interest rate of prime less 1.0% is charged on money borrowed. As a December 31, 2010, 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, 2010**

5. GOVERNMENT BUSINESS ENTERPRISE

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

- Community Development Corporation

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

	12 Months April 30, 2010 <u> \$ </u>	5 Months April 30, 2009 <u> \$ </u>
Assets	<u>33,792,589</u>	<u>18,071,307</u>
Liabilities	30,750,856	14,628,165
Surplus	<u>3,041,733</u>	<u>3,443,142</u>
	<u>33,792,589</u>	<u>18,071,307</u>
Revenues	1,234,943	600,674
Expenditures	<u>1,636,352</u>	<u>839,531</u>
Net Expenditures	<u>(401,409)</u>	<u>(238,857)</u>

6. BANK INDEBTEDNESS

The County held a bankers acceptance on behalf of The Community Development Corporation which matured in 2010.

7. DEFERRED GRANT

The balance of \$1,606,169 represents monies received in 2006 for the Best Start Program and is still unspent at December 31, 2010.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010**

8. LONG TERM DEBT

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

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

	2010	2009
	<u>\$</u>	<u>\$</u>
Lambton Meadowview Villa	1,795,747	2,191,369
Roads	1,881,647	2,243,316
Homes Rebuild	17,056,068	18,527,746
Emergency Medical Services	761,890	881,377
Community Health Services	447,085	551,559
County Administration Building	86,950	107,658
Information Technology	1,093,424	913,279
Housing	282,019	292,226
Library	22,489	27,845
Lambton Heritage Museum	62,792	77,747
Inn of the Good Shepherd	626,847	648,256
Lambton Area Waterworks Supply System	18,375,000	20,301,000
City of Sarnia	0	7,654,000
County of Lambton - Community Development Corp.	15,641,040	2,317,436
Capital Leases	<u>0</u>	<u>86,656</u>
	58,132,998	56,821,470
Long term debt assumed by local (lower tier) Municipalities and others	<u>34,016,040</u>	<u>30,272,436</u>
Net long term debt at the end of the year	<u>24,116,958</u>	<u>26,549,034</u>

- (b) Of the long term debt reported in (a) of this note, \$40,196,533 in principal payments are payable from 2011 to 2015 \$14,438,011 from 2016 to 2020, and \$3,498,454 thereafter and are summarized as follows:

	Years 2011 2015	Years 2016 2020	Years 2021 Thereafter	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
from general municipal revenue	12,454,493	8,164,011	3,498,454	24,116,958
from local (lower tier) Municipalities	<u>27,742,040</u>	<u>6,274,000</u>	<u>0</u>	<u>34,016,040</u>
	<u>40,196,533</u>	<u>14,438,011</u>	<u>3,498,454</u>	<u>58,132,998</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010**

- (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, 2011 has been authorized at \$16,259,220. Actual annual repayment of principal and interest in 2010 was \$4,374,970 (2009 - \$3,677,058). Interest rates on long term debt vary between 2.95% and 4.80%.

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

9. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 829 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the plan assets and administration of the benefits. OMERS provides pension services to more than 400,000 active and retired members and approximately 931 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, 2010. The results of the valuation disclosed total actuarial liabilities of \$60,000 million in respect of benefits accrued for service with actuarial assets at that date of \$51,000 million indicating an actuarial deficit of \$9,000 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 2010 was \$2,862,386 (2009 - \$2,650,977) for current service and is included as an expenditure on the Statement of Operations. The OMERS Board rate was 6.4% to 9.7% depending on income level for 2010 (2009 - 6.3% to 9.5% depending on income level).

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

10. SARNIA-LAMBTON ECONOMIC PARTNERSHIP ASSOCIATION

The Sarnia-Lambton Economic Partnership Association (SLEP) is an independent body charged with the responsibility for managing economic development within the County of Lambton. It is jointly funded by the Municipality, local Municipalities, the private sector and senior levels of government. The Municipality provided \$1,000,000 (2009 - \$950,000) in operating funds during 2010. SLEP has not been consolidated.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010**

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, 2010 are \$8,592,170.

The estimated liability of \$5,871,718 (2009 - \$5,826,113) represents the sum of the discounted future cash flows for closure and post closure care activities discounted at the Municipality's current long term borrowing rate of 3.8%. The estimated remaining capacity of the Municipality's sites are approximately 236,372 cubic metres, which will be filled in 5 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 \$1,258,058.

12. EXPENDITURE BY OBJECT

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

	2010	2009
	\$	\$
Salaries, wages and employee benefits	60,564,767	57,654,556
Materials	42,977,101	47,659,316
Contracted services	5,524,018	7,268,097
Rents and financial expenses	3,191,889	3,425,339
Interest on long-term debt	1,492,893	1,266,815
Contributions to other organizations	29,538,940	29,326,795
Amortization	<u>13,463,722</u>	<u>12,977,992</u>
	<u>156,753,330</u>	<u>159,578,910</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, Clerks, 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, 2010**

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

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

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

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

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

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

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

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

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

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

Planning & Development - The Department prepares and maintains the County's Official Plan and provides consent, subdivision, municipal official plan and woodlot approvals. The Department also works closely with local Municipalities preparing official plan and zoning by-laws, and providing comprehensive, ongoing planning advisory services. The Community Development Corporation's deficit for the year of \$401,409 has been included in this segment.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010**

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

14. SOCIAL SERVICE CONTRACTS

The Municipality has a Service Contract with the Ministry of Community and Social Services (MCSS) and the Ministry of Children and Youth Services (MCYS). A reconciliation report summarizes, by detail code, all revenue and expenditures and identifies any resulting surplus or deficit that relates to the Service Contract. The surplus amounts are included in accounts payable and accrued liabilities.

Detail Code	Program Name	2010 Subsidy Received \$	2010 Subsidy Earned \$	(Surplus)/ Deficit \$
8770	Consolidated Homeless Prevention Program	106,105	106,105	-
8766	Domiciliary Hostels	164,175	160,178	(3,997)
8758	Energy Emergency Fund	21,780	21,780	-
A380	Child Care Administration	196,092	196,093	1
A371	Child Care Delivery Agent Fee Subsidy (DNA)	1,761,410	1,761,410	-
A375	Repairs and Maintenance	40,700	40,700	-
A376	Child Care Delivery Agent Special Needs Resourcing	657,507	656,129	(1,378)
A390	Child Care Delivery Agent Wage Subsidy Non-profit	1,091,814	1,091,814	-
A391	Child Care Delivery Agent Wage Subsidy Commercial	41,038	41,038	-
A393	Delivery Agents-Pay Equity Union Settlement	70,455	70,455	-
A400	Ontario Works Child Care Formal (Licensed)	342,900	354,832	11,932
A401	Ontario Works Child Care Informal	24,800	12,868	(11,932)
A425	ELCC Administration	31,000	31,000	-
A429	ELCC Fee Subsidy	484,500	484,500	-
A446	Wage Improvement Non-Profit	428,347	428,347	-
A644	Wage Improvement Commercial	10,353	10,353	-
A661	Best Start Operating	7,830,063	7,814,609	(15,454)
A663	ELCD 100% Child Care Fee Subsidy	231,125	231,125	-
A664	Extended Day Program	17,000	17,000	-
A386	Child Care Delivery Agent Resource Centres	98,087	98,086	(1)
A525	Early Child Development Planning	31,000	31,000	-
A526	Early Child Development Demo	383,822	383,822	-
		<u>14,064,073</u>	<u>14,043,244</u>	<u>(20,829)</u>
	Healthy Babies Healthy Children	848,593	848,593	-
	Best Start Demonstration Community Integration	<u>34,500</u>	<u>34,500</u>	-
		<u>883,093</u>	<u>883,093</u>	-
	Total	<u><u>14,947,166</u></u>	<u><u>14,926,337</u></u>	<u><u>(20,829)</u></u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010**

15. PUBLIC HEALTH GRANTS

The Municipality has signed the 2010 Grant Terms and Conditions offered by the Public Health Division, on behalf of the Ministry of Health and Long-Term Care and Ministry of Health Promotion under section 76 of the Health Protection and Promotion Act for the provision of public health programs and services. The 2010 settlement reports summarize by program, all revenue and expenditures and identifies any resulting surplus or deficit related to the grants. The surplus amounts are included in accounts payable and accrued liabilities.

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

Mandatory and Related Programs	2010 Subsidy Received \$	2010 Subsidy Earned \$	(Surplus)/ Deficit \$
Mandatory Programs (75%)	5,065,684	5,065,684	-
Infectious Diseases Control (100%)	132,436	132,436	-
Infection Prevention and Control Nurses (100%)	69,107	64,676	(4,431)
Small Drinking Water Systems (100%)	13,500	13,500	-
Vector-borne Diseases (75%)	168,553	168,553	-
Healthy Smiles Ontario (Operational) (100%)	46,685	39,680	(7,005)
H1N1 Immunization	34,597	34,697	100
	<u>5,530,562</u>	<u>5,519,226</u>	<u>(11,336)</u>
Total			

Ministry of Health Promotion

Programs	2010 Subsidy Received \$	2010 Subsidy Earned \$	(Surplus)/ Deficit \$
Smoke Free Ontario Strategy			
Protection and Enforcement	158,402	158,028	(374)
Youth Engagement Strategy	74,987	71,834	(3,153)
Other One-time Projects	8,769	8,025	(744)
Tobacco Control Coordination	87,958	83,943	(4,015)
	<u>330,116</u>	<u>321,830</u>	<u>(8,286)</u>
Ontario Heart Health	15,593	15,593	-
Children in Need Treatment Expansion (including Promotion)	31,504	22,577	(8,927)
	<u>377,213</u>	<u>360,000</u>	<u>(17,213)</u>
Total			

Included in Health Services on Schedule 1 for 2010 are assets relating to the Community Health Services Department (CHSD) with costs of \$2,068,742 accumulated amortization of \$1,325,425 and a net book value of \$743,317.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010**

16. 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 2010 amounted to \$164,143.

The Municipality has entered into an agreement with the Bluewater Health Foundation to provide a grant of \$15 million dollars to the Foundation over a ten year period commencing October 1, 2006 and ending October 1, 2015. The Municipality will pay the Foundation \$1.5 million on October 1 of each year the Foundation complies with the terms of the agreement. The Foundation must provide the County with a statement of account for each year that it receives the Annual Contribution no later than six months after the receipt of the contribution. The statement of account shall include details on capital expenditures made on the project with the proceeds of the grant to date, a statement that only capital expenditures are paid with the proceeds of the Grant, a signature by a person with signing authority for the Foundation and original receipts if requested by the County. At December 31, 2010 a total of \$7.5 million has been paid.

The Municipality is committed under a premise lease agreement for a ten year period ending April 14, 2011 with monthly payments of \$75,194.52.

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

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

The Municipality has committed to the construction of a new building and some renovation projects.

A new housing structure, providing 57 apartment units, has been contracted at a cost of \$9,489,900 and is expected to be completed in 2011. As of December 31, 2010, \$2,687,103 has been spent (2009 - \$46,954) and recorded as work in progress on the Statement of Financial Position.

Expansion and renovation of the Community Health Services Department facility has been contracted at a cost of \$1,418,437 and is expected to be completed in 2011. As of December 31, 2010, \$1,040,699 has been spent (2009 - \$133) and recorded as work in progress on the Statement of Financial Position.

Relocation of the Art Gallery to a newly renovated location has a design-build contract with a cost of \$5,880,000 and is expected to be completed in 2011. As of December 31, 2010, \$3,340,178 has been spent (2009 - \$66,129) and recorded as work in progress on the Statement of Financial Position.

17. CONTINGENT LIABILITIES

The Municipality is a defendant in various legal actions. The ultimate outcomes are indeterminable at December 31, 2010 as litigation is still in progress. The Municipality's management is of the opinion that the Municipality has adequate insurance coverage to offset the amount of the claims and related costs, if any. Consequently, no provision for potential loss, if any, is reflected in these financial statements.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2010**

18. USE OF ACCOUNTING ESTIMATES AND MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

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

19. BUDGET FIGURES

The approved operating budget for 2010 is reflected on the "Statement of Operations". These numbers have not been audited but are presented for information purposes only. The budgets established for capital funds, reserves and reserve funds are on a project-oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts and have not been reflected. Budget figures have been reclassified to comply with PSAB reporting requirements.

20. COMPARATIVE FIGURES

Certain information contained in the financial statements relating to 2009 have been restated to conform with the current method of presentation.

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 1

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 1

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

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010
Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
COST					
Land	37,323,784	173,659	52,010	0	37,445,433
Bridges	24,602,461	261,290	288,123	0	24,575,628
Buildings	113,515,468	2,239,134	4,664,328	0	111,090,274
Building Contents	11,561,441	907,580	591,351	3,938	11,881,608
Building Site Elements	5,552,527	584,967	0	0	6,137,494
Fleet	4,554,038	774,956	232,348	0	5,096,646
Information Technology	2,088,275	908,767	799,284	0	2,197,758
Leasehold Improvements	2,695,215	5,279	0	0	2,700,494
Machinery and Equipment	5,180,595	2,191,484	95,595	0	7,276,484
Medical and Emergency Equipment	2,204,653	235,781	7,206	5,415	2,438,643
Roads	151,383,646	7,875,638	0	0	159,259,284
Signage and Illuminations	2,175,017	170,161	0	0	2,345,178
Work In Progress	2,650,336	1,615,871	0	0	4,266,207
TOTAL COST	365,487,456	17,944,567	6,730,245	9,353	376,711,131
ACCUMULATED AMORTIZATION					
Land	0	0	0	0	0
Bridges	10,266,099	315,530	263,427	0	10,318,202
Buildings	44,618,017	3,497,297	2,749,134	0	45,366,180
Building Contents	4,853,146	942,700	583,156	104	5,212,794
Building Site Elements	3,209,327	183,581	0	0	3,392,908
Fleet	2,460,090	522,132	232,348	0	2,749,874
Information Technology	1,291,154	475,875	799,284	0	967,745
Leasehold Improvements	747,094	97,435	0	0	844,529
Machinery and Equipment	2,395,255	437,614	44,458	0	2,788,411
Medical and Emergency Equipment	918,660	241,107	5,225	184	1,154,726
Roads	70,405,064	6,168,239	0	0	76,573,303
Signage and Illuminations	1,363,019	96,194	0	0	1,459,213
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	142,526,925	12,977,704	4,677,032	288	150,827,885
NET BOOK VALUE					
Land	37,323,784	173,659	52,010	0	37,445,433
Bridges	14,336,362	(54,240)	24,696	0	14,257,426
Buildings	68,897,451	(1,258,163)	1,915,194	0	65,724,094
Building Contents	6,708,295	(35,120)	8,195	3,834	6,668,814
Building Site Elements	2,343,200	401,386	0	0	2,744,586
Fleet	2,093,948	252,824	0	0	2,346,772
Information Technology	797,121	432,892	0	0	1,230,013
Leasehold Improvements	1,948,121	(92,156)	0	0	1,855,965
Machinery and Equipment	2,785,340	1,753,870	51,137	0	4,488,073
Medical and Emergency Equipment	1,285,993	(5,326)	1,981	5,231	1,283,917
Roads	80,978,582	1,707,399	0	0	82,685,981
Signage and Illuminations	811,998	73,967	0	0	885,965
Work In Progress	2,650,336	1,615,871	0	0	4,266,207
NET BOOK VALUE - 2009	222,960,531	4,966,863	2,053,213	9,065	225,883,246

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Writedowns \$	Balance, end of year \$
COST					
General Government	36,870,682	1,109,017	799,284	0	37,180,415
Protection Services	0	1,262	0	0	1,262
Transportation Services	187,407,369	9,002,064	370,374	0	196,039,059
Environmental Services	3,942,820	0	0	0	3,942,820
Health Services	6,607,006	706,804	211,163	831	7,103,478
Social and Family Services	60,681,687	3,555,187	4,582,717	8,522	59,662,679
Social Housing	53,609,385	1,121,235	164,310	0	54,566,310
Recreation and Cultural Services	13,715,837	832,947	602,397	0	13,946,387
Planning and Development	2,334	180	0	0	2,514
Work In Progress	2,650,336	1,615,871	0	0	4,266,207
TOTAL COST	365,487,456	17,944,567	6,730,245	9,353	376,711,131
ACCUMULATED AMORTIZATION					
General Government	5,065,016	580,876	799,284	0	4,846,608
Protection Services	0	42	0	0	42
Transportation Services	87,134,549	7,210,074	304,551	0	94,040,072
Environmental Services	3,671,278	18,433	0	0	3,689,711
Health Services	2,600,932	523,492	211,163	69	2,913,330
Social and Family Services	21,678,376	2,199,135	2,722,524	219	21,155,206
Social Housing	14,262,776	1,586,325	37,113	0	15,811,988
Recreation and Cultural Services	8,113,297	859,165	602,397	0	8,370,065
Planning and Development	701	162	0	0	863
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	142,526,925	12,977,704	4,677,032	288	150,827,885
NET BOOK VALUE					
General Government	31,805,666	528,141	0	0	32,333,807
Protection Services	0	1,220	0	0	1,220
Transportation Services	100,272,820	1,791,990	65,823	0	101,998,987
Environmental Services	271,542	(18,433)	0	0	253,109
Health Services	4,006,074	183,312	0	762	4,190,148
Social and Family Services	39,003,311	1,356,052	1,860,193	8,303	38,507,473
Social Housing	39,346,609	(465,090)	127,197	0	38,754,322
Recreation and Cultural Services	5,602,540	(26,218)	0	0	5,576,322
Planning and Development	1,633	18	0	0	1,651
Work In Progress	2,650,336	1,615,871	0	0	4,266,207
NET BOOK VALUE - 2009	222,960,531	4,966,863	2,053,213	9,065	225,883,246

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2010
Schedule 2

	2010 ACTUAL \$	2009 ACTUAL \$
RESERVES (Schedule 3)	15,166,178	12,678,325
RESERVE FUNDS (Schedule 4)	6,477,085	6,738,418
Total Reserves and Reserve Funds	<u>21,643,263</u>	<u>19,416,743</u>
SURPLUSES		
Invested in Tangible Capital Assets	236,286,311	225,883,246
Invested in Community Development Corporation	3,041,733	3,443,142
General Revenue Fund	547,904	(222,736)
Unfunded		
Long Term Debt	(24,116,958)	(26,549,034)
Interest on Debt	0	(412,583)
Landfill Closure and Post Closure Costs	(5,871,718)	(5,826,113)
Employment Benefits Payable	(2,047,359)	(2,014,046)
Total Surpluses	<u>207,839,913</u>	<u>194,301,876</u>
ACCUMULATED SURPLUS	<u><u>229,483,176</u></u>	<u><u>213,718,619</u></u>

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CONTINUITY OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2010
Schedule 3

	2010 BUDGET \$	2010 ACTUAL \$	2009 ACTUAL \$
BALANCE, beginning of the year	12,678,325	12,678,325	16,016,454
REVENUE CONTRIBUTIONS			
From Operations	1,800,642	11,553,366	10,210,798
TRANSFERS			
To Operations	1,206,292	1,417,958	1,608,561
To Capital Acquisitions	1,042,850	7,647,555	11,940,366
Total Transfers	2,249,142	9,065,513	13,548,927
BALANCE, end of the year	12,229,825	15,166,178	12,678,325
REPRESENTED BY:			
Reserve for Sick Leave	264,291	285,663	264,291
Reserve for Working Funds	650,561	457,797	654,561
Reserve for Future Operations	11,314,973	14,422,718	11,759,473
	12,229,825	15,166,178	12,678,325

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CONTINUITY OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010
Schedule 4

	2010 BUDGET \$	2010 ACTUAL \$	2009 ACTUAL \$
BALANCE, beginning of the year	6,738,418	6,738,418	8,500,004
REVENUE CONTRIBUTIONS			
Interest Income	0	43,968	24,005
From Operations	2,061,322	2,127,991	1,690,814
	2,061,322	2,171,959	1,714,819
TRANSFERS			
To Operations	1,924,584	1,687,234	1,840,242
To Capital Acquisitions	250,000	746,058	1,636,163
Total Transfers	2,174,584	2,433,292	3,476,405
BALANCE, end of the year	6,625,156	6,477,085	6,738,418
REPRESENTED BY:			
Capital Reserve Fund	5,045,706	4,465,284	4,714,645
Lambton Heritage Museum Reserve Fund	219,734	240,365	225,494
Oil Museum Reserve Fund	18,103	31,195	19,103
Gallery Lambton Reserve Fund	7,546	6,899	6,546
R.T. Bradley Reserve Fund	10,780	10,844	10,980
Library Piano Reserve Fund	10,337	10,226	14,237
Waste Management Reserve Fund	861,337	1,258,058	1,295,800
Senior Services Reserve Fund	3,932	3,955	3,932
Social Housing Reserve Fund	447,681	450,259	447,681
	6,625,156	6,477,085	6,738,418

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT FUND SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 5

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

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT FUND SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 5

	General Assistance \$	Assistance to Aged \$	Child Care \$	Housing \$	Culture \$	Planning & Development \$	Total \$
REVENUE							
Taxation	11,152,777	4,572,020	1,523,538	3,679,597	6,223,860	2,798,955	62,592,830
Government Transfers	21,577,512	14,416,892	15,641,957	7,850,617	3,310,108	3,934	79,456,755
User Charges & Other	1,821,186	7,101,213	2,087,887	3,124,149	1,976,767	237,349	30,816,566
Gain/Loss from TCA Disposal		(14,075)	0	0	0	0	(348,264)
	34,551,475	26,076,050	19,253,382	14,654,363	11,510,735	3,040,238	172,517,887
EXPENDITURES							
Salaries, Wages & Employee Benefits	5,421,341	20,155,679	4,628,982	1,556,999	5,103,497	850,909	60,564,767
Interest on Long Term Debt	0	1,304,803	0	38,942	3,603	0	1,492,893
Goods and Services	3,679,806	3,302,469	14,409,816	8,561,432	1,457,912	656,530	51,693,008
Contributions to Other Organizations	24,801,915	0	0	0	200	1,881,325	29,538,940
Amortization	154,710	1,863,922	199,050	1,617,653	863,898	37,896	13,463,722
	34,057,772	26,626,873	19,237,848	11,775,026	7,429,110	3,426,660	156,753,330
ANNUAL SURPLUS (DEFICIT) 2010	493,703	(550,823)	15,534	2,879,337	4,081,625	(386,422)	15,764,557

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT FUND SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 5

	General Gov't & Administration \$	Court Administration \$	Protective Services \$	Public Works \$	Environmental Services \$	Public Health \$	Emergency Medical Services \$
REVENUE							
Taxation	8,605,367	(299,715)	207,084	10,622,732	1,871,551	2,707,038	5,624,996
Government Transfers	511,349	1,663	0	4,987,504	0	5,358,253	5,994,926
User Charges & Other	636,842	4,513,358	588,375	4,495,165	2,606,708	828,292	45,444
Gain/Loss from TCA Disposal	0	0	0	(65,823)	0	0	0
	9,753,558	4,215,306	795,459	20,039,578	4,478,259	8,893,583	11,665,366
EXPENDITURES							
Salaries, Wages & Employee Benefits	4,456,208	294,015	628,791	1,836,424	171,617	5,041,032	9,728,449
Interest on Long Term Debt	16,432	0	0	97,209	0	16,644	42,416
Goods and Services	5,812,895	1,616,566	109,638	11,436,865	4,855,275	2,165,567	889,712
Contributions to Other Organizations	54,000	1,265,500	0	0	0	1,540,000	0
Amortization	580,876	0	42	7,210,074	18,433	44,147	479,414
	10,920,411	3,176,081	738,471	20,580,572	5,045,325	8,807,390	11,139,991
ANNUAL SURPLUS (DEFICIT) 2009	(1,166,853)	1,039,225	56,988	(540,994)	(567,066)	86,193	525,375

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT FUND SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2010
Schedule 5**

	General Assistance \$	Assistance to Aged \$	Child Care \$	Housing \$	Culture \$	Planning & Development \$	Total \$
REVENUE							
Taxation	12,395,569	4,457,607	1,523,406	3,457,784	6,266,544	2,724,285	60,164,248
Government Transfers	18,653,615	14,161,927	15,439,800	4,489,402	571,388	2,280	70,172,107
User Charges & Other	1,745,394	7,129,439	1,790,090	3,240,746	410,670	(6,214)	28,024,309
Gain/Loss from TCA Disposal	0	(1,860,193)	0	(127,197)	0	0	(2,053,213)
	<u>32,794,578</u>	<u>23,888,780</u>	<u>18,753,296</u>	<u>11,060,735</u>	<u>7,248,602</u>	<u>2,720,351</u>	<u>156,307,451</u>
EXPENDITURES							
Salaries, Wages & Employee Benefits	4,795,133	19,278,335	4,238,121	1,412,652	4,927,494	846,285	57,654,556
Interest on Long Term Debt	0	1,082,246	0	7,476	4,392	0	1,266,815
Goods and Services	3,462,594	3,831,329	13,713,264	8,866,252	1,132,381	460,414	58,352,752
Contributions to Other Organizations	24,642,614	0	0	0	200	1,824,481	29,326,795
Amortization	157,220	1,916,701	125,433	1,586,325	859,165	162	12,977,992
	<u>33,057,561</u>	<u>26,108,611</u>	<u>18,076,818</u>	<u>11,872,705</u>	<u>6,923,632</u>	<u>3,131,342</u>	<u>159,578,910</u>
ANNUAL SURPLUS (DEFICIT) 2009	(262,983)	(2,219,831)	676,478	(811,970)	324,970	(410,991)	(3,271,459)

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