
THE CORPORATION OF THE COUNTY OF LAMBTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

THE CORPORATION OF THE COUNTY OF LAMBTON
INDEX TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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Auditors' Report

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

We have audited the consolidated statement of financial position of the The Corporation of the County of Lambton as at December 31, 2009 and the consolidated statements of operations, changes in net financial debt and cash flow for the year then ended. These financial statements are the responsibility of the Municipality's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the The Corporation of the County of Lambton as at December 31, 2009 and the results of its operations, changes in net financial debt and changes cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Sarnia, Ontario
October 15, 2010

THE CORPORATION OF THE COUNTY OF LAMBTON
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009

	2009 ACTUAL \$	2008 ACTUAL \$
<u>FINANCIAL ASSETS</u>		Restated (See Note 2)
Cash and Temporary Investments (Note 5)	23,993,016	31,671,899
Accounts Receivable	4,945,724	2,771,487
Due from Community Development Corporation	13,300,394	1,631,479
Investment in Community Development Corporation (Note 6)	3,443,142	3,681,999
TOTAL FINANCIAL ASSETS	45,682,276	39,756,864
<u>LIABILITIES</u>		
Bank Indebtedness (Note 7)	11,351,631	0
Accounts Payable and Accrued Liabilities	12,039,837	14,654,225
Deferred Grant (Note 8)	1,606,169	1,606,169
Interest on Debt	412,583	444,121
Long Term Debt (Note 9)	26,549,034	24,549,332
Landfill Closure and Post Closure Costs (Note 12)	5,826,113	5,269,716
Employment Benefits Payable (Note 3)	2,014,046	1,513,852
TOTAL LIABILITIES	59,799,413	48,037,415
NET FINANCIAL DEBT	(14,117,137)	(8,280,551)
<u>NON-FINANCIAL ASSETS</u>		
Tangible Capital Assets - net (Schedule 1)	225,883,246	222,960,531
Inventories	457,564	432,616
Prepaid Expenses	1,494,946	1,877,482
TOTAL NON-FINANCIAL ASSETS	227,835,756	225,270,629
ACCUMULATED SURPLUS (Schedule 2)	213,718,619	216,990,078

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, 2009**

	2009 BUDGET \$	2009 ACTUAL \$	2008 ACTUAL \$
REVENUE			Restated (See Note 2)
Taxation	60,174,468	60,164,248	59,379,607
Federal Government Transfers	4,850,225	5,566,704	2,062,406
Provincial Government Transfers	62,372,485	64,605,403	71,520,118
Other Municipalities	768,207	721,221	873,114
User Charges	26,076,722	27,775,783	27,546,856
Investment Income	290,136	98,506	691,044
Donations	40,252	129,766	192,388
Other	1,200	2,869,392	4,759,499
Gain/Loss on Disposal of Tangible Capital Assets	0	(2,053,213)	(12,183)
Community Development Corporation Share of Income	0	(238,857)	(1,213,017)
	<u>154,573,695</u>	<u>159,638,953</u>	<u>165,799,832</u>
EXPENSES			
General Government	10,233,287	10,920,411	9,370,409
Protection Services	3,441,068	3,914,552	3,679,601
Transportation Services	11,132,661	20,580,572	21,638,593
Environmental Services	7,684,428	7,869,325	6,760,740
Health Services	19,922,304	19,947,381	18,461,568
Social and Family Services	77,987,464	77,242,990	77,375,753
Social Housing	8,193,851	11,872,705	11,285,057
Recreation and Cultural Services	7,216,774	6,923,632	7,137,715
Planning and Development	3,715,457	3,638,844	3,420,533
	<u>149,527,294</u>	<u>162,910,412</u>	<u>159,129,969</u>
ANNUAL SURPLUS (DEFICIT)	5,046,401	(3,271,459)	6,669,863
ACCUMULATED SURPLUS, beginning of the year	<u>216,990,078</u>	<u>216,990,078</u>	<u>210,320,215</u>
ACCUMULATED SURPLUS, end of the year	<u>222,036,479</u>	<u>213,718,619</u>	<u>216,990,078</u>

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

THE CORPORATION OF THE COUNTY OF LAMBTON
STATEMENT OF CHANGE IN NET FINANCIAL DEBT
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 BUDGET \$	2009 ACTUAL \$	2008 ACTUAL \$ Restated (See Note 2)
ANNUAL SURPLUS (DEFICIT)	5,046,401	(3,271,459)	6,669,863
Amortization of Tangible Capital Assets	12,977,992	12,977,992	12,743,281
Acquisition of Tangible Capital Assets	(20,334,981)	(17,953,920)	(9,722,341)
Loss (Gain) on Sale of Tangible Capital Assets	0	2,053,213	12,183
Transfer of Tangible Capital Assets	0	0	0
Change in Inventories	0	(24,948)	6,465
Change in Prepaid Expenses	0	382,536	(1,004,153)
INCREASE/(DECREASE) IN NET FINANCIAL DEBT	(2,310,588)	(5,836,586)	8,705,298
NET FINANCIAL DEBT, beginning of the year	(8,280,551)	(8,280,551)	(16,985,849)
NET FINANCIAL DEBT, end of the year	(10,591,139)	(14,117,137)	(8,280,551)

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, 2009

	2009 ACTUAL \$	2008 ACTUAL \$ Restated (See Note 2)
OPERATING TRANSACTIONS		
Annual Surplus (Deficit)	(3,271,459)	6,669,863
Uses of Cash		
Increase in Accounts Receivable	(2,174,237)	0
Increase in Due from Community Development Corporation	(11,668,915)	(1,631,479)
Decrease in Accounts Payable and Accrued Liabilities	(2,614,388)	(3,474,629)
Decrease in Deferred Grant	0	(1,800,000)
Decrease in Landfill Closure and Post Closure Costs	0	(385,616)
Decrease in Employment Benefits Payable	0	(685,695)
Increase in Inventories	(24,948)	0
Increase in Prepaid Expenses	0	(1,004,153)
	<u>(16,482,488)</u>	<u>(8,981,572)</u>
Sources of Cash		
Decrease in Accounts Receivable	0	5,662,596
Increase in Bank Indebtedness	11,351,631	0
Increase in Accounts Payable and Accrued Liabilities	0	0
Increase in Landfill Closure and Post Closure Costs	468,656	0
Increase in Employment Benefits Payable	556,397	0
Decrease in Prepaid Expenses	382,536	0
Decrease in Inventories	0	6,465
	<u>12,759,220</u>	<u>5,669,061</u>
Non-cash Charges to Operations		
Amortization	12,977,992	12,743,281
Transfer of Capital Assets	0	0
	<u>12,977,992</u>	<u>12,743,281</u>
Cash Provided by (Applied to) Operations	<u>5,983,265</u>	<u>16,100,633</u>
CAPITAL TRANSACTIONS		
Cash Used to Acquire Tangible Capital Assets	(17,953,920)	(9,722,341)
Loss (Gain) on Sale of Tangible Capital Assets	2,053,213	12,183
Net Investment in Tangible Capital Assets	<u>(15,900,707)</u>	<u>(9,710,158)</u>
INVESTING TRANSACTIONS		
Decrease (Increase) in Investment in Community Development Corporation	238,857	1,213,017
FINANCING TRANSACTIONS		
Long Term Debt Issued	4,409,945	608,500
Long Term Debt Principal Repayments	(2,410,243)	(2,257,773)
Net Increase (Decrease) in Cash from Financing Activities	<u>1,999,702</u>	<u>(1,649,273)</u>
INCREASE (DECREASE) IN CASH	<u>(7,678,883)</u>	<u>5,954,219</u>
CASH, beginning of the year	<u>31,671,899</u>	<u>25,717,680</u>
CASH, end of the year	<u>23,993,016</u>	<u>31,671,899</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, 2009**

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, 2009**

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

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, 2009**

2. CHANGE IN ACCOUNTING POLICY

On January 1, 2009, the Municipality adopted revised Public Sector Accounting Standards: Section 1000-Financial Statement Concepts, Section 1100-Financial Statement Objectives, Section 1200-Financial Statement Presentation and Section 3150-Tangible Capital Assets. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standards require the recognition of all non-financial assets including tangible capital assets, prepaid expenses and inventories of supplies as assets in the financial statements. In addition, amortization on tangible capital assets was recorded in the Statement of Operations. This change in accounting policy has been applied retroactively with the restatement of the prior period, where applicable. The most significant changes are the reporting on tangible capital assets for the first time, and the inclusion of the Statement of Change in Net Financial Debt. The impact of adopting the tangible capital asset standard was as follows:

	<u>2008</u>
<u>Statement of Financial Position</u>	
Increase in non-financial assets	\$ <u>222,960,531</u>
Increase in accumulated surplus	\$ <u>222,960,531</u>
<u>Statement of Operations</u>	
Increase (decrease) in revenue	
Loss on disposal of tangible capital assets	\$ (12,183)
Donations	<u>24,463</u>
Total increase in revenue	<u>12,280</u>
Increase (decrease) in expenses	
General Government	241,041
Protection Services	(15,562)
Transportation Services	3,043,861
Environmental Services	19,628
Health Services	(1,229,353)
Social and Family Services	(443,222)
Social Housing	1,420,814
Recreational and Cultural Services	8,859
Planning and Development	<u>(663)</u>
	<u>3,045,403</u>
Decrease in annual surplus	\$ <u>(3,033,123)</u>
Increase in opening accumulated surplus	\$ <u>225,993,654</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

3. EMPLOYMENT BENEFITS PAYABLE

Employment benefits payable are comprised of the following:

	2009	2008
	\$	\$
Liability for vacation credits	1,766,817	1,255,258
Liability for vested sick leave benefits	247,229	258,594
	<u>2,014,046</u>	<u>1,513,852</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, 2009 is \$1,766,817 (2008 - \$1,255,258).

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 \$247,229 (2008 - \$258,594) at the end of the year. An amount of \$29,637 (2008 - \$4,155) 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 \$264,291 (2008 - \$268,928).

4. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$207,592 (2008 - \$239,774) have not been included in the "Statement of Financial Position", nor have their operations been included in the "Statement of Operations".

5. CASH AND TEMPORARY INVESTMENTS

	2009	2008
	\$	\$
Cash on Hand and in Banks	23,910,132	31,589,640
Temporary Investments	82,884	82,259
	<u>23,993,016</u>	<u>31,671,899</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, 2009, 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, 2009**

6. 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.

	5 Months April 30, 2009 \$	12 Months November 30, 2008 \$
Assets	<u>18,071,307</u>	<u>13,592,238</u>
Liabilities	14,628,165	8,943,450
Surplus	<u>3,443,142</u>	<u>4,648,788</u>
	<u>18,071,307</u>	<u>13,592,238</u>
Revenues	600,674	1,380,005
Expenditures	<u>839,531</u>	<u>1,626,233</u>
Net Expenditures	(238,857)	(246,228)
Prior Period Error Correction	<u>0</u>	<u>(966,789)</u>
Restated Net Expenditure for the period	<u>(238,857)</u>	<u>(1,213,017)</u>

The prior year error correction results from the adjustment of prior year operating cost recoveries which were not properly recorded as deferred revenue. The financial statement amounts that are presented for comparative purposes have been restated to correct this error as follows:

Decrease in Investment in Community Development Corporation for the year ended December 31, 2008	\$966,789
Decrease in Total Financial Assets for the year ended December 31, 2008	\$966,789
Decrease in Net Financial Debt for the year ended December 31, 2008	\$966,789
Decrease Accumulated Surplus for the year ended December 31, 2008	\$966,789
Decrease in Community Development Corporation Share of Income for the year ended December 31, 2008	\$966,789
Decrease in Annual Surplus for the year ended December 31, 2008	\$966,789
Decrease in Annual Surplus, end of the year for the year ended December 31, 2008	\$966,789

7. BANK INDEBTEDNESS

The County is holding a bankers acceptance on behalf of The Community Development Corporation. The bankers acceptance has a maturity date of January 4, 2010 and a rate of interest of 1.33%.

8. 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, 2009.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

9. 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:

	2009	2008
	\$	\$
Lambton Health Unit	0	215,000
Lambton Meadowview Villa Roads	2,191,369	2,398,288
Homes Rebuild	2,243,316	2,219,620
Emergency Medical Services	18,527,746	17,683,987
Community Health Services	881,377	994,587
County Administration Building	551,559	4,771
Information Technology	107,658	127,264
Housing	913,279	258,041
Library	292,226	96,213
Lambton Heritage Museum	27,845	32,302
Inn of the Good Shepherd	77,747	90,191
Lambton Area Waterworks Supply System	648,256	0
City of Sarnia	20,301,000	22,091,000
County of Lambton - Community Development Corp.	7,654,000	8,688,000
Capital Leases	2,317,436	2,824,938
	<u>86,656</u>	<u>429,068</u>
	56,821,470	58,153,270
Long term debt assumed by local (lower tier) Municipalities and others (Note 18)	<u>30,272,436</u>	<u>33,603,938</u>
Net long term debt at the end of the year	<u>26,549,034</u>	<u>24,549,332</u>

(b) Of the long term debt reported in (a) of this note, \$41,556,006 in principal payments are payable from 2010 to 2014 \$11,426,307 from 2015 to 2019, and \$3,839,157 thereafter and are summarized as follows:

	Years 2010 2014	Years 2015 2019	Years 2020 Thereafter	Total
	\$	\$	\$	\$
from general municipal revenue	20,353,570	2,356,307	3,839,157	26,549,034
from local (lower tier) Municipalities	<u>21,202,436</u>	<u>9,070,000</u>	<u>0</u>	<u>30,272,436</u>
	<u>41,556,006</u>	<u>11,426,307</u>	<u>3,839,157</u>	<u>56,821,470</u>

THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009

- (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, 2010 has been authorized at \$15,532,686. Actual annual repayment of principal and interest in 2009 was \$3,677,058 (2008 - \$3,703,070). Interest rates on long term debt vary between 2.95% and 6.75%.

- (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.

10. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 818 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 928 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, 2009. The results of the valuation disclosed total actuarial liabilities of \$54,200 million in respect of benefits accrued for service with actuarial assets at that date of \$52,700 million indicating an actuarial deficit of \$1,500 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 2009 was \$2,650,977 (2008 - \$2,717,374) for current service and is included as an expenditure on the Statement of Operations. The OMERS Board rate was 6.3% to 9.5% depending on income level for 2009 (2008 - 6.5% to 9.6% depending on income level).

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

11. 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 \$950,000 (2008 - \$937,500) in operating funds during 2009. SLEP has not been consolidated.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

12. 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, 2009 are \$8,716,963.

The estimated liability of \$5,826,113 (2008 - \$5,269,716) 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 246,410 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 \$1,295,800.

13. EXPENDITURE BY OBJECT

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

	2009	2008
	\$	\$
Salaries, wages and employee benefits	57,654,556	54,927,320
Materials	50,990,818	51,936,723
Contracted services	7,268,097	7,504,108
Rents and financial expenses	3,425,339	3,449,024
Interest on long-term debt	1,266,815	1,445,298
Contributions to other organizations	29,326,795	27,124,215
Amortization	<u>12,977,992</u>	<u>12,743,281</u>
	<u>162,910,412</u>	<u>159,129,969</u>

14. 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 Administration 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, 2009**

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, three 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 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 \$238,857 has been included in this segment.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

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.

15. 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	2009	2009	(Surplus)/ Deficit
		Subsidy Received \$	Subsidy Earned \$	
8770	Consolidated Homeless Prevention-Program	105,223	105,223	-
8766	Domiciliary Hostels	172,313	171,975	(338)
8758	Energy Emergency Fund	21,780	21,780	-
A380	Child Care Administration	196,092	196,092	-
A371	Child Care Delivery Agent Fee Subsidy (DNA)	1,761,410	1,761,410	-
A376	Child Care Delivery Agent Special Needs Resourcing	657,507	657,507	-
A386	Child Care Delivery Agent Resource Centres	98,087	98,086	(1)
A390	Child Care Delivery Agent Wage Subsidy Non-profit	1,092,852	1,124,477	31,625
A391	Child Care Delivery Agent Wage Subsidy Commercial	40,000	8,375	(31,625)
A400	Ontario Works Child Care Formal (Licensed)	324,000	324,000	-
A401	Ontario Works Child Care Informal	24,800	24,800	-
A429	ELCC Fee Subsidy	484,500	484,500	-
A393	Delivery Agents- Pay Equity Union Settlement	70,455	70,455	-
A425	ELCC Administration	31,000	31,000	-
A447	Best Start Planning	236,307	236,307	-
A661	Best Start Operating	7,319,563	7,185,582	(133,981)
A446	Wage Improvement Non-Profit	425,975	436,111	10,136
A644	Wage Improvement Commercial	12,725	2,589	(10,136)
A663	ELCD 100% Child Care Fee Subsidy	246,750	246,750	-
	Total	13,321,339	13,187,019	(134,320)

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

16. PUBLIC HEALTH GRANTS

The Municipality has signed the 2009 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 2009 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	2009 Subsidy Received	2009 Subsidy Earned	(Surplus)/ Deficit
	\$	\$	\$
Mandatory Programs (75%)	4,918,140	4,918,140	-
Infectious Diseases Control (100%)	128,355	128,355	-
Infection Prevention and Control Nurses (100%)	80,000	64,183	(15,817)
Small Drinking Water Systems (100%)	13,500	13,500	-
Vector-borne Diseases (75%)	168,553	168,553	-
H1N1	302,882	296,659	(6,223)
Total	<u>5,611,430</u>	<u>5,589,390</u>	<u>(22,040)</u>

Ministry of Health Promotion			
Programs	2009 Subsidy Received	2009 Subsidy Earned	(Surplus)/ Deficit
	\$	\$	\$
Smoke Free Ontario Strategy			
Protection and Enforcement	158,566	157,093	(1,473)
Youth Action Alliances (up to August 31, 2009)	75,255	80,965	5,710
Youth Engagement Strategy (from September 1, 2009)	13,443	13,443	-
Other One-time Projects	9,450	9,450	-
Tobacco Control Coordination	85,326	85,228	(98)
	<u>342,040</u>	<u>346,179</u>	<u>4,139</u>
Ontario Heart Health	62,373	62,373	-
Children in Need Treatment Expansion	34,081	34,081	-
Total	<u>438,494</u>	<u>442,633</u>	<u>4,139</u>

Included in Health Services on Schedule 1 for 2009 are assets relating to the Community Health Services Department (CHSD) with costs of \$2,050,253 accumulated amortization of \$1,278,960 and a net book value of \$771,293.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2009**

17. COMMITMENTS

The Municipality routinely enters into short term lease arrangements for the supply of vehicles, photocopiers, postage machines and other such similar office equipment. Annual payments in 2009 amounted to \$120,179.

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, 2009 a total of \$6.0 million has been paid.

18. CONTINGENT LIABILITIES

The Municipality is contingently liable for long term liabilities issued in its name but for which the responsibility for the payment of principal and interest has been assumed by local (lower tier) Municipalities and the County of Lambton Community Development Corporation. The total amount outstanding as at December 31, 2009 is \$30,272,436 (2008 - \$33,603,938) and is not recorded on the Statement of Financial Position.

The Municipality is a defendant in various legal actions. The ultimate outcomes are indeterminable at December 31, 2009 as litigation is still in progress. The Municipality's management is of the opinion that the Municipality has adequate insurance coverage to offset the amount of the claims and related costs, if any. Consequently, no provision for potential loss, if any, is reflected in these financial statements.

19. USE OF ACCOUNTING ESTIMATES AND MEASUREMENT UNCERTAINTY

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

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

20. BUDGET FIGURES

The approved operating budget for 2009 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.

21. COMPARATIVE FIGURES

Certain information contained in the financial statements relating to 2008 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, 2009

Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Transfers \$	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, 2009**

Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Transfers \$	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 TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009
Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Transfers \$	Balance, end of year \$
COST					
Land	36,760,178	563,606	0	0	37,323,784
Bridges	24,602,461	0	0	0	24,602,461
Buildings	112,401,406	1,114,062	0	0	113,515,468
Building Contents	11,327,408	1,046,881	812,848	0	11,561,441
Building Site Elements	5,372,131	180,396	0	0	5,552,527
Fleet	3,874,089	679,949	0	0	4,554,038
Information Technology	1,989,680	249,624	151,029	0	2,088,275
Leasehold Improvements	2,684,190	18,007	6,982	0	2,695,215
Machinery and Equipment	4,614,239	592,307	50,414	24,463	5,180,595
Medical and Emergency Equipment	1,613,667	590,986	0	0	2,204,653
Roads	148,783,298	3,161,007	560,659	0	151,383,646
Signage and Illuminations	2,163,915	11,102	0	0	2,175,017
Work In Progress	1,160,385	1,489,951	0	0	2,650,336
TOTAL COST	357,347,047	9,697,878	1,581,932	24,463	365,487,456
ACCUMULATED AMORTIZATION					
Land	0	0	0	0	0
Bridges	9,946,852	319,247	0	0	10,266,099
Buildings	40,987,184	3,630,833	0	0	44,618,017
Building Contents	4,742,900	917,893	807,647	0	4,853,146
Building Site Elements	3,046,686	162,641	0	0	3,209,327
Fleet	1,989,677	470,413	0	0	2,460,090
Information Technology	957,099	485,084	151,029	0	1,291,154
Leasehold Improvements	645,468	101,626	0	0	747,094
Machinery and Equipment	2,075,323	369,123	50,414	1,223	2,395,255
Medical and Emergency Equipment	734,617	184,043	0	0	918,660
Roads	64,956,134	6,009,589	560,659	0	70,405,064
Signage and Illuminations	1,271,453	91,566	0	0	1,363,019
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	131,353,393	12,742,058	1,569,749	1,223	142,526,925
NET BOOK VALUE					
Land	36,760,178	563,606	0	0	37,323,784
Bridges	14,655,609	(319,247)	0	0	14,336,362
Buildings	71,414,222	(2,516,771)	0	0	68,897,451
Building Contents	6,584,508	128,988	5,201	0	6,708,295
Building Site Elements	2,325,445	17,755	0	0	2,343,200
Fleet	1,884,412	209,536	0	0	2,093,948
Information Technology	1,032,581	(235,460)	0	0	797,121
Leasehold Improvements	2,038,722	(83,619)	6,982	0	1,948,121
Machinery and Equipment	2,538,916	223,184	0	23,240	2,785,340
Medical and Emergency Equipment	879,050	406,943	0	0	1,285,993
Roads	83,827,164	(2,848,582)	0	0	80,978,582
Signage and Illuminations	892,462	(80,464)	0	0	811,998
Work In Progress	1,160,385	1,489,951	0	0	2,650,336
NET BOOK VALUE - 2008	225,993,654	(3,044,180)	12,183	23,240	222,960,531

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Schedule 1

	Balance, beginning of year \$	Additions \$	Disposals \$	Other- Donations, Transfers \$	Balance, end of year \$
COST					
General Government	36,042,931	978,780	151,029	0	36,870,682
Protection Services	0	0	0	0	0
Transportation Services	183,986,220	3,981,808	560,659	0	187,407,369
Environmental Services	3,942,820	0	0	0	3,942,820
Health Services	5,345,374	1,268,614	6,982	0	6,607,006
Social and Family Services	59,843,504	882,315	68,595	24,463	60,681,687
Social Housing	53,646,385	210,268	247,268	0	53,609,385
Recreation and Cultural Services	13,377,094	886,142	547,399	0	13,715,837
Planning and Development	2,334	0	0	0	2,334
Work In Progress	1,160,385	1,489,951	0	0	2,650,336
TOTAL COST	357,347,047	9,697,878	1,581,932	24,463	365,487,456
ACCUMULATED AMORTIZATION					
General Government	4,628,812	587,233	151,029	0	5,065,016
Protection Services	0	0	0	0	0
Transportation Services	80,668,439	7,026,769	560,659	0	87,134,549
Environmental Services	3,651,650	19,628	0	0	3,671,278
Health Services	2,185,321	415,611	0	0	2,600,932
Social and Family Services	19,531,261	2,214,488	68,596	1,223	21,678,376
Social Housing	12,873,759	1,631,082	242,065	0	14,262,776
Recreation and Cultural Services	7,813,606	847,091	547,400	0	8,113,297
Planning and Development	545	156	0	0	701
Work In Progress	0	0	0	0	0
ACCUMULATED AMORTIZATION	131,353,393	12,742,058	1,569,749	1,223	142,526,925
NET BOOK VALUE					
General Government	31,414,119	391,547	0	0	31,805,666
Protection Services	0	0	0	0	0
Transportation Services	103,317,781	(3,044,961)	0	0	100,272,820
Environmental Services	291,170	(19,628)	0	0	271,542
Health Services	3,160,053	853,003	6,982	0	4,006,074
Social and Family Services	40,312,243	(1,332,173)	(1)	23,240	39,003,311
Social Housing	40,772,626	(1,420,814)	5,203	0	39,346,609
Recreation and Cultural Services	5,563,488	39,051	(1)	0	5,602,540
Planning and Development	1,789	(156)	0	0	1,633
Work In Progress	1,160,385	1,489,951	0	0	2,650,336
NET BOOK VALUE - 2008	225,993,654	(3,044,180)	12,183	23,240	222,960,531

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2009
 Schedule 2

	2009 ACTUAL \$	2008 ACTUAL \$
RESERVES (Schedule 3)	12,678,325	16,016,454
RESERVE FUNDS (Schedule 4)	6,738,418	8,500,004
Total Reserves and Reserve Funds	19,416,743	24,516,458
SURPLUSES		
Invested in Tangible Capital Assets	225,883,246	222,960,531
Invested in Community Development Corporation	3,443,142	3,681,999
General Revenue Fund	(222,736)	(2,391,889)
Unfunded		
Long Term Debt	(26,549,034)	(24,549,332)
Interest on Debt	(412,583)	(444,121)
Landfill Closure and Post Closure Costs	(5,826,113)	(5,269,716)
Employment Benefits Payable	(2,014,046)	(1,513,852)
Total Surpluses	194,301,876	192,473,620
ACCUMULATED SUPRLUS	213,718,619	216,990,078

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CONTINUITY OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2009
 Schedule 3

	2009 BUDGET \$	2009 ACTUAL \$	2008 ACTUAL \$
BALANCE, beginning of the year	16,016,454	16,016,454	9,351,292
REVENUE CONTRIBUTIONS			
From Operations	1,339,613	10,210,798	16,141,368
TRANSFERS			
To Operations	1,048,258	1,608,561	1,732,808
To Capital Acquisitions	937,829	11,940,366	7,743,398
Total Transfers	1,986,087	13,548,927	9,476,206
BALANCE, end of the year	15,369,980	12,678,325	16,016,454
REPRESENTED BY:			
Reserve for Sick Leave	268,928	264,291	268,928
Reserve for Working Funds	716,366	654,561	716,366
Reserve for Future Operations	14,384,686	11,759,473	15,031,160
	15,369,980	12,678,325	16,016,454

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CONTINUITY OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
Schedule 4

	2009 BUDGET \$	2009 ACTUAL \$	2008 ACTUAL \$
BALANCE, beginning of the year	8,500,004	8,500,004	4,845,835
REVENUE CONTRIBUTIONS			
Interest Income	0	24,005	157,805
From Operations	1,633,125	1,690,814	5,489,316
	1,633,125	1,714,819	5,647,121
TRANSFERS			
To Operations	1,880,722	1,840,242	1,749,087
To Capital Acquisitions	3,550,000	1,636,163	243,865
Total Transfers	5,430,722	3,476,405	1,992,952
BALANCE, end of the year	4,702,407	6,738,418	8,500,004
REPRESENTED BY:			
Capital Reserve Fund	2,958,390	4,714,645	6,376,552
Lambton Heritage Museum Reserve Fund	206,724	225,494	212,784
Oil Museum Reserve Fund	13,465	19,103	14,465
Gallery Lambton Reserve Fund	27,892	6,546	26,892
R.T. Bradley Reserve Fund	10,940	10,980	11,140
Library Piano Reserve Fund	13,668	14,237	17,568
Waste Management Reserve Fund	1,021,327	1,295,800	1,390,602
Senior Services Reserve Fund	3,918	3,932	3,918
Social Housing Reserve Fund	446,083	447,681	446,083
	4,702,407	6,738,418	8,500,004

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT FUND SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2009
 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	5,430,708	828,292	45,444
Gain/Loss from TCA Disposal	0	0	0	(65,823)	0	0	0
	<u>9,753,558</u>	<u>4,215,306</u>	<u>795,459</u>	<u>20,039,578</u>	<u>7,302,259</u>	<u>8,893,583</u>	<u>11,665,366</u>
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	7,679,275	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
	<u>10,920,411</u>	<u>3,176,081</u>	<u>738,471</u>	<u>20,580,572</u>	<u>7,869,325</u>	<u>8,807,390</u>	<u>11,139,991</u>
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, 2009**

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	501,288	31,355,811
Gain/Loss from TCA Disposal	0	(1,860,193)	0	(127,197)	0	0	(2,053,213)
	32,794,578	23,888,780	18,753,296	11,060,735	7,248,602	3,227,853	159,638,953
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	967,916	61,684,254
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
	33,057,561	26,108,611	18,076,818	11,872,705	6,923,632	3,638,844	162,910,412
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.

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT FUND SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2009
 Schedule 5

	General Gov't & Administration \$	Court Administration \$	Protective Services \$	Public Works \$	Environmental Services \$	Public Health \$	Emergency Medical Services \$
REVENUE							
Taxation	8,629,960	-539,443	270,480	10,606,960	1,869,555	2,625,810	5,531,678
Government Transfers	3,964,927	550	0	6,555,855	1,971	4,746,935	5,800,106
User Charges & Other	1,415,066	3,844,694	572,287	6,809,673	5,486,472	887,877	131,239
Gain/Loss from TCA Disposal	0	0	0	0	0	-6,982	0
	14,009,953	3,305,801	842,767	23,972,488	7,357,998	8,253,640	11,463,023
EXPENDITURES							
Salaries, Wages & Employee Benefits	4,368,564	287,373	706,766	1,730,572	171,033	4,017,915	9,699,652
Interest on Long Term Debt	12,504	0	0	101,747	0	28,367	48,016
Goods and Services	4,402,058	1,498,953	121,009	12,779,505	6,570,079	2,128,648	558,359
Contributions to Other Organizations	50	1,065,500	0	0	0	1,565,000	0
Amortization	587,233	0	0	7,026,769	19,628	46,162	369,449
	9,370,409	2,851,826	827,775	21,638,593	6,760,740	7,786,092	10,675,476
ANNUAL SURPLUS (DEFICIT) 2008	4,639,544	453,975	14,992	2,333,895	597,258	467,548	787,547

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, 2009**

Schedule 5

	General Assistance \$	Assistance to Aged \$	Child Care \$	Housing \$	Culture \$	Planning & Development \$	Total \$
REVENUE							
Taxation	12,367,299	4,421,872	1,589,740	3,313,591	5,898,701	2,793,404	59,379,607
Government Transfers	16,175,940	13,746,543	18,486,036	3,283,186	713,073	107,402	73,582,524
User Charges & Other	1,693,468	7,095,945	1,713,138	3,142,113	495,582	-437,670	32,849,884
Gain/Loss from TCA Disposal	0	1	0	-5,203	1	0	-12,183
	30,236,707	25,264,361	21,788,914	9,733,687	7,107,357	2,463,136	165,799,832
EXPENDITURES							
Salaries, Wages & Employee Benefits	4,707,422	18,363,538	4,034,168	1,214,262	4,824,471	801,584	54,927,320
Interest on Long Term Debt	0	1,244,850	0	4,704	5,110	0	1,445,298
Goods and Services	3,186,337	5,605,144	15,323,906	8,435,009	1,460,843	820,005	62,889,855
Contributions to Other Organizations	22,664,677	0	30,000	0	200	1,798,788	27,124,215
Amortization	160,951	2,009,284	45,476	1,631,082	847,091	-156	12,743,281
	30,719,387	27,222,816	19,433,550	11,285,057	7,137,715	3,420,533	159,129,969
ANNUAL SURPLUS (DEFICIT) 2008	-482,680	-1,958,455	2,355,364	-1,551,370	-30,358	-957,397	6,669,863

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