
THE CORPORATION OF THE COUNTY OF LAMBTON

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

**THE CORPORATION OF THE COUNTY OF LAMBTON
INDEX TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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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, 2014, and the statement of operations, statement of change in net financial debt and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the County of Lambton as at December 31, 2014 and the results of its operations and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Sarnia, Ontario
June 30, 2015

THE CORPORATION OF THE COUNTY OF LAMBTON
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	2014 ACTUAL \$	2013 ACTUAL \$
<u>FINANCIAL ASSETS</u>		
Cash and Temporary Investments (Note 4)	33,963,475	33,254,225
Accounts Receivable	5,193,750	4,597,735
Due from Community Development Corporation	2,666,686	3,095,277
Amounts Recoverable on Long Term Debt (Note 7)	22,605,871	25,602,321
Investment in Community Development Corporation (Note 5)	(2,602,755)	49,882
TOTAL FINANCIAL ASSETS	61,827,027	66,599,440
<u>LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	9,685,776	11,402,309
Deferred Grant (Note 6)	2,018,490	1,279,572
Long Term Debt (Note 7)	43,638,384	49,532,655
Landfill Closure and Post Closure Costs (Note 10)	4,483,644	5,002,422
Employment Benefits Payable (Note 2)	1,989,239	1,907,337
Accrued Tax Liabilities (Note 16)	2,841,330	600,000
TOTAL LIABILITIES	64,656,863	69,724,295
NET FINANCIAL DEBT	(2,829,836)	(3,124,855)
<u>NON-FINANCIAL ASSETS</u>		
Tangible Capital Assets - net (Schedule 1)	242,388,347	247,257,736
Inventories	508,180	539,053
Prepaid Expenses	646,111	589,842
TOTAL NON-FINANCIAL ASSETS	243,542,638	248,386,631
ACCUMULATED SURPLUS (Schedule 2)	240,712,802	245,261,776

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, 2014

	2014 BUDGET	2014 ACTUAL	2013 ACTUAL
	\$	\$	\$
REVENUE			
Taxation (Note 16)	67,748,591	65,703,417	65,713,983
Federal Government Transfers	3,954,735	3,979,118	4,482,672
Provincial Government Transfers	76,697,869	77,267,064	80,641,232
Other Municipalities	826,676	1,031,026	699,115
User Charges	23,547,263	24,366,477	23,960,723
Investment Income	175,000	257,341	282,252
Donations	84,052	179,670	789,463
Other	0	63,766	556,200
Gain/Loss on Disposal of Tangible Capital Assets	0	(355,748)	(101,454)
Community Development Corporation Share of Income(Loss)	0	(2,652,637)	(1,205,498)
	<u>173,034,186</u>	<u>169,839,494</u>	<u>175,818,688</u>
EXPENSES			
General Government	11,403,900	11,003,330	11,180,904
Protection Services	4,102,396	3,983,672	4,033,446
Transportation Services	17,409,746	18,129,903	16,907,104
Environmental Services	3,327,292	2,550,286	3,062,963
Health Services	24,018,474	24,549,308	23,643,314
Social and Family Services	86,704,766	87,711,732	84,822,528
Social Housing	12,415,760	12,593,862	12,261,640
Recreation and Cultural Services	9,882,622	9,537,802	9,409,597
Planning and Development	4,322,651	4,328,573	4,074,546
	<u>173,587,607</u>	<u>174,388,468</u>	<u>169,396,042</u>
ANNUAL SURPLUS(DEFICIT)	(553,421)	(4,548,974)	6,422,646
ACCUMULATED SURPLUS, beginning of the year	<u>245,261,776</u>	<u>245,261,776</u>	<u>238,839,130</u>
ACCUMULATED SURPLUS, end of the year	<u>244,708,355</u>	<u>240,712,802</u>	<u>245,261,776</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, 2014**

	2014 BUDGET \$	2014 ACTUAL \$	2013 ACTUAL \$
ANNUAL SURPLUS(DEFICIT)	(553,421)	(4,548,974)	6,422,646
Amortization of Tangible Capital Assets	15,612,000	15,842,972	14,931,726
Acquisition of Tangible Capital Assets	(17,039,229)	(11,329,331)	(13,319,470)
Loss on Sale of Tangible Capital Assets	0	355,748	101,454
Change in Inventories	0	30,873	(29,688)
Change in Prepaid Expenses	0	(56,269)	(17,333)
INCREASE/DECREASE IN NET FINANCIAL DEBT	(1,980,650)	295,019	8,089,335
NET FINANCIAL DEBT, beginning of the year	(3,124,855)	(3,124,855)	(11,214,190)
NET FINANCIAL DEBT, end of the year	(5,105,505)	(2,829,836)	(3,124,855)

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, 2014

	2014 ACTUAL \$	2013 ACTUAL \$
OPERATING TRANSACTIONS		
Annual Surplus(Deficit)	(4,548,974)	6,422,646
Uses of Cash		
Increase in Accounts Receivable	(596,015)	(257,029)
Increase in Prepaid Expenses	(56,269)	(17,333)
Increase in Due from Community Development Corporation	0	(523,899)
Decrease in Accounts Payable and Accrued Liabilities	(1,716,533)	0
Decrease in Landfill Closure and Post Closure Costs	(518,778)	(384,264)
Decrease in Employment Benefits Payable	0	(240,456)
Increase in Inventories	0	(29,688)
	<u>(2,887,595)</u>	<u>(1,452,669)</u>
Sources of Cash		
Decrease in Due from Community Development Corporation	428,591	0
Increase in Accounts Payable and Accrued Liabilities	0	547,457
Increase in Deferred Grant	738,918	0
Increase in Employment Benefits Payable	81,902	0
Increase in Accrued Tax Liabilities	2,241,330	600,000
Decrease in Inventories	30,873	0
	<u>3,521,614</u>	<u>1,147,457</u>
Non-cash Charges to Operations		
Amortization	15,842,972	14,931,726
Loss on Sale of Tangible Capital Assets	355,748	101,454
	<u>16,198,720</u>	<u>15,033,180</u>
Cash Provided by Operations	<u>12,283,765</u>	<u>21,150,614</u>
CAPITAL TRANSACTIONS		
Cash Used to Acquire Tangible Capital Assets	<u>(11,329,331)</u>	<u>(13,319,470)</u>
INVESTING TRANSACTIONS		
Decrease in Investment in Community Development Corporation	<u>2,652,637</u>	<u>1,205,498</u>
FINANCING TRANSACTIONS		
Amounts Recoverable on Long Term Debt	2,996,450	3,417,168
Long Term Debt Issued	400,000	5,504,346
Long Term Debt Principal Repayments	(6,294,271)	(6,705,004)
Net Increase in Cash from Financing Activities	<u>(2,897,821)</u>	<u>2,216,510</u>
INCREASE IN CASH	<u>709,250</u>	<u>11,253,152</u>
CASH, beginning of the year	<u>33,254,225</u>	<u>22,001,073</u>
CASH, end of the year	<u>33,963,475</u>	<u>33,254,225</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, 2014**

1. ACCOUNTING POLICIES

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

(a) Basis of Consolidation

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

- Community Development Corporation

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

(b) Basis of Accounting

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

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

(iii) Non-Financial Assets

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

a) Tangible Capital Assets (TCAs)

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, less accumulated amortization. The cost, less residual value, of the tangible capital assets, are amortized over their estimated useful lives as follows:

Bridges	35 - 75 years	Straight Line
Buildings	15 - 40 years	Double Declining Balance
Building Contents	5 - 50 years	Straight Line
Building Site Elements	10 - 50 years	Straight Line
Fleet	5 - 10 years	Straight Line
Information Technology	3 - 10 years	Straight Line
Leasehold Improvements	10 - 40 years	Declining Balance
Machinery and Equipment	3 - 40 years	Straight Line
Medical and Emergency Equipment	2 - 20 years	Straight Line
Roads	15 - 50 years	Straight Line
Signage and Illuminations	10 - 20 years	Straight Line

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

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

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

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

b) Inventories and Prepaid Expenses

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

(iv) Revenue Recognition

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

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

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

Investment income is recorded as earned.

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

(v) Temporary Investments

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

2. EMPLOYMENT BENEFITS PAYABLE

Employment benefits payable are comprised of the following:

	2014	2013
	<u>\$</u>	<u>\$</u>
Liability for vacation credits	1,975,238	1,888,289
Liability for vested sick leave benefits	<u>14,001</u>	<u>19,048</u>
	<u>1,989,239</u>	<u>1,907,337</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, 2014 is \$1,975,238 (2013 - \$1,888,289).

Liability for Vested Sick Leave Benefits

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

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

To the extent that these accumulated days have vested and can be taken in cash by the employee, this liability amounted to \$14,001 (2013 - \$19,048) at the end of the year. An amount of \$0 (2013 - \$226,322) was paid to employees who left the Municipality's employment during the current year.

A reserve has been established to provide for this past service liability. The balance at the end of the year is \$39,744 (2013 - \$39,744).

3. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$81,140 (2013 - \$84,057) 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

	2014	2013
	<u>\$</u>	<u>\$</u>
Cash on Hand and in Banks	33,876,631	33,168,122
Temporary Investments	<u>86,844</u>	<u>86,103</u>
	<u>33,963,475</u>	<u>33,254,225</u>

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

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

The Municipality has a \$5,500,000 demand operating line available to it. Interest rate of prime less 1.0% is charged on money borrowed. As at December 31, 2014 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, 2014**

5. GOVERNMENT BUSINESS ENTERPRISE

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

- Community Development Corporation

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

	April 30, 2014 \$	April 30, 2013 \$
Assets	<u>29,875,918</u>	<u>29,132,268</u>
Liabilities	32,478,673	29,082,386
Retained Earnings	<u>(2,602,755)</u>	<u>49,882</u>
	<u>29,875,918</u>	<u>29,132,268</u>
Revenues	2,748,477	3,340,609
Expenditures	<u>5,401,114</u>	<u>4,546,107</u>
Net Expenditures	(2,652,637)	(1,205,498)

6. DEFERRED GRANT

The balance of \$2,018,490 at December 31, 2014 represents the \$1,279,572 unspent monies received in 2006 for the Best Start Program and the \$738,918 unspent monies received in December 2014 for the Community Homelessness Prevention Initiative Program.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

7. LONG TERM DEBT

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

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

	2014	2013
	<u>\$</u>	<u>\$</u>
Lambton Meadowview Villa	490,279	873,068
Roads	806,362	1,252,233
Homes Rebuild	11,731,729	13,201,923
Emergency Medical Services	256,171	374,565
Community Health Services	0	110,287
County Administration Building	276,386	375,498
Information Technology	303,112	21,592
Housing	3,229,256	3,363,671
Library	8,499	16,099
Lambton Heritage Museum	0	14,425
Alix Art Gallery	3,399,063	3,769,928
Inn of the Good Shepherd	531,656	557,045
Lambton Area Waterworks Supply System	9,070,000	11,663,000
County of Lambton - Community Development Corp.	<u>13,535,871</u>	<u>13,939,321</u>
	43,638,384	49,532,655
Long term debt assumed by local (lower tier) Municipalities and others	<u>22,605,871</u>	<u>25,602,321</u>
Net long term debt at the end of the year	<u>21,032,513</u>	<u>23,930,334</u>

- (b) Of the long term debt reported in (a) of this note, \$41,488,440 in principal payments are payable from 2015 to 2019 \$1,000,020 from 2020 to 2024, and \$ 1,149,924 thereafter and are summarized as follows:

	Years 2015 2019	Years 2020 2024	Years 2025 Thereafter	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
from general municipal revenue	18,882,569	1,000,020	1,149,924	21,032,513
from local (lower tier) Municipalities	<u>22,605,871</u>	<u>0</u>	<u>0</u>	<u>22,605,871</u>
	<u>41,488,440</u>	<u>1,000,020</u>	<u>1,149,924</u>	<u>43,638,384</u>

THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014

- (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, 2015 has been authorized at \$16,920,679. Actual annual repayment of principal and interest in 2014 was \$4,144,762 (2013 - \$4,210,173). Interest rates on long term debt vary between 2.75% and 4.80%.

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

8. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 908 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the plan assets and administration of the benefits. OMERS provides pension services to nearly 450,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2014. The results of the valuation disclosed total actuarial liabilities of \$76,900 million in respect of benefits accrued for service with actuarial assets at that date of \$69,800 million indicating an actuarial deficit of \$7,100 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 2014 was \$4,797,902 (2013 - \$4,556,516) for current service and is included as an expenditure on the Statement of Operations. The OMERS Board rate was 9.0% to 14.6% depending on income level for 2014 (2013 – 9.0% to 14.6% depending on income level).

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

9. SARNIA-LAMBTON ECONOMIC PARTNERSHIP ASSOCIATION

The Sarnia-Lambton Economic Partnership Association (SLEP) is an independent body charged with the responsibility for managing economic development within the County of Lambton. It is jointly funded by the Municipality, local Municipalities, the private sector and senior levels of government. The Municipality provided \$1,043,582 (2013 - \$1,030,955) in operating funds during 2014. SLEP has not been consolidated.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

10. LIABILITY FOR LANDFILL CLOSURE AND POST CLOSURE COSTS

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

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

The total projected closure and post closure costs at December 31, 2014 are \$8,215,924.

The estimated liability of \$4,483,644 (2013 - \$5,002,422) 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 3.5%. The estimated remaining capacity of the Municipality's sites are approximately 161,432 cubic metres, which will be filled in 3 years. Post-closure care is estimated to continue for a period of 25 years.

The Municipality has established a reserve fund in order to fund this future liability. The fund is currently valued at \$1,207,014.

11. EXPENDITURE BY OBJECT

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

	2014	2013
	\$	\$
Salaries, wages and employee benefits	72,274,509	68,950,873
Materials	44,791,101	45,073,239
Contracted services	6,731,719	6,673,369
Rents and financial expenses	3,710,392	3,319,996
Interest on long-term debt	846,942	922,337
Contributions to other organizations	30,190,833	29,524,502
Amortization	<u>15,842,972</u>	<u>14,931,726</u>
	<u>174,388,468</u>	<u>169,396,042</u>

12. SEGMENTED INFORMATION

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

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

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

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

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

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

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

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

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

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

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

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

Library - The Library Department provides services to the public through numerous branch libraries, one bookmobile and deposit collections in Long-Term Care Homes.

Culture - Culture is comprised of the Museums and Art Gallery Departments. Two museums are operated by the County, one collects family and corporate artifacts which depict the history of Sarnia-Lambton and the other is located at the site of North America's first commercial oil well. Judith & Norman Alix Art Gallery collects, preserves and holds in trust a collection of Canadian paintings and sculptures. The Lambton County Archives gathers and maintains Lambton County archival materials.

Planning & Development - The Department prepares and maintains the County's Official Plan and provides consent, subdivision, municipal official plan and woodlot approvals. The Department also works closely with local Municipalities preparing official plan and zoning by-laws, and providing comprehensive, ongoing planning advisory services. The Community Development Corporation's deficit for the year of \$2,652,637 has been included in this segment.

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

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

13. SOCIAL SERVICE CONTRACTS

The Corporation of the County of Lambton has Service Contracts with the Ministry of Children and Youth Services (MCYS) and the Ministry of Education (EDU). A reconciliation report summarizes, by detail code where applicable, all revenue and expenditures and resulting surplus or deficit related to the Service Contract. The surplus amounts are included in Accounts Payable and Accrued Liabilities.

The presentation below was prepared in accordance with the modified accrual basis of accounting, which includes short term accruals of revenue and expenditures and does not recognize non-cash transactions such as amortization. The presentation is reflected prior to application of flexibility of funding between detail codes. The subsidy received (revenue) and subsidy earned (expenditure) comprise part of Provincial Government Transfers Revenue and Social and Family Services and Health Services Expenses that are included in the Statement of Operations.

Detail Code	Program Name	2014 Subsidy Received \$	2014 Subsidy Earned \$	(Surplus)/ Deficit \$
EDU				
	Core Services Delivery - 100%	1,466,304	1,466,304	-
	Core Services Delivery-Cost Shared Requirement 80/20	3,872,735	3,872,735	-
	Core Services Delivery-Cost Shared Requirement 50/50 Administration	227,092	227,092	-
	Special Purpose Operating Allocation	6,497,067	6,497,067	-
	Capital Retrofits	65,321	65,321	-
A386	Delivery Agent Resource Centres-Operating (80/20)	98,086	98,086	-
A525	Early Child Development Planning - Regular	24,600	24,600	-
A525	Early Child Development Planning - Aboriginal	11,000	11,000	-
		12,262,205	12,262,205	-
MCYS				
A526	Early Child Development Demo	383,822	383,822	-
		12,646,027	12,646,027	-

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

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

Program Name	2014 Subsidy Received \$	2014 Subsidy Earned \$	(Surplus)/ Deficit \$
MCSS			
One-time Funding for Transition to the Community Homelessness Prevention Initiative (CHPI)	261,148	261,148	-

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

15. PUBLIC HEALTH GRANTS

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

	2014 Mandatory & Related	2014 Excluded Programs	2014 Total Public Health Unit
Total Public Health Unit Operating Costs:	10,018,101	1,265,620	11,283,721
Total Public Health Unit Amortization Expense:	361,988	10,540	372,528
Total Public Health Unit TCA Expenditures:	63,154	-	63,154

PUBLIC HEALTH GRANTS

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

A. Base Funding

	2014 Subsidy Approved \$	2014 Subsidy Earned \$	2014 Subsidy Received \$	(Payable)/ Receivable \$
PHD and HPD Programs Funded at 75%				
Mandatory Programs	5,537,017	5,537,017	5,537,017	-
Total	<u>5,537,017</u>	<u>5,537,017</u>	<u>5,537,017</u>	<u>-</u>
Related Programs Funded at 75% (PHD)				
Small Drinking Water Systems	10,000	10,000	10,000	-
Vector-Borne Diseases	175,103	175,103	175,103	-
Total	<u>185,103</u>	<u>185,103</u>	<u>185,103</u>	<u>-</u>
Related Programs Funded at 100% (PHD)				
Chief Nursing Officer	121,414	121,414	121,414	-
Enhanced Food Safety - Haines	25,000	25,000	25,000	-
Enhanced Safe Water	15,500	15,500	15,500	-
Healthy Smiles Ontario	367,000	367,000	367,000	-
Infection Prevention and Control Nurses	90,066	90,066	90,066	-
Infectious Diseases Control	166,675	166,675	166,675	-
Needle Exchange Program Initiative	25,188	25,188	25,188	-
Social Determinants of Health Nurses	180,448	180,448	180,448	-
Total	<u>991,291</u>	<u>991,291</u>	<u>991,291</u>	<u>-</u>
Related Programs Funded at 75% (HPD)				
CINOT Expansion	12,633	12,633	12,633	-
Total	<u>12,633</u>	<u>12,633</u>	<u>12,633</u>	<u>-</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

Related Programs Funded at 100% (HPD)

SFO-OTS Prosecution	12,800	12,800	12,800	-
SFO-OTS Protection and Enforcement	161,900	161,900	161,900	-
SFO-OTS Tobacco Control Coordination	100,000	100,000	100,000	-
SFO-OTS Youth Tobacco Use Prevention	80,000	80,000	80,000	-
Total	<u>354,700</u>	<u>354,700</u>	<u>354,700</u>	<u>-</u>

Sub-Total A. Base Funding 7,080,744 7,080,744 7,080,744 -

B. 2014 One-Time Funding Approved to December 31, 2014

	2014 Subsidy Approved \$	2014 Subsidy Earned \$	2014 Subsidy Received \$	(Payable)/ Receivable \$
PHD and HPD Programs Funded at 75%				
Audio Visual Improvements for Learning	8,625	8,625	8,625	-
Related Programs Funded at 100% (PHD)				
PHI Practicum	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Sub-Total B. 2014 One-Time Funding Approved to Dec. 31, 2014	<u>16,625</u>	<u>16,625</u>	<u>16,625</u>	<u>-</u>

C. 2013 One-Time Funding Approved to March 31, 2014

	Subsidy Carried Forward	Subsidy Earned	Further Subsidy Received	(Payable)/ Receivable
Related Programs Funded at 100% (PHD)				
Panorama (2013/14)	54,130	54,130	-	-
Related Programs Funded at 100% (HPD)				
Healthy Communities Fund - Partnership Stream (2013/14)	<u>31,930</u>	<u>51,000</u>	<u>19,070</u>	<u>-</u>
Sub-Total C. 2013 One-Time Funding Approved to Mar. 31, 2014	<u>86,060</u>	<u>105,130</u>	<u>19,070</u>	<u>-</u>

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

	2014 Subsidy Approved \$	2014 Subsidy Earned \$	2014 Subsidy Received \$	Subsidy to Carryover \$
Related Programs Funded at 75% (PHD)				
HVAC System Controls Replacement	75,000	8,696	75,000	(66,304)
Building Sustainability and Furniture Replacement	<u>38,625</u>	<u>30,025</u>	<u>38,625</u>	<u>(8,600)</u>
Total	<u>113,625</u>	<u>38,721</u>	<u>113,625</u>	<u>(74,904)</u>
Related Programs Funded at 100% (PHD)				
New Purpose-Built Vaccine Refrigerator	12,500	-	12,500	(12,500)
Panorama (2014/15)	<u>125,348</u>	<u>17,977</u>	<u>125,348</u>	<u>(107,371)</u>
Total	<u>137,848</u>	<u>17,977</u>	<u>137,848</u>	<u>(119,871)</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

Related Programs Funded at 75% (HPD)

SFO Strategy: Expanded Smoking Cessation Programming	18,114	17,690	18,114	(424)
Healthy Communities Fund - Partnership Stream (2014/15)	64,400	6,224	64,400	(58,176)
Total	<u>82,514</u>	<u>23,914</u>	<u>82,514</u>	<u>(58,600)</u>

**Sub-Total D. 2014 One-Time Funding Approved
to March 31, 2015**

<u>333,987</u>	<u>80,612</u>	<u>333,987</u>	<u>(253,375)</u>
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Total Program Based Grants

<u>7,517,416</u>	<u>7,283,111</u>	<u>7,450,426</u>	<u>(253,375)</u>
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MOH/AMOH Compensation

	2014 Subsidy Approved \$	2014 Subsidy Earned \$	2014 Subsidy Received \$	(Payable)/ Receivable \$
MOH/AMOH Compensation (2014/15)	-	-	-	-
MOH/AMOH Compensation (2013/14)	129,940	123,401	129,940	(6,539)
Total	<u>129,940</u>	<u>123,401</u>	<u>129,940</u>	<u>(6,539)</u>
Total MOH/AMOH Compensation	<u>129,940</u>	<u>123,401</u>	<u>129,940</u>	<u>(6,539)</u>

Vaccine Program

	2014 Subsidy Earned \$	2014 Subsidy Received \$	(Payable)/ Receivable \$
Universal Influenza Immunization Program	17,720	430	17,290
Meningococcal C Conjugate Vaccine	8,185	893	7,292
Human Papilloma Virus Program	8,271	4,658	3,613
Total Vaccine Program	<u>34,176</u>	<u>5,981</u>	<u>28,195</u>

PUBLIC HEALTH GRANTS

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

	Subsidy Approved \$	Subsidy Earned \$	Subsidy Received \$	(Payable)/ Receivable \$
100% Funded Programs				
Healthy Babies Healthy Children	883,093	883,093	883,093	-
9000 Nurses Initiative	50,000	50,000	39,806	10,194
One-Time Funding	-	-	-	-
Total	<u>933,093</u>	<u>933,093</u>	<u>922,899</u>	<u>10,194</u>
Total Child and Youth Development Branch	<u>933,093</u>	<u>933,093</u>	<u>922,899</u>	<u>10,194</u>

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

16. ACCRUED TAX LIABILITIES

Taxation Revenue - General Levy	\$66,713,027
Taxation Revenue - Supplementary Tax Levy	460,530
Payment in Lieu Taxation Revenue	1,429,434
Tax Write-Offs	(951,946)
Accrued Tax Liability	<u>(1,947,628)</u>
 Total Property Taxation	 <u>\$65,703,417</u>

Reconciliation of Assessment Appeal Provision and Accrued Tax Liability

Estimate of Expected Appeals	\$3,082,303
Estimate of Expected Supplementary Taxes	(649,646)
Other Adjustments	<u>408,673</u>

Potential Future Tax Liability \$ 2,841,330

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

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014**

17. LIBRARY GOVERNMENT TRANSFERS

Government Transfers recorded as 2014 revenue for the Library segment are comprised of the following amounts:

Ministry of Tourism & Culture Operating Grant	\$265,865
Ministry of Tourism & Culture Pay Equity Grant	18,083
Service Ontario Grant	9,914
Special Student Grants - Provincial Programs	600
Special Student Grants - Federal Programs	<u>23,690</u>
	<u>\$318,152</u>

18. COMMITMENTS

The Municipality routinely enters into short term lease arrangements for the supply of vehicles, photocopiers, postage machines and other such similar office equipment. Annual payments in 2014 amounted to \$150,523.

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, 2014 a total of \$13.5 million has been paid.

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

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

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

19. CONTINGENT LIABILITIES

The Municipality is a defendant in various legal actions. The ultimate outcomes are indeterminable at December 31, 2014 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, 2014**

20. USE OF ACCOUNTING ESTIMATES AND MEASUREMENT UNCERTAINTY

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

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

21. BUDGET FIGURES

The Financial Plan (budget) adopted by the County of Lambton Council on March 19, 2014, was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$NIL. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the Statement of Operations and Statement of Changes in Net Financial Debt represent the budget adopted by Council with adjustments as follows:

	<u>2014</u>
	<u>\$</u>
Financial Plan (budget) surplus for the year	0
Add:	
Capital Expenditures	17,039,229
Principal Payments	3,423,541
Less:	
Amortization	15,612,000
Long Term Financing	3,624,800
Net Reserve and Reserve Fund Transfers	<u>1,779,391</u>
Budget Deficit per Statement of Operations	<u>(553,421)</u>

22. SUBSEQUENT EVENT

Subsequent to year end, the Municipality has repaid long-term debt being held on behalf of The County of Lambton Community Development Corporation (CLCDC). The Municipality is now a guarantor without additional security on the long-term debt being held by CLCDC. Total assets and total liabilities have decreased by \$13,535,871 as the result of this transaction.

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014
Schedule 1

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Schedule 1

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

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014
Schedule 1

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Schedule 1

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

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2014
Schedule 2

	2014	2013
	ACTUAL	ACTUAL
	\$	\$
RESERVES (Schedule 3)	25,279,314	22,099,105
RESERVE FUNDS (Schedule 4)	7,621,653	7,156,790
Total Reserves and Reserve Funds	<u>32,900,967</u>	<u>29,255,895</u>
SURPLUSES		
Invested in Tangible Capital Assets	242,388,347	247,257,736
Invested in Community Development Corporation	(2,602,755)	49,882
General Revenue Fund	(1,920,733)	138,356
Unfunded		
Long Term Debt	(21,032,513)	(23,930,334)
Landfill Closure and Post Closure Costs	(4,483,644)	(5,002,422)
Employment Benefits Payable	(1,989,239)	(1,907,337)
Accrued Tax Liabilities	(2,547,628)	(600,000)
Total Surpluses	<u>207,811,835</u>	<u>216,005,881</u>
ACCUMULATED SURPLUS	<u><u>240,712,802</u></u>	<u><u>245,261,776</u></u>

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CONTINUITY OF RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014
Schedule 3

	2014 BUDGET \$	2014 ACTUAL \$	2013 ACTUAL \$
BALANCE, beginning of the year	22,099,105	22,099,105	15,688,865
REVENUE CONTRIBUTIONS			
From Operations	3,404,453	11,134,107	15,981,675
TRANSFERS			
To Operations	2,369,658	2,446,572	1,673,609
To Capital Acquisitions	2,946,699	5,507,326	7,897,826
Total Transfers	5,316,357	7,953,898	9,571,435
BALANCE, end of the year	20,187,201	25,279,314	22,099,105
REPRESENTED BY:			
Reserve for Sick Leave	609,236	39,744	39,744
Reserve for Working Funds	39,743	1,028,383	580,941
Reserve for Future Operations	19,538,222	24,211,187	21,478,420
	20,187,201	25,279,314	22,099,105

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CONTINUITY OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014
Schedule 4

	2014 BUDGET \$	2014 ACTUAL \$	2013 ACTUAL \$
BALANCE, beginning of the year	7,156,790	7,156,790	6,598,144
REVENUE CONTRIBUTIONS			
Interest Income	0	77,522	72,408
From Operations	1,849,628	1,952,424	2,296,743
	1,849,628	2,029,946	2,369,151
TRANSFERS			
To Operations	1,717,115	1,548,488	1,801,538
To Capital Acquisitions	0	16,595	8,967
Total Transfers	1,717,115	1,565,083	1,810,505
BALANCE, end of the year	7,289,303	7,621,653	7,156,790
REPRESENTED BY:			
Capital Reserve Fund	5,472,293	5,583,363	5,213,028
Lambton Heritage Museum Reserve Fund	205,784	201,184	199,594
Oil Museum Reserve Fund	57,120	63,324	54,520
Gallery Lambton Reserve Fund	72,591	113,619	69,591
R.T. Bradley Reserve Fund	10,574	10,887	10,774
Waste Management Reserve Fund	1,022,682	1,207,014	1,171,613
Senior Services Reserve Fund	14,666	4,119	4,077
Social Housing Reserve Fund	433,593	438,143	433,593
	7,289,303	7,621,653	7,156,790

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2014
Schedule 5

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

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

**THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2014
Schedule 5**

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

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

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2014
Schedule 5

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

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

THE CORPORATION OF THE COUNTY OF LAMBTON
SCHEDULE OF CURRENT OPERATIONS SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2014
Schedule 5

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

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