



A photograph of the Oxford County Administration Building, a multi-story brick structure with large glass windows. The building is set against a clear blue sky. The Oxford County logo is mounted on the brick wall. The text '2018 CONSOLIDATED FINANCIAL STATEMENTS' is overlaid on the right side of the image. At the bottom left, the text 'OXFORD COUNTY ADMINISTRATION BUILDING' is visible on the brick wall.

*Oxford County*

# 2018 CONSOLIDATED FINANCIAL STATEMENTS

OXFORD COUNTY  
ADMINISTRATION  
BUILDING

**County of Oxford**  
**Table of Contents**  
**December 31, 2018**

---

Independent Auditor's Report ..... 1-2

Consolidated Statement of Financial Position ..... 3

Consolidated Statement of Operations and Accumulated Surplus ..... 4

Consolidated Statement of Change in Net Financial Assets ..... 5

Consolidated Statement of Cash Flows ..... 6

Summary of Significant Accounting Policies ..... 7-10

Notes to the Consolidated Financial Statements ..... 11-19

Consolidated Schedule of Tangible Capital Assets ..... 20

Consolidated Schedule of Segmented Disclosure .....21-22



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Council, Inhabitants and Ratepayers of the County of Oxford**

### **Opinion**

We have audited the accompanying consolidated financial statements of the County of Oxford, which comprise the Consolidated Statement of Financial Position as at December 31, 2018 and the Consolidated Statements of Operations and Accumulated Surplus, Change in Net Financial Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### **Basis of Opinion**

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

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

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

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

Those charged with governance are responsible for overseeing the County of Oxford's financial reporting process.

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

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

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

We also:

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

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

June 12, 2019  
London, Canada

*Scrimgeour · Company*  
**LICENSED PUBLIC ACCOUNTANT**



# County of Oxford

## Consolidated Statement of Financial Position

As at December 31, 2018 (comparative balances as at December 31, 2017)

	2018	2017
<b>Financial assets</b>		
Cash and cash equivalents	\$ 144,896,765	\$ 120,855,723
Short term investments (Note 1)	52,408,154	62,323,586
Accounts receivable (Note 3)	15,477,629	14,749,151
Loans receivable (Note 4)	4,771,780	5,593,616
	<hr/>	
	217,554,328	203,522,076
	<hr/>	
<b>Liabilities</b>		
Accounts payable and accrued liabilities	27,134,354	30,485,158
Deferred revenue (Note 5)	15,740,118	16,193,304
Post retirement and employee future benefits (Note 6)	5,534,931	4,972,613
Net long term liabilities (Note 8)	52,491,613	46,580,811
Landfill closure and post closure liabilities (Note 9)	4,444,929	4,331,162
	<hr/>	
	105,345,945	102,563,048
	<hr/>	
<b>Net financial assets</b>	<b>112,208,383</b>	<b>100,959,028</b>
	<hr/>	
<b>Non financial assets</b>		
Tangible capital assets (Schedule 1)	521,544,282	489,014,892
Capital work in progress	10,794,858	22,615,409
Inventories	84,695	59,671
Prepaid and deferred charges	420,511	311,744
	<hr/>	
	532,844,346	512,001,716
	<hr/>	
<b>Accumulated surplus (Note 10)</b>	<b>\$ 645,052,729</b>	<b>\$ 612,960,744</b>
	<hr/> <hr/>	

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## County of Oxford

### Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2018 (comparative balances for year ended December 31, 2017)

	Budget 2018	Actual 2018	Actual 2017
	(Note 11)		
<b>Revenues</b>			
Property taxes	\$ 55,245,484	\$ 60,935,189	\$ 59,678,637
User fees and charges	60,795,851	62,858,115	63,474,141
Government transfers (Note 15)	62,190,600	63,088,499	54,874,272
Investment income	2,199,232	3,564,614	2,646,487
Development charges	5,143,740	8,357,647	4,988,154
Provincial offences (Note 17)	1,850,000	1,588,519	1,856,518
Other	16,000	2,020,068	423,808
	<b>187,440,907</b>	<b>202,412,651</b>	<b>187,942,017</b>
<b>Expenses</b>			
General government	7,862,868	8,167,619	6,381,727
Protection to persons and property	2,733,813	2,599,114	2,410,936
Transportation services	18,251,580	19,105,652	19,617,561
Environmental services	38,588,887	39,786,513	38,080,461
Health services	21,312,232	22,422,227	20,655,462
Social and family services	55,103,261	55,732,734	50,446,538
Social housing	19,376,345	14,604,375	10,882,227
Recreation and cultural development	4,057,174	3,918,229	3,796,186
Planning and development	3,208,750	2,807,227	3,333,664
	<b>170,494,910</b>	<b>169,143,690</b>	<b>155,604,762</b>
<b>Excess revenues over expenses before other</b>	<b>16,945,997</b>	<b>33,268,961</b>	<b>32,337,255</b>
<b>Other revenues (expenses)</b>			
Gain (loss) on disposal of capital assets	1,624,500	(1,176,976)	375,117
<b>Excess revenues over expenses</b>	<b>18,570,497</b>	<b>32,091,985</b>	<b>32,712,372</b>
<b>Accumulated surplus, beginning of year</b>	<b>612,960,744</b>	<b>612,960,744</b>	<b>580,248,372</b>
<b>Accumulated surplus, end of year (Note 10)</b>	<b>\$631,531,241</b>	<b>\$645,052,729</b>	<b>\$612,960,744</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## County of Oxford

### Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2018 (comparative balances for year ended December 31, 2017)

	2018	2017
<b>Excess revenues over expenses</b>	\$ 32,091,985	\$ 32,712,372
Acquisition of tangible capital assets	(47,907,398)	(28,670,477)
Amortization of tangible capital assets	18,783,085	18,010,411
Loss (gain) on sale of tangible capital assets	1,176,976	(375,117)
Proceeds from the sale of tangible capital assets	181,557	1,818,654
(Increase) in capital work in progress	11,820,551	(9,525,239)
Decrease (increase) in inventory	(25,024)	14,948
Decrease (increase) in prepaid and deferred charges	(108,767)	9,240
Tangible capital assets assumed on OESTHU merger	(4,763,610)	-
<b>Increase in net financial assets</b>	11,249,355	13,994,792
<b>Net financial assets, beginning of year</b>	100,959,028	86,964,236
<b>Net financial assets, end of year</b>	<b>\$112,208,383</b>	<b>\$100,959,028</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## County of Oxford

### Consolidated Statement of Cash Flows

For the year ended December 31, 2018 (comparative balances for year ended December 31, 2017)

	2018	2017
<b>Operating activities</b>		
Excess revenues over expenses	\$ 32,091,985	\$ 32,712,372
Non-cash changes to operations		
Amortization of tangible capital assets	18,783,085	18,010,411
Loss (gain) on disposal of capital assets	1,176,976	(375,117)
Post retirement and employee future benefits	562,318	278,541
Landfill closure and post closure liabilities	113,767	220,327
Changes in non-cash operating balances		
Accounts receivable	(728,478)	(1,767,707)
Loans receivable	821,836	392,901
Accounts payable and accrued liabilities	(3,350,804)	4,748,093
Deferred revenue	(453,186)	2,906,483
Inventories	(25,024)	14,948
Prepaid and deferred charges	(108,767)	9,240
Net change in cash from operating	<u>48,883,708</u>	<u>57,150,492</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(47,907,398)	(28,670,477)
Proceeds from the sale of tangible capital assets	181,557	1,818,654
Proportionate assets assumed on OESTHU merger	(4,763,610)	-
(Increase) in work in progress	<u>11,820,551</u>	<u>(9,525,239)</u>
Net change in cash from capital	<u>(40,668,900)</u>	<u>(36,377,062)</u>
<b>Financing activities</b>		
Proceeds from long term debt	6,766,082	793,924
Long term debt principal repayments	(5,443,920)	(5,447,613)
Proportionate long term debt assumed on OESTHU merger	<u>4,588,640</u>	<u>-</u>
Net change in cash from financing	<u>5,910,802</u>	<u>(4,653,689)</u>
Increase in cash and cash equivalents	<b>14,125,610</b>	<b>16,119,741</b>
<b>Cash and short term investments, beginning of year</b>	<u>183,179,309</u>	<u>167,059,568</u>
<b>Cash and short term investments, end of year</b>	<b><u>\$197,304,919</u></b>	<b><u>\$183,179,309</u></b>
<b>Comprised of:</b>		
Cash and cash equivalents	144,896,765	120,855,723
Short term investments	<u>52,408,154</u>	<u>62,323,586</u>
	<b><u>\$197,304,919</u></b>	<b><u>\$183,179,309</u></b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



### **Basis of Consolidation**

The County of Oxford ("County") is an upper-tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation. The consolidated financial statements of the County of Oxford are the representation of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). The County of Oxford is comprised of the City of Woodstock, Towns of Ingersoll and Tillsonburg and the Townships of Blandford-Blenheim, East Zorra-Tavistock, Norwich, South-West Oxford and Zorra.

#### ***Reporting entity***

The consolidated financial statements reflect the assets, liabilities, revenues and expenses and changes in investment in tangible capital assets of the County. These statements comprise all services and enterprises accountable to the County and which are owned or controlled by the County.

#### ***Consolidated entities***

In addition to the County's departments, the reporting entity includes the following:

Oxford County Library Board

All assets, liabilities, revenues and expenses between consolidated entities have been eliminated.

#### ***Proportionately consolidated entities***

On May 1, 2018, Elgin St. Thomas Public Health and Oxford County Public Health, merged to form Oxford Elgin St. Thomas Health Unit (OESTHU). The County reports its share of assets, liabilities and resulting operations of any government partnerships in which it participates. The County participates in the Oxford Elgin St Thomas Health Unit to the extent of 56% (2017 - N/A%) based on population.

#### ***Trust Funds***

Trust funds and their related operations administered by the County are not consolidated, but are reported separately on the "Woodingford Lodge Resident Trust Fund Financial Statement".

### **Accrual Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

### **Cash and Cash Equivalents**

Management considers all highly liquid investments with maturity of 90 days or less at acquisition or redeemable on demand to be cash equivalents.

### **Short Term Investments**

Portfolio investments are recorded at cost, unless there has been a decline in the market value which is other than temporary in nature, in which case the investments are written down to market value.

### **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, determines the change in net financial assets for the year.

### **Government Transfer**

Government transfers from the province or federal government are recognized in the consolidated financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

### **Investment Income**

Investment income earned on available funds and accumulated surplus is reported as revenue in the period earned. Investment income earned on development charges, reserve funds, water and wastewater reserves and the insurance reserve are added to the fund balance and forms parts of the deferred revenue and reserve balances.

### **Revenue Recognition**

Taxation revenues are recognized when the tax is authorized and the taxable event has occurred. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, using property assessments for billing purposes. Property taxes for these supplementary/omitted amounts are then billed according to the approved tax rate for the property class. Taxation revenues in any year may also be reduced as a result of reductions in assessment values arising from assessment and/or tax appeals. These assessment changes are recorded in the year the change is settled.

Charges for sewer and water usage are recorded as user fees when billed. Connection fee revenues are recognized when the connection has been established.

**Deferred Revenue**

In accordance with PSAB requirements, obligatory reserve funds are reported as a component of deferred revenue. Development charge collections have been segregated, as required by the Development Charges Act, to finance a portion of the cost of growth-related capital projects. Revenue recognition occurs when the County has incurred the expenditure for the capital works for which the development charges were collected.

Revenues received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue. The revenue is recognized in the year in which it is used for the specified purpose.

**Tangible Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees, and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

**General Capital:**

Land	No amortization
Land Improvements	30 to 40 years
Buildings	30 to 40 years
Furnishings and fixtures	10 years
Library books	7 years
Machinery and equipment	10 to 30 years
Computer hardware and software	4 years
Vehicles	5 to 20 years

**Infrastructure Capital:**

Land	No amortization
Land Improvements	30 to 40 years
Buildings	30 to 99 years
Machinery and equipment	10 to 30 years
Linear	
Water and wastewater infrastructure	10 to 99 years
Roads and bridges	7 to 99 years

Assets under construction are not amortized until the asset is available for use.

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



### **Loans Receivable**

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt. Interest is accrued on loans receivable to the extent it is deemed collectable.

### **Inventories**

Inventories held for consumption are recorded at the lower of cost and net realizable value.

### **Use of Estimates**

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from management's best estimates as additional information becomes available in the future. Adjustments, if any, will be reflected in operations in the period of settlement. Significant estimates include liability for Workplace Safety and Insurance Board, landfill closure and post-closure costs and historical cost and useful lives of tangible capital assets.

**County of Oxford**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2018**

---

**1. Short Term Investments**

The County's investment activities are governed by the Municipal Act and the County's investment policy. The short term investments of \$52,408,154 (2017 - \$62,323,586) are recorded at cost. The investments have a market value of \$51,481,428 (2017 - \$61,743,077). The market value represents the realizable value of the investments if they were sold on December 31, 2018. Accordingly, only realized gains and losses are recognized in the financial statements.

**2. Trust Funds**

Trust funds administered by the County of Oxford amounting to \$24,043 (2017 - \$23,018) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

**3. Accounts Receivable**

Accounts Receivable are reported net of allowance for doubtful accounts of \$143,880 (2017 - \$173,706).

**4. Loans Receivable**

The County has issued loans to properties for the extension of water and/or wastewater services. Interest rates range from 2.60% to 5.20%, and have repayment terms continuing until 2027. Property owners have assumed responsibility for paying the interest and principal charges for the debt.

**5. Deferred Revenue**

The deferred revenue balance is comprised of the following:

	<b>2018</b>	<b>2017</b>
Development charges	\$ 11,229,686	\$ 11,584,097
Economic development grant	2,869,912	2,933,542
Federal Gas Tax	48,912	50,893
Other	1,591,608	1,624,772
	<b>\$ 15,740,118</b>	<b>\$ 16,193,304</b>

**6. Post Retirement and Employee Future Benefits**

The County provides certain employee benefits which have been funded as noted below:

	<u>2018</u>	<u>2017</u>
Workplace Safety & Insurance Board	\$ 5,508,358	\$ 4,914,290
Post retirement benefits	26,573	58,323
	<u>\$ 5,534,931</u>	<u>\$ 4,972,613</u>

**Liability for Workplace Safety & Insurance (WSIB)**

The County (excluding the Library employees) is Schedule II employer under the Workplace Safety and Insurance Act. As a Schedule II employer, the County assumes liability for any awards made under the Act. A comprehensive actuarial valuation of the future liability for WSIB benefits was conducted in 2018, which covers the period from December 31, 2018 to December 31, 2020.

The significant actuarial assumptions adopted in estimating the County's WSIB liabilities are as follows:

• Discount rate	2.00%
• Expected future WSIB payments per lost time injury -County	232%
-Woodingford Lodge	117%
• Health care inflation	CPI plus 2.25%
• WSIB administration rate	38%
• Lost time injury count-County	5
-Woodingford Lodge	6

Information about the County's WSIB liability is as follows:

	<u>2018</u>	<u>2017</u>
Liability obligation, beginning of year	\$ 4,914,290	\$ 4,620,669
Current service cost	821,740	726,694
Interest expense	269,794	227,513
Actuarial loss	1,946,333	641,268
Benefits paid	(779,390)	(777,134)
	<u>7,172,767</u>	<u>5,439,010</u>
Accrued benefit obligation, end of year	7,172,767	5,439,010
Unamortized net actuarial gain	(1,664,409)	(524,720)
	<u>\$ 5,508,358</u>	<u>\$ 4,914,290</u>



**6. Post Retirement and Employee Future Benefits Continued**

Information about the County's WSIB expenses recognized in the period is as follows:

	<b>2018</b>	<b>2017</b>
Current period benefit cost	\$ 821,740	\$ 726,694
Amortization of net actuarial loss-December 31, 2017	165,376	-
Amortization of net actuarial gain-December 31, 2014	(49,632)	(49,632)
Amortization of net actuarial loss-December 31, 2011	166,180	166,180
Interest expense	269,794	227,513
Total expenditure	<u>\$ 1,373,458</u>	<u>\$ 1,070,755</u>

A reserve has been accumulated to fund this obligation. It is funded as follows:

	<b>2018</b>	<b>2017</b>
Workplace Safety and Insurance Board (Note 10)	<u>\$ 3,621,510</u>	<u>\$ 3,718,975</u>

**Liability for Post Retirement Benefits**

The municipality provides retirement benefits consisting of health care benefits and life insurance to qualifying members.

**7. Pension Contributions**

The County makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 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 services and rates of pay. The amount contributed to OMERS for 2018 was \$3,744,802 (2017 - \$3,886,440) for the current service and is included as an expenditure on the Consolidated Statement of Operations and Accumulated Surplus. The County had no obligation, as at December 31, 2018, under the past service provisions. The OMERS funding ratio for 2018 is 96.0% (2017 - 94.2%), with the goal of being fully funded by 2025.

**County of Oxford**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2018**

---

**8. Net Long Term Liabilities**

(a) The balance of long term liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

	<u>2018</u>	<u>2017</u>
Total long term liabilities incurred by the County at various rates of interest ranging from 1.62% to 7.00% (2017 - 1.62% to 7.00%) with maturity dates ranging from August 2018 to December 2040	\$ 91,707,757	\$ 85,763,460
Long term liabilities assumed through consolidation by the County related to OESTHU, interest at 2.85% (2017 - N/A) fixed through swap transaction, plus a stamping fee 0.40% for a total of 3.25%, maturing 2044	4,511,920	-
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by other municipalities	(43,322,237)	(38,822,029)
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage has been assumed by individuals	(405,827)	(360,620)
	<u>\$ 52,491,613</u>	<u>\$ 46,580,811</u>

(b) Of the net long term liabilities reported in (a) of this note, the minimum principal repayments required are estimated as follows:

2019	\$ 5,955,719
2020	6,054,965
2021	5,814,100
2022	5,801,160
2023	5,823,507
Thereafter	23,042,162
	<u>\$ 52,491,613</u>

(c) The net interest expense for the year ended December 31, 2018 was \$2,152,924 (2017 - \$2,285,478).

## **8. Net Long Term Liabilities Continued**

(d) The net long term liabilities in (a) issued in the name of the County have 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. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(e) The County is contingently liable for long term liabilities with respect to tile drainage; of those for which the responsibility for the payment of principal and interest has been assumed by other municipalities; and shares contingent liability for long term liabilities of OESTHU. The total amount outstanding as at December 31, 2018, was \$43,728,064 (2017 - \$39,182,649) and is not recorded on the Consolidated Statement of Financial Position.

(f) The County shares contingent liability for long term liabilities of OESTHU. The proportionate amount outstanding as at December 31, 2018, was \$4,511,920 (2017 - \$N/A).

## **9. Landfill Closure and Post Closure Liabilities**

The Public Sector Accounting Handbook Section 3270: *Solid Waste Landfill Closure and Post-Closure Liability*, establishes standards on how to account for and report liability for closure and post-closure care of a solid waste landfill site. The Sanitary Closure costs include final cover and vegetation, completing facilities for drainage control features, leachate monitoring, water quality monitoring, and monitoring and recovery of gas. Post-closure care activities include all activities related to monitoring the site once it can no longer accept waste, including acquisition of any additional land for buffer zones, treatment and monitoring of leachate, monitoring ground water and surface water, gas monitoring and recovery, and ongoing maintenance of various control systems, drainage systems, and final cover. The estimated liability for the care of landfill sites is the present value of future cash flows associated with closure and post-closure costs.

The County owns and operates one open landfill site and it owns and monitors two closed landfill sites. The open site has a remaining capacity of 2,775,993 (2017 - 2,849,434) cubic metres with an estimated life expectancy of 45 years (2017 - 46 years). The present value of the expected closure and post closure costs of the open landfill site have been estimated using a discount factor of 2.5% and an annual inflation rate of 2.5% (2017 - 2.5%). The estimated expenses for closure and post closure care at December 31, 2018 are \$4,444,929 (2017 - \$4,331,162), and has been reported on the Consolidated Statement of Financial Position. The estimated length of time required for post-closure care is 25 years.



**County of Oxford**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2018**

---

**10. Accumulated Surplus**

Accumulated surplus consists of individual fund surpluses and reserves as follows:

	<u>2018</u>	<u>2017</u>
<b>Surpluses (deficits)</b>		
Operating fund	\$ (7,257,895)	\$ (14,359,378)
Invested in tangible capital assets	479,694,432	465,608,116
Library	-	270,090
	<u>472,436,537</u>	<u>451,518,828</u>
 <b><i>Proportionate share of Oxford Elgin St Thomas Health Unit Surplus</i></b>		
Operating fund	178,884	-
Elgin St Thomas Public Health contributed surplus	415,118	-
Invested in tangible capital assets	532,767	-
Reserves	548,704	-
	<u>1,675,473</u>	<u>-</u>
 <b>Reserves</b>		
Working capital	6,100,000	6,100,000
General	15,118,634	16,073,489
Water and wastewater systems	86,020,253	77,924,332
Waste collection and disposal	2,577,518	2,468,482
Ambulance services	1,104,541	1,060,689
Social housing	7,309,429	8,577,413
Library	622,307	383,302
Workplace Safety and Insurance Board (WSIB)	3,621,510	3,718,975
Planning	687,250	693,349
Other purposes and capital expenses	23,534,186	19,174,680
	<u>146,695,628</u>	<u>136,174,711</u>
 <b>Reserve Fund</b>		
Landfill	<u>24,245,091</u>	<u>25,267,205</u>
	<u><b>\$645,052,729</b></u>	<u><b>\$612,960,744</b></u>

**11. Budget**

The Financial Plan (Budget) By-Law adopted by Council on January 10, 2018 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Municipal Act, 2001. The 2018 actual balances, in accordance with the Canadian Public Sector Accounting Standards, are reported on a full accrual basis which includes; amortization of, gains and losses on disposal of and certain revenues related to, capital assets, but excludes debt repayment, capital asset costs and transfers of accumulated surplus. As a result, the budget figures presented in the Consolidated Statement of Operations and Accumulated Surplus represent the Financial Plan adopted by Council on January 10, 2018 with adjustments as follows:

	<u>2018</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	52,563,417
Debt principal repayment	5,898,592
Less:	
Amortization	17,437,711
Issuance of long term liabilities	9,900,000
Transfers from accumulated surplus	<u>12,553,801</u>
	<u><b>\$ 18,570,497</b></u>

**12. Public Sector Salary Disclosure**

In 2018, as defined in the Public Sector Disclosure Act 1996, 38 employees were paid a salary of \$100,000 or more by the County of Oxford.

**13. Contingent Liabilities**

A long standing legal claim against the County concerning the expropriation of land for industrial development purposes is waiting decision of the Ontario Municipal Board. Costs associated with this claim will be funded from reserves the County received from a third party having interest in the matter.

Property assessment appeals have been filed by a property owners for years 2013 through to 2018 under the Assessment Act and the Municipal Act that, in the event they are successful, would be funded from the County's Corporate General reserve.

**14. Liability for Contaminated Sites**

The County has adopted PSAB 3260 standard for the purpose of disclosing liabilities associated with remediation of contaminated sites. Accordingly, there is nothing to report for the purposes of these financial statements.

**15. Oxford County Library Board**

In 2018, the Oxford County Library Board received \$135,675 (2017 - \$135,675) from the Ministry of Tourism and Culture for the public library operating grant program and pay equity funding of \$3,229 (2017 - \$3,229). These amounts are included in government grants on the Consolidated Statement of Operations and Accumulated Surplus.

**16. Provincial Offences Administration**

The County of Oxford is responsible for the administration of fines arising under the Provincial Offences Act ("POA"). The County performs court support, administration and collection functions for all related fines and fees and prosecutes matters under the POA. The POA is a procedural law for administering and prosecuting provincial offences, including but not limited to, those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act and municipal by-laws. Offenders may pay fines at any Provincial Offences Administration office in Ontario, at which time the receipts are recorded in the Integrated Courts Operation Network system ("ICON"). The County recognizes fine revenue when the receipt of funds is recorded in ICON. Gross revenue for 2018 totals \$1,588,519 (2017 - \$1,856,518).

**17. Oxford County Housing Debt Obligations**

On January 1, 2000, the Province of Ontario transferred ownership of housing units to the County. Prior to 2000, the Province issued debentures related to housing properties now owned by the County. The debt obligation for these debentures remains with the Province and has varying maturity dates. The outstanding debt at December 31, 2018 is \$1,663,062 and the principal repayments are scheduled as follows:

2019 to 2023	\$1,335,480
2024 to 2025	327,582

**18. Municipal Immigration Information Online (2017-2018) Program**

The County of Oxford received \$36,500 from the Ministry of Citizenship and Immigration in 2018 through the Municipal Immigration Information Online program to support the County and local agencies enhance the Welcome to Oxford online portal. This revenue is included in government grants on the Consolidated Statement of Operations and Accumulated Surplus. Expenditures incurred by the County of Oxford and its local agency partners related to this project totaled \$71,496.

**19. Regional Government Review**

On January 15, 2019, the Government of Ontario announced that they had assigned two special advisors to conduct a regional government review and provide recommendations that will focus on governance, service delivery and decision making. The review includes the County of Oxford and it is anticipated that the special advisors report and recommendations will be delivered by the end of summer 2019.

## **20. Comparative Balances**

The Consolidated Schedule of Tangible Capital Assets has been reclassified to align with the Ministry of Municipal Affairs' Financial Information Return, and does not represent a change in accounting policy.

## **21. Segmented Information**

### **General Government**

General government is comprised of Council and general administration. These areas include CAO/Clerk, Council, Facilities, Fleet, Finance, Information Services and Human Resources.

### **Protection to Persons and Property**

Provincial Offences Administration is responsible for providing administrative support for the Ontario Court of Justice. The Provincial Offences Act applies to all Ontario statutes (and regulations), municipal by-laws, and some federal contraventions. Protection to persons and property also includes flood control from conservation authorities.

### **Transportation Services**

Transportation is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems.

### **Environmental Services**

The environmental services include water supply and distribution, wastewater treatment and collection, and waste diversion, collection and disposal.

### **Health Services**

Health services are comprised of public health and emergency medical services. Public health services work to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities. Emergency medical services provide the County and surrounding areas with pre-hospital medical care and transportation services to the ill and injured in the community.

### **Social and Family Services**

Social Services include social assistance, long-term care and child care services. Social assistance services provide financial, social and employment assistance to those that are less fortunate. Long-term care services provide health services for seniors who can no longer live at home. Child care services provide subsidized child care spaces and wage subsidies.

### **Social Housing**

Social Housing is provided to help shelter individuals, families and elderly in need.

### **Oxford County Public Library Board**

Oxford County Public Library Board provides services meant to improve the health and development of the citizens of the County.

### **Planning and Development**

Planning and development provides services related to property development within the County.

**County of Oxford**  
**Consolidated Schedule of Tangible Capital Assets**  
**As at December 31, 2018**

**Schedule 1**

Tangible capital assets are recorded at cost on the Consolidated Statement of Financial Position. The County has tangible capital assets with a net book value of \$10,794,858 (2017 - \$22,615,409) that are not being amortized as they are under construction. During the year there were no write-downs of assets (2017 - \$nil). Underground water and sewer systems in the amount of \$1,377,473 (2017 - \$339,967) were contributed to County and were recorded at their fair value at the time of contribution. The County has no tangible capital assets recognized at a nominal value. There was no interest capitalized during the year (2017 - \$nil). The County owns various works of art and historical treasures that have not been included as tangible capital assets. These items are categorized as Archival Materials.

The following charts summarize tangible capital asset balances by category for the year ended December 31, 2018:

	Cost Dec 31, 2017	OESTHU Cost May 1, 2018 <sup>1</sup>	Additions	Disposals	Cost Dec 31, 2018	Accumulated Amortization Dec 31, 2017	OESTHU Acc. Amort May 1, 2018 <sup>1</sup>	Amortization	Disposals	Accumulated Amortization Dec 31, 2018	Net Book Value Dec 31, 2018
<b>General</b>											
Land	\$19,468,526	\$320,829	\$-	\$-	\$19,789,355	\$-	\$-	\$-	\$-	\$-	\$19,789,355
Land improvements	2,273,741	90,345	404,125	121,961	2,646,250	443,809	15,058	153,531	94,216	518,182	2,128,068
Buildings	94,289,310	4,217,208	3,401,067	671,872	101,235,713	33,262,217	359,867	2,788,050	304,276	36,105,858	65,129,855
Vehicle	13,230,546	-	486,925	915,390	12,802,081	6,499,273	-	1,319,717	911,388	6,907,602	5,894,479
Furniture and fixtures	4,756,770	-	352,886	124,766	4,984,890	4,237,882	-	115,620	124,765	4,228,737	756,153
Machinery and equipment	6,962,618	83,928	1,140,841	159,745	8,027,642	3,628,029	(96,719)	634,970	142,296	4,023,984	4,003,658
Library books	1,684,729	-	208,816	241,376	1,652,169	730,683	-	240,676	241,376	729,983	922,186
Computer hardware	1,351,462	450,785	503,611	682,715	1,623,143	963,416	121,278	239,583	622,823	701,454	921,689
<b>Total General</b>	<b>144,017,702</b>	<b>5,163,095</b>	<b>6,498,271</b>	<b>2,917,825</b>	<b>152,761,243</b>	<b>49,765,309</b>	<b>399,484</b>	<b>5,492,147</b>	<b>2,441,140</b>	<b>53,215,800</b>	<b>99,545,443</b>
<b>Infrastructure</b>											
Land	\$6,507,730	\$-	\$476,584	\$-	\$6,984,314	\$-	\$-	\$-	\$-	\$-	\$6,984,314
Land improvements	11,709,925	-	459,650	-	12,169,575	3,005,719	-	220,098	-	3,225,817	8,943,758
Buildings	133,077,803	-	9,485,845	47,239	142,516,409	40,996,500	-	2,170,360	21,274	43,145,586	99,370,823
Machinery and equipment	20,964,548	-	4,835,411	-	25,799,959	11,726,239	-	644,206	-	12,370,445	13,429,514
Bridges	36,333,042	-	1,044,770	83,301	37,294,511	11,459,016	-	545,492	83,301	11,921,207	25,373,304
Water and Wastewater	235,798,302	-	11,914,590	940,159	246,772,733	73,590,826	-	2,987,353	577,840	76,000,339	170,772,394
Roads	187,588,918	-	13,192,277	856,044	199,925,151	96,439,469	-	6,723,429	362,479	102,800,419	97,124,732
<b>Total Infrastructure</b>	<b>631,980,268</b>	<b>-</b>	<b>41,409,127</b>	<b>1,926,743</b>	<b>671,462,652</b>	<b>237,217,769</b>	<b>-</b>	<b>13,290,938</b>	<b>1,044,894</b>	<b>249,463,813</b>	<b>421,998,839</b>
<b>Total Tangible Capital Assets</b>	<b>\$775,997,970</b>	<b>\$5,163,095</b>	<b>\$47,907,398</b>	<b>\$4,844,568</b>	<b>\$824,223,895</b>	<b>\$286,983,078</b>	<b>\$399,484</b>	<b>\$18,783,085</b>	<b>\$3,486,034</b>	<b>\$302,679,613</b>	<b>\$521,544,282</b>

<sup>1</sup> Tangible capital assets proportionately assumed through merger of Elgin St. Thomas Public Health and Oxford County Public Health on May 1, 2018.



# County of Oxford

## Consolidated Schedule of Segmented Disclosure

For the Year Ended December 31, 2018 (comparative balances for year ended December 31, 2017)

### Schedule 2

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services
<b>Revenues</b>						
Property taxes	\$5,685,301	\$1,019,378	\$19,735,827	\$1,858,604	\$8,113,924	\$12,722,193
User fees and charges	1,869,978	-	723,232	49,063,678	376,185	8,010,642
Government transfers	80,739	10,850	4,682,218	1,533,089	14,130,162	36,113,188
Investment income	1,082,256	-	256,663	2,134,095	45,915	558
Development charges	134,472	-	2,101,540	5,948,545	40,000	-
Provincial offences	-	1,588,519	-	-	-	-
Other	-	205	-	1,377,473	593,302	28,208
	<u>8,852,746</u>	<u>2,618,952</u>	<u>27,499,480</u>	<u>61,915,484</u>	<u>23,299,488</u>	<u>56,874,789</u>
<b>Expenses</b>						
Wages and benefits	6,748,880	420,710	4,301,003	6,869,528	17,128,761	23,138,756
Materials and supplies	7,755,821	100,332	3,023,143	6,048,105	2,615,354	3,075,579
Contracted services	4,002,628	304,476	1,462,966	13,665,079	363,626	2,030,857
Rents and financial expenses	319,550	-	26,848	1,644	234,102	44,629
External transfers	303,700	1,555,100	5,000	-	62,644	23,373,956
Interfunctional transfers	(13,742,867)	196,151	3,008,753	6,061,112	1,076,191	2,074,905
Interest on long term debt	250,581	22,345	37,102	901,793	141,100	652,722
Amortization	2,529,326	-	7,240,837	6,239,252	800,449	1,341,330
	<u>8,167,619</u>	<u>2,599,114</u>	<u>19,105,652</u>	<u>39,786,513</u>	<u>22,422,227</u>	<u>55,732,734</u>
<b>Excess revenues over (under) expenses before other</b>	<u>685,127</u>	<u>19,838</u>	<u>8,393,828</u>	<u>22,128,971</u>	<u>877,261</u>	<u>1,142,055</u>
<b>Other revenues (expenses)</b>						
Gain (loss) on disposal	3,587	-	(515,191)	(389,943)	32,455	(178,671)
<b>Excess revenues over (under) expenses</b>	<u><b>\$688,714</b></u>	<u><b>\$19,838</b></u>	<u><b>\$7,878,637</b></u>	<u><b>\$21,739,028</b></u>	<u><b>\$909,716</b></u>	<u><b>\$963,384</b></u>

# County of Oxford

## Consolidated Schedule of Segmented Disclosure

For the Year Ended December 31, 2018 (comparative balances for year ended December 31, 2017)

### Schedule 2

	Social Housing	Oxford County Public Library Board	Planning and Development	Total	Total 2017
<b>Revenues</b>					
Property taxes	\$4,667,324	\$3,604,321	\$3,528,317	<b>\$60,935,189</b>	\$59,678,637
User fees and charges	2,414,497	47,686	352,217	<b>62,858,115</b>	63,474,141
Government transfers	6,372,941	161,654	3,658	<b>63,088,499</b>	54,874,272
Investment income	43,460	1,667	-	<b>3,564,614</b>	2,646,487
Development charges	-	78,200	54,890	<b>8,357,647</b>	4,988,154
Provincial offences	-	-	-	<b>1,588,519</b>	1,856,518
Other	-	20,880	-	<b>2,020,068</b>	423,808
	<b>13,498,222</b>	<b>3,914,408</b>	<b>3,939,082</b>	<b>202,412,651</b>	<b>187,942,017</b>
<b>Expenses</b>					
Wages and benefits	116,187	2,244,023	1,673,082	<b>62,640,930</b>	59,646,785
Materials and supplies	3,126,468	375,623	255,644	<b>26,376,069</b>	28,087,774
Contracted services	926,899	23,390	484,471	<b>23,264,392</b>	19,357,512
Rents and financial expenses	-	-	4,164	<b>630,937</b>	433,648
External transfers	9,912,922	-	82,031	<b>35,295,353</b>	27,783,154
Interfunctional transfers	210,341	807,579	307,835	-	-
Interest on long term debt	121,949	25,332	-	<b>2,152,924</b>	2,285,478
Amortization	189,609	442,282	-	<b>18,783,085</b>	18,010,411
	<b>14,604,375</b>	<b>3,918,229</b>	<b>2,807,227</b>	<b>169,143,690</b>	<b>155,604,762</b>
<b>Excess revenues over (under) expenses before other</b>	<b>(1,106,153)</b>	<b>(3,821)</b>	<b>1,131,855</b>	<b>33,268,961</b>	<b>32,337,255</b>
<b>Other revenues (expenses)</b>					
Gain (loss) on disposal	-	(129,213)	-	<b>(1,176,976)</b>	375,117
<b>Excess revenues over (under) expenses</b>	<b>\$(1,106,153)</b>	<b>\$(133,034)</b>	<b>\$1,131,855</b>	<b>\$32,091,985</b>	<b>\$32,712,372</b>