



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 '2019 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

2019 CONSOLIDATED FINANCIAL STATEMENTS

OXFORD COUNTY
ADMINISTRATION
BUILDING

County of Oxford
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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, 2019 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, 2019 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.

July 8, 2020
London, Canada

Scrimgeour · Company
LICENSED PUBLIC ACCOUNTANT

County of Oxford

Consolidated Statement of Financial Position

As at December 31, 2019 (comparative balances as at December 31, 2018)

	2019	2018
Financial assets		
Cash and cash equivalents	\$ 170,689,102	\$ 144,896,765
Short term investments (Note 1)	41,938,092	52,408,154
Accounts receivable (Note 3)	21,757,340	15,477,629
Loans receivable (Note 4)	3,755,944	4,771,780
	<hr/>	
	238,140,478	217,554,328
	<hr/>	
Liabilities		
Accounts payable and accrued liabilities	27,474,602	27,134,354
Deferred revenue (Note 5)	20,674,202	15,740,118
Post retirement and employee future benefits (Note 6)	6,055,460	5,534,931
Net long term liabilities (Note 8)	47,175,301	52,491,613
Landfill closure and post closure liabilities (Note 9)	4,619,235	4,444,929
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	105,998,800	105,345,945
	<hr/>	
Net financial assets	132,141,678	112,208,383
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Non financial assets		
Tangible capital assets (Schedule 1)	534,883,989	521,544,282
Capital work in progress	8,444,466	10,794,858
Inventories	173,860	84,695
Prepaid and deferred charges	426,656	420,511
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	543,928,971	532,844,346
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Accumulated surplus (Note 10)	\$ 676,070,649	\$ 645,052,729
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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, 2019 (comparative balances for year ended December 31, 2018)

	Budget 2019	Actual 2019	Actual 2018
	(Note 11)		
Revenues			
Property taxes	\$ 59,055,183	\$ 64,476,487	\$ 60,935,189
User fees and charges	64,263,167	66,165,810	62,858,115
Government transfers (Note 15)	54,887,589	59,798,604	63,088,499
Investment income	2,399,218	4,224,046	3,564,614
Development charges	4,777,291	7,457,028	8,357,647
Provincial offences (Note 16)	1,750,000	1,205,737	1,588,519
Other	5,000	1,756,755	1,429,982
	187,137,448	205,084,467	201,822,565
Expenses			
General government	11,078,966	9,225,808	8,167,619
Protection to persons and property	2,870,854	2,694,664	2,599,114
Transportation services	18,235,978	20,915,564	19,105,652
Environmental services	40,796,261	43,153,164	39,786,513
Health services	15,512,668	24,115,728	22,422,227
Social and family services	55,982,713	56,007,983	55,732,734
Social housing	16,584,875	10,279,505	14,604,375
Recreation and cultural development	4,225,930	4,104,554	3,918,229
Planning and development	2,980,681	2,715,873	2,807,227
	168,268,926	173,212,843	169,143,690
Excess revenues over expenses before other	18,868,522	31,871,624	32,678,875
Other revenues (expenses)			
Public health share change (Note 19)	-	(15,697)	590,086
Gain (loss) on disposal of capital assets	580,000	(838,007)	(1,176,976)
	580,000	(853,704)	(586,890)
Excess revenues over expenses	19,448,522	31,017,920	32,091,985
Accumulated surplus, beginning of year	645,052,729	645,052,729	612,960,744
Accumulated surplus, end of year (Note 10)	\$664,501,251	\$676,070,649	\$645,052,729

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, 2019 (comparative balances for year ended December 31, 2018)

	2019	2018
Excess revenues over expenses	\$ 31,017,920	\$ 32,091,985
Acquisition of tangible capital assets	(34,739,997)	(47,907,398)
Amortization of tangible capital assets	20,164,851	18,783,085
Loss (gain) on sale of tangible capital assets	838,007	1,176,976
Loss on public health share of tangible capital asset	47,261	-
Proceeds from the sale of tangible capital assets	350,171	181,557
(Increase) in capital work in progress	2,350,392	11,820,551
Decrease (increase) in inventory	(89,165)	(25,024)
Decrease (increase) in prepaid and deferred charges	(6,145)	(108,767)
Tangible capital assets assumed on OESTHU merger	-	(4,763,610)
Increase in net financial assets	19,933,295	11,249,355
Net financial assets, beginning of year	112,208,383	100,959,028
Net financial assets, end of year	\$132,141,678	\$112,208,383

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, 2019 (comparative balances for year ended December 31, 2018)

	2019	2018
Operating activities		
Excess revenues over expenses	\$ 31,017,920	\$ 32,091,985
Non-cash changes to operations		
Amortization of tangible capital assets	20,164,851	18,783,085
Loss (gain) on disposal of capital assets	838,007	1,176,976
Post retirement and employee future benefits	520,529	562,318
Landfill closure and post closure liabilities	174,306	113,767
Loss on public health share of tangible capital asset	47,261	-
Changes in non-cash operating balances		
Accounts receivable	(6,279,711)	(728,478)
Loans receivable	1,015,836	821,836
Accounts payable and accrued liabilities	340,248	(3,350,804)
Deferred revenue	4,934,084	(453,186)
Inventories	(89,165)	(25,024)
Prepaid and deferred charges	(6,145)	(108,767)
Net change in cash from operating	<u>52,678,021</u>	<u>48,883,708</u>
Capital activities		
Acquisition of tangible capital assets	(34,739,997)	(47,907,398)
Proceeds from the sale of tangible capital assets	350,171	181,557
Proportionate assets assumed on OESTHU merger	-	(4,763,610)
(Increase) in work in progress	2,350,392	11,820,551
Net change in cash from capital	<u>(32,039,434)</u>	<u>(40,668,900)</u>
Financing activities		
Proceeds from long term debt	680,569	6,766,082
Long term debt principal repayments	(5,996,881)	(5,443,920)
Proportionate long term debt assumed on OESTHU merger	-	4,588,640
Net change in cash from financing	<u>(5,316,312)</u>	<u>5,910,802</u>
Increase in cash and cash equivalents	15,322,275	14,125,610
Cash and short term investments, beginning of year	<u>197,304,919</u>	<u>183,179,309</u>
Cash and short term investments, end of year	<u>\$212,627,194</u>	<u>\$197,304,919</u>
Comprised of:		
Cash and cash equivalents	170,689,102	144,896,765
Short term investments	41,938,092	52,408,154
	<u>\$212,627,194</u>	<u>\$197,304,919</u>

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 55.5% (2018 - 56.0%) 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.

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 \$41,938,092 (2018 - \$52,408,154) are recorded at cost. The investments have a market value of \$41,659,197 (2018 - \$61,743,077). The market value represents the realizable value of the investments if they were sold on December 31, 2019. 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 \$26,503 (2018 - \$24,042) 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 \$183,067 (2018 - \$143,880).

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 2029. 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:

	<u>2019</u>	<u>2018</u>
Development charges	\$ 12,205,006	\$ 11,229,686
Economic development grant	1,968,367	2,869,912
Federal Gas Tax	3,522,618	48,912
Other	2,978,211	1,591,608
	<u>\$ 20,674,202</u>	<u>\$ 15,740,118</u>

6. Post Retirement and Employee Future Benefits

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

	<u>2019</u>	<u>2018</u>
Workplace Safety & Insurance Board	\$ 6,052,722	\$ 5,508,358
Post retirement benefits	2,738	26,573
	<u>\$ 6,055,460</u>	<u>\$ 5,534,931</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>2019</u>	<u>2018</u>
Liability obligation, beginning of year	\$ 5,508,358	\$ 4,914,290
Current service cost	784,634	821,740
Interest expense	279,236	269,794
Actuarial loss	1,664,409	1,946,333
Benefits paid	(801,430)	(779,390)
Accrued benefit obligation, end of year	7,435,207	7,172,767
Unamortized net actuarial gain	(1,382,485)	(1,664,409)
Liability obligation, end of year	<u>\$ 6,052,722</u>	<u>\$ 5,508,358</u>

6. Post Retirement and Employee Future Benefits Continued

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

	2019	2018
Current period benefit cost	\$ 784,634	\$ 821,740
Amortization of net actuarial loss-December 31, 2017	165,376	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	279,236	269,794
Total expenditure	<u>\$ 1,345,794</u>	<u>\$ 1,373,458</u>

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

	2019	2018
Workplace Safety and Insurance Board (Note 10)	<u>\$ 3,578,659</u>	<u>\$ 3,621,510</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 2019 was \$3,611,442 (2018 - \$3,744,802) 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, 2019, under the past service provisions. The OMERS funding ratio for 2019 is 97.0% (2018 - 96.0%).

County of Oxford
Notes to the Consolidated Financial Statements
December 31, 2019

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>2019</u>	<u>2018</u>
Total long term liabilities incurred by the County at various rates of interest ranging from 1.62% to 7.00% (2018 - 1.62% to 7.00%) with maturity dates ranging from March 2020 to December 2044	\$ 88,426,609	\$ 91,707,757
Long term liabilities assumed through consolidation by the County related to OESTHU, interest at 2.85% (2018 - 2.85%) fixed through swap transaction, plus a stamping fee 0.40% for a total of 3.25%, maturing 2044	4,352,599	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	(45,312,812)	(43,322,237)
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage has been assumed by individuals	(291,095)	(405,827)
	<u>\$ 47,175,301</u>	<u>\$ 52,491,613</u>

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

2020	\$ 6,113,404
2021	5,874,237
2022	5,863,057
2023	5,887,201
2024	4,047,844
Thereafter	19,389,558
	<u>\$ 47,175,301</u>

(c) The net interest expense for the year ended December 31, 2019 was \$2,144,731 (2018 - \$2,152,924).

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, 2019, was \$45,603,907 (2018 - \$43,728,064) 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, 2019, was \$4,352,599 (2018 - \$4,511,920).

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 2,652,306 (2018 - 2,775,993) cubic metres with an estimated life expectancy of 40 years (2018 - 45 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% (2018 - 2.5%). The estimated expenses for closure and post closure care at December 31, 2019 are \$4,619,235 (2018 - \$4,444,929), and has been reported on the Consolidated Statement of Financial Position. The estimated length of time required for post-closure care is 25 years.

10. Accumulated Surplus

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

	<u>2019</u>	<u>2018</u>
Surpluses (deficits)		
Operating fund	\$ (8,607,985)	\$ (7,257,895)
Invested in tangible capital assets	495,576,538	479,694,432
	<u>486,968,553</u>	<u>472,436,537</u>
 <i>Proportionate share of Oxford Elgin St Thomas Health Unit Surplus</i>		
Operating fund	97,367	178,884
Elgin St Thomas Public Health contributed surplus	-	415,118
Invested in tangible capital assets	770,174	532,767
Reserves	-	548,704
	<u>867,541</u>	<u>1,675,473</u>
 Reserves		
Working capital	6,100,000	6,100,000
General	15,612,750	15,118,634
Water and wastewater systems	96,125,576	86,020,253
Waste collection and disposal	2,742,466	2,577,518
Ambulance services	1,087,773	1,104,541
Social housing	8,327,576	7,309,429
Library	1,074,082	622,307
Workplace Safety and Insurance Board (WSIB)	3,578,659	3,621,510
Planning	615,021	687,250
Other purposes and capital expenses	29,170,875	23,534,186
	<u>164,434,778</u>	<u>146,695,628</u>
 Reserve Fund		
Landfill	<u>23,799,777</u>	<u>24,245,091</u>
	<u><u>\$676,070,649</u></u>	<u><u>\$645,052,729</u></u>

11. Budget

The Financial Plan (Budget) By-Law adopted by Council on January 09, 2019 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Municipal Act, 2001. The 2019 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 09, 2019 with adjustments as follows:

	<u>2019</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	51,222,492
Debt principal repayment	6,650,620
Less:	
Amortization	18,010,411
Issuance of long term liabilities	2,688,000
Transfers from accumulated surplus	<u>17,726,179</u>
	<u>\$ 19,448,522</u>

12. Public Sector Salary Disclosure

In 2019, as defined in the Public Sector Disclosure Act 1996, 47 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 2019 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 2019, the Oxford County Library Board received \$135,675 (2018 - \$135,675) from the Ministry of Tourism and Culture for the public library operating grant program and pay equity funding of \$3,229 (2018 - \$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 2019 totals \$1,205,737 (2018 - \$1,588,519).

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, 2019 is \$1,302,841 and the principal repayments are scheduled as follows:

2020 to 2024	\$1,134,119
2025	168,722

18. Subsequent Event

Subsequent to December 31, 2019, a coronavirus outbreak was declared a pandemic by the World Health Organization which prompted the Government of Ontario to declare a state of emergency on March 17, 2020. As a result of these declarations, significant economic and social impacts are being experienced world-wide. As the full extent of impacts from the ongoing pandemic are yet to be determined, estimates contained in these statements, including those based on actuarial assumptions, are subject to change.

19. Comparative Balances

The Public Health share change of \$590,086 has been reclassified on the Consolidated Statement of Operations from Other Revenue to Public Health Share Change for comparative purposes.

20. Segmented Information

General Government

General government is comprised of Council and general administration. These areas include CAO Office, 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 and 911 services.

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, stormwater, 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 resources and services in a variety of media to meet the needs of individuals and groups for education, information and personal development including recreation and leisure.

Planning and Development

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

County of Oxford
Consolidated Schedule of Tangible Capital Assets
As at December 31, 2019

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 \$8,444,466 (2018 - \$10,794,858) that are not being amortized as they are under construction. During the year there were no write-downs of assets (2018 - \$nil). Underground water and sewer systems in the amount of \$1,587,051 (2018 - \$1,377,473) 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 (2018 - \$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, 2019:

	Cost Dec 31, 2018	Additions	Disposals	Cost Dec 31, 2019	Accumulated Amortization Dec 31, 2018	Amortization	Disposals	Accumulated Amortization Dec 31, 2019	Net Book Value Dec 31, 2019
General									
Land	\$19,789,355	\$-	\$119,423	\$19,669,932	\$-	\$-	\$-	\$-	\$19,669,932
Land improvements	2,646,250	352,666	7,665	2,991,251	518,182	173,706	2,442	689,446	2,301,805
Buildings	101,235,713	2,544,467	322,495	103,457,685	36,105,858	2,911,540	127,345	38,890,053	64,567,632
Vehicle	12,802,081	1,780,593	1,302,335	13,280,339	6,907,602	1,481,095	1,302,335	7,086,362	6,193,977
Furniture and fixtures	4,984,890	162,206	282,929	4,864,167	4,228,737	107,969	282,929	4,053,777	810,390
Machinery and equipment	8,027,642	1,100,501	815,431	8,312,712	4,023,984	679,125	812,894	3,890,215	4,422,497
Library books	1,652,169	192,432	248,288	1,596,313	729,983	236,024	248,288	717,719	878,594
Computer hardware	1,623,143	442,149	246,580	1,818,712	701,454	337,695	241,412	797,737	1,020,975
Total General	152,761,243	6,575,014	3,345,146	155,991,111	53,215,800	5,927,154	3,017,645	56,125,309	99,865,802
Infrastructure									
Land	\$6,984,314	\$311,466	\$21,201	\$7,274,579	\$-	\$-	\$-	\$-	\$7,274,579
Land improvements	12,169,575	333,285	20,949	12,481,911	3,225,817	232,525	9,961	3,448,381	9,033,530
Buildings	142,760,864	5,910,974	653,223	148,018,615	43,390,041	2,347,620	218,307	45,519,354	102,499,261
Machinery and equipment	25,799,959	883,778	22,081	26,661,656	12,370,445	799,824	3,220	13,167,049	13,494,607
Bridges	37,250,287	2,648,064	82,202	39,816,149	11,876,983	614,791	79,152	12,412,622	27,403,527
Water and Wastewater	246,528,278	8,403,230	831,778	254,099,730	75,755,884	3,261,699	494,554	78,523,029	175,576,701
Roads	199,969,375	9,674,186	563,836	209,079,725	102,844,643	6,981,238	482,138	109,343,743	99,735,982
Total Infrastructure	671,462,652	28,164,983	2,195,270	697,432,365	249,463,813	14,237,697	1,287,332	262,414,178	435,018,187
Total Tangible Capital Assets	\$824,223,895	\$34,739,997	\$5,540,416	\$853,423,476	\$302,679,613	\$20,164,851	\$4,304,977	\$318,539,487	\$534,883,989

County of Oxford

Consolidated Schedule of Segmented Disclosure

For the Year Ended December 31, 2019 (comparative balances for year ended December 31, 2018)

Schedule 2

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services
Revenues						
Property taxes	\$7,563,168	\$1,235,115	\$20,344,831	\$1,877,297	\$8,970,937	\$13,661,916
User fees and charges	2,884,306	-	1,005,970	50,712,438	293,159	8,179,823
Government transfers	20,000	9,842	4,811,502	415,868	14,893,598	35,896,199
Investment income	1,118,562	-	412,765	2,550,157	69,396	687
Development charges	83,728	-	2,583,860	4,080,395	424,613	-
Provincial offences	-	1,205,737	-	-	-	-
Other	48,497	1,778	-	1,587,051	12,474	23,635
	<u>11,718,261</u>	<u>2,452,472</u>	<u>29,158,928</u>	<u>61,223,206</u>	<u>24,664,177</u>	<u>57,762,260</u>
Expenses						
Wages and benefits	6,905,674	432,582	4,109,129	7,031,949	15,561,419	23,661,574
Materials and supplies	7,823,198	81,491	4,445,413	7,874,273	2,398,392	3,016,018
Contracted services	5,003,718	345,189	1,523,658	14,067,871	4,233,730	2,209,378
Rents and financial expenses	319,385	-	24,506	4,371	-	44,969
External transfers	324,800	1,607,812	5,000	-	-	22,910,765
Interfunctional transfers	(14,045,991)	212,403	3,088,161	6,368,756	743,927	2,241,376
Interest on long term debt	220,292	15,187	31,753	1,021,955	173,649	562,939
Amortization	2,674,732	-	7,687,944	6,783,989	1,004,611	1,360,964
	<u>9,225,808</u>	<u>2,694,664</u>	<u>20,915,564</u>	<u>43,153,164</u>	<u>24,115,728</u>	<u>56,007,983</u>
Excess revenues over (under) expenses before other	<u>2,492,453</u>	<u>(242,192)</u>	<u>8,243,364</u>	<u>18,070,042</u>	<u>548,449</u>	<u>1,754,277</u>
Other revenues (expenses)						
Public health share change	-	-	-	-	(15,697)	-
Gain (loss) on disposal	93,413	-	(76,856)	(806,865)	35,020	(78,173)
	<u>93,413</u>	<u>-</u>	<u>(76,856)</u>	<u>(806,865)</u>	<u>19,323</u>	<u>(78,173)</u>
Excess revenues over (under) expenses	<u>\$2,585,866</u>	<u>\$(242,192)</u>	<u>\$8,166,508</u>	<u>\$17,263,177</u>	<u>\$567,772</u>	<u>\$1,676,104</u>

County of Oxford

Consolidated Schedule of Segmented Disclosure

For the Year Ended December 31, 2019 (comparative balances for year ended December 31, 2018)

Schedule 2

	Social Housing	Oxford County Public Library Board	Planning and Development	Total	Total 2018
Revenues					
Property taxes	\$4,811,019	\$3,906,935	\$2,105,269	\$64,476,487	\$60,935,189
User fees and charges	2,552,791	63,092	474,231	66,165,810	62,858,115
Government transfers	3,609,033	138,904	3,658	59,798,604	63,088,499
Investment income	57,531	14,948	-	4,224,046	3,564,614
Development charges	-	280,148	4,284	7,457,028	8,357,647
Provincial offences	-	-	-	1,205,737	1,588,519
Other	-	83,320	-	1,756,755	1,429,982
	11,030,374	4,487,347	2,587,442	205,084,467	201,822,565
Expenses					
Wages and benefits	-	2,295,929	1,842,091	61,840,347	62,640,930
Materials and supplies	3,562,407	412,597	196,674	29,810,463	26,376,069
Contracted services	885,953	21,743	321,703	28,612,943	23,264,392
Rents and financial expenses	-	-	4,164	397,395	630,937
External transfers	5,277,469	-	116,266	30,242,112	35,295,353
Interfunctional transfers	242,681	913,712	234,975	-	-
Interest on long term debt	98,823	20,134	-	2,144,732	2,152,924
Amortization	212,172	440,439	-	20,164,851	18,783,085
	10,279,505	4,104,554	2,715,873	173,212,843	169,143,690
Excess revenues over (under) expenses before other	750,869	382,793	(128,431)	31,871,624	32,678,875
Other revenues (expenses)					
Public health share change	-	-	-	(15,697)	590,086
Gain (loss) on disposal	-	(4,546)	-	(838,007)	(1,176,976)
	-	(4,546)	-	(853,704)	(586,890)
Excess revenues over (under) expenses	\$750,869	\$378,247	\$(128,431)	\$31,017,920	\$32,091,985