

 OxfordCounty

OXFORD COUNTY  
ADMINISTRATION  
BUILDING

# 2013 CONSOLIDATED FINANCIAL STATEMENTS

**COUNTY OF OXFORD**  
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**DECEMBER 31, 2013**

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# SCRIMGEOUR & COMPANY

CHARTERED ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Council, Inhabitants and Ratepayer of the County of Oxford:

I have audited the accompanying consolidated financial statements of County of Oxford, which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows 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 consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted audit standards. Those standards require that I 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 overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the County of Oxford as at December 31, 2013 and its financial performance and its change in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for municipalities as prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

London, Canada  
May 28, 2014

*Scrimgeour Company*

LICENSED PUBLIC ACCOUNTANT



**COUNTY OF OXFORD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2013**  
(with comparative balances as at December 31, 2012)

	<b>2013</b>	<b>2012</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 112,775,064	\$ 91,160,520
Short term investments (Note 1)	17,173,557	16,774,412
Accounts receivable (Note 3)	21,018,206	20,709,286
	<u>150,966,827</u>	<u>128,644,218</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	23,396,248	20,405,742
Deferred revenue (Note 4)	22,711,390	21,119,298
Post retirement and employee future benefits (Note 5)	4,176,922	4,181,309
Net long term liabilities (Note 7)	63,695,522	62,177,989
Landfill closure and post closure liabilities (Note 8)	3,792,978	3,709,814
	<u>117,773,060</u>	<u>111,594,152</u>
<b>NET FINANCIAL ASSETS</b>	<b><u>33,193,767</u></b>	<b><u>17,050,066</u></b>
<b>NON FINANCIAL ASSETS</b>		
Tangible capital assets (Note 16, Schedule 1)	448,595,203	434,092,443
Capital work in progress	7,769,618	9,097,365
Inventories	93,191	104,780
Prepaid and deferred charges	138,919	153,806
	<u>456,596,931</u>	<u>443,448,394</u>
<b>ACCUMULATED SURPLUS (Note 9, Note 16)</b>	<b><u>\$ 489,790,698</u></b>	<b><u>\$ 460,498,460</u></b>

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, 2013**  
(with comparative balances for the year ended December 31, 2012)

	<b>Budget 2013</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
	<b>(Note 10)</b>		
<b>REVENUES</b>			
Requisition on local municipalities	\$ 53,966,403	\$ 53,412,016	\$ 52,161,058
User charges	51,027,764	51,585,197	49,984,791
Government grants (Note 14)	45,336,940	44,792,923	44,975,297
Investment income	400,664	1,710,362	1,321,132
Long term care resident maintenance	5,059,590	5,078,775	4,925,764
Provincial offences	1,975,000	2,139,287	2,128,390
Other	83,700	58,505	99,892
	<b>157,850,061</b>	<b>158,777,065</b>	<b>155,596,324</b>
<b>EXPENSES</b>			
General government	2,763,947	3,271,195	4,381,862
Protection to persons and property	2,058,584	2,011,269	1,888,523
Transportation services	10,115,971	15,433,770	17,296,085
Environmental services	31,648,588	35,627,039	35,135,939
Health services	19,366,292	19,713,808	20,388,940
Social and family services	50,630,335	47,839,684	48,860,332
Social housing	7,689,845	8,130,754	8,307,787
Recreation and cultural development	2,943,903	3,377,339	2,862,922
Planning and development	3,506,849	3,061,007	3,140,246
	<b>130,724,314</b>	<b>138,465,865</b>	<b>142,262,636</b>
<b>EXCESS REVENUES OVER EXPENSES BEFORE OTHER</b>	<b>27,125,747</b>	<b>20,311,200</b>	<b>13,333,688</b>
<b>OTHER REVENUES (EXPENSES)</b>			
Government capital transfers	4,605,000	3,125,000	2,140,000
Developer contributions-in-kind related to capital	4,151,300	7,135,439	2,105,510
Loss on disposal of capital assets	-	(2,290,577)	(192,372)
Capital revenue recoverable from residents	-	1,011,176	11,836,000
Change in estimate for WSIB liability (Note 5)	-	-	1,705,295
	<b>8,756,300</b>	<b>8,981,038</b>	<b>17,594,433</b>
<b>EXCESS REVENUES OVER EXPENSES</b>	<b>35,882,047</b>	<b>29,292,238</b>	<b>30,928,121</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR (Note 16)</b>	460,498,460	460,498,460	429,570,339
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$496,380,507</b>	<b>\$489,790,698</b>	<b>\$460,498,460</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 (LIABILITIES)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
(with comparative balances for the year ended December 31, 2012)

	<b>2013</b>	<b>2012</b>
<b>EXCESS REVENUES OVER EXPENSES</b>	\$ 29,292,238	\$ 30,928,121
Acquisition of tangible capital assets	(31,806,095)	(20,650,399)
Amortization of tangible capital assets	14,838,400	16,489,924
Loss on sale of tangible capital assets	2,290,577	192,372
Proceeds from the sale of tangible capital assets	174,358	69,200
Decrease in capital work in progress	1,327,747	237,825
Decrease (increase) of inventory	11,589	(2,488)
Decrease (increase) in prepaid and deferred charges	14,887	(30,756)
<b>INCREASE IN NET FINANCIAL ASSETS</b>	16,143,701	27,233,799
<b>NET FINANCIAL ASSETS (LIABILITIES), BEGINNING OF YEAR</b>	17,050,066	(10,183,733)
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 33,193,767</b>	<b>\$ 17,050,066</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, 2013**  
(with comparative balances for the year ended December 31, 2012)

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Excess revenues over expenses	\$ 29,292,238	\$ 30,928,121
Non-cash changes to operations		
Amortization of tangible capital assets	14,838,400	16,489,924
Loss on disposal of capital assets	2,290,577	192,372
Changes in non-cash operating balances		
Accounts receivable	(308,920)	(1,443,095)
Accounts payable and accrued liabilities	2,990,506	(3,587,871)
Deferred revenue	1,592,092	4,752,366
Post retirement and employee future benefits	(4,387)	(1,736,330)
Landfill closure and post closure liabilities	83,164	136,503
Inventories	11,589	(2,488)
Prepaid and deferred charges	14,887	(30,756)
Net change in cash from operating	<u>50,800,146</u>	<u>45,698,746</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(31,806,095)	(20,650,399)
Proceeds from the sale of tangible capital assets	174,358	69,200
Decrease in work in progress	1,327,747	237,825
Net change in cash from capital	<u>(30,303,990)</u>	<u>(20,343,374)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term debt	7,000,340	717,175
Long term debt principal repayments	(5,482,807)	(5,643,675)
Net change in cash from financing	<u>1,517,533</u>	<u>(4,926,500)</u>
Increase in cash and cash equivalents	<b>22,013,689</b>	<b>20,428,872</b>
<b>Cash and short term investments, beginning of year</b>	<u>107,934,932</u>	<u>87,506,060</u>
<b>Cash and short term investments, end of year</b>	<b><u>\$129,948,621</u></b>	<b><u>\$107,934,932</u></b>
<b>COMPRISED OF:</b>		
Cash and cash equivalents	112,775,064	91,160,520
Short term investments	17,173,557	16,774,412
	<b><u>\$129,948,621</u></b>	<b><u>\$107,934,932</u></b>

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

**COUNTY OF OXFORD**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**DECEMBER 31, 2013**

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**Management's Responsibility for the Financial Statements**

The County of Oxford 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 generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The County of Oxford provides municipal services such as public works, planning, social services and housing, public health, emergency services and other general government services.

**Basis of Consolidation**

(i) Consolidated Entities

These consolidated statements reflect the assets, liabilities, revenues and expenses of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

Oxford County Library

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

(ii) Non-consolidated Entities

Trust funds and their related operations administered by the County are not consolidated, but are reported separately on the "Trust Funds Financial Statements".

**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.

**Portfolio 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.



**COUNTY OF OXFORD**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**DECEMBER 31, 2013**

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**Environmental Provisions**

The County provides for the cost of compliance with environmental legislation when conditions are identified which indicate non-compliance with environmental legislation and costs can be reasonably determined. The estimated amounts of future restoration costs are reviewed regularly, based on available information and governing legislation.

**Retirement Benefits**

The County's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. Other retirement benefits are expensed as incurred.

**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 Assets for the year.

**Government Transfer**

Government transfers, which include legislative grants, are recognized in the 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.

**Revenue Recognition**

Taxes are recognized as revenue in the year they are levied.

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

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenses are made.

Sales of service and other revenue are recognized on an accrual basis.

**COUNTY OF OXFORD**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**DECEMBER 31, 2013**

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**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:

Land	No amortization
Buildings	35 to 40 years
Furnishings and fixtures	10 years
Library books	7 years
Machinery and equipment	10 to 30 years
Infrastructure - water and wastewater	10 to 99 years
Roads and bridges	7 to 99 years
Computer hardware and software	4 years
Vehicles	5 to 20 years

**Inventories**

Inventories held for consumption are recorded at the lower of cost and market.

**Deferred Revenue**

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 on the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

**Solid Waste Landfill**

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to the expense as the landfill's capacity is used.

**Use of Estimates**

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

**COUNTY OF OXFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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**1. Short Term Investments**

The short term investments of \$17,173,557 (2012 - \$16,774,412) are recorded at cost. The investments have a market value of \$17,373,876 (2012 - \$17,456,779). The market value represents the realizable value of the investments if they were sold on December 31, 2013.

**2. Trust Funds**

Trust funds administered by the County of Oxford amounting to \$44,982 (2012 - \$49,735) 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**

Included in accounts receivable are long term receivables for \$9,091,997 (2012 - \$9,851,589) with repayment continuing until 2023.

**4. Deferred Revenue**

The deferred revenue balance is comprised of the following:

	<b>2013</b>	<b>2012</b>
Development charges	\$ 16,530,470	\$ 14,852,529
Economic development grant	3,235,113	3,274,597
Federal gas tax	1,833,721	1,784,376
Other	1,112,086	1,207,796
	<b>\$ 22,711,390</b>	<b>\$ 21,119,298</b>

Included in other is an amount for the Provincial Rent Bank Program of \$Nil (2012 - \$41,104). During 2013, the Province advanced the County \$41,104, the fund earned \$883 in interest and \$106,509 was expended from the program.

**COUNTY OF OXFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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

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

	<b>2013</b>	<b>2012</b>
Workplace Safety & Insurance Board	\$ 4,012,164	\$ 3,940,230
Post retirement benefits	164,758	241,079
	<b>\$ 4,176,922</b>	<b>\$ 4,181,309</b>

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

The County is a Schedule 2 employer under the Workplace Safety and Insurance Act. As a Schedule 2 employer, the County assumes the liability for any award made under the Act. A comprehensive actuarial valuation of the future liability for WSIB benefits was conducted as at December 31, 2011 and has been extrapolated to estimate the liability for the 2012 to 2014 period. The next required valuation will be as at December 31, 2014. In 2011, the County used the WSIB prepared report to estimate its future liability for WSIB, however in 2012, the County changed its estimate to use the actuarial report.

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

- Discount rate 4.25%
- Expected future WSIB payments per lost time injury - County 70%
- Woodingford Lodge 178%
- Health care inflation CPI plus 4%
- WSIB Administration Rate 30%
- Lost time injury count - County 4
- Woodingford Lodge 5

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

	<b>2013</b>	<b>2012</b>
Accrued benefit obligation, beginning of year	\$ 3,940,230	\$ 5,622,237
Change in estimates	-	(1,705,295)
Current service cost	483,704	470,427
Interest expense	224,257	229,190
Actuarial loss	1,495,616	1,661,796
Benefits paid	(802,207)	(842,509)
	<b>5,341,600</b>	<b>5,435,846</b>
Unamortized net actuarial gain	(1,329,436)	(1,495,616)
	<b>\$ 4,012,164</b>	<b>\$ 3,940,230</b>

**COUNTY OF OXFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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

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

	<u>2013</u>	<u>2012</u>
Current period benefit cost	\$ 483,704	\$ 470,427
Amortization of net actuarial loss	166,180	166,180
Interest expense	224,257	229,190
Accrued benefit obligation, end of year	<u>\$ 874,141</u>	<u>\$ 865,797</u>

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

	<u>2013</u>	<u>2012</u>
Workplace Safety and Insurance Board (Note 9)	<u>\$ 5,252,690</u>	<u>\$ 4,813,564</u>

**Liability for Post Retirement Benefits**

The municipality provides retirement benefits consisting of Health Care Benefits and Life Insurance to qualifying members.

**6. Pension Agreements**

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 2013 was \$3,392,437 (2012 - \$3,058,096) 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, 2013, under the past service provisions.

**COUNTY OF OXFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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**7. 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:

	<b>2013</b>	<b>2012</b>
Total long term liabilities incurred by the County at various rates of interest ranging from 1.96% to 7.00% (2012 - 1.96% to 8.00%) with maturity dates ranging from April 2014 to December 2040	\$104,886,374	\$103,387,670
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by other municipalities	(40,332,038)	(40,387,330)
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage has been assumed by individuals	(858,814)	(822,351)
	<b>\$ 63,695,522</b>	<b>\$ 62,177,989</b>

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

2014	\$ 5,890,952
2015	6,002,169
2016	5,512,511
2017	4,930,308
2018	4,771,201
Thereafter	36,588,381
	<b>\$ 63,695,522</b>

(c) The net interest expense for the year ended December 31, 2013 was \$2,889,891 (2012 - \$2,988,424).



**COUNTY OF OXFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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**7. 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, and of those for which the responsibility for the payment of principal and interest has been assumed by other municipalities. The total amount outstanding as at December 31, 2013, was \$41,190,852 (2012 - \$41,209,681) and is not recorded on the Consolidated Statement of Financial Position.

**8. 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 3,604,159 (2012 - 3,671,124) cubic metres with an estimated life expectancy of 40 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 3.0%. The estimated expenses for closure and post closure care are \$3,792,978 (2012 - \$3,709,814). 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, 2013**

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**9. Accumulated Surplus**

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

	<b>2013</b>	<b>2012</b>
<b>Surpluses (deficits)</b>		
Operating fund	\$ (69,490,079)	\$ (76,277,660)
Invested in tangible capital assets (note 16)	456,364,821	443,189,809
Library	136,270	74,388
	387,011,012	366,986,537
 <b>Reserves</b>		
Working capital	6,100,000	6,100,000
General	8,968,424	8,617,499
Water and wastewater systems	37,360,911	30,329,547
Waste collection and disposal	2,178,000	2,378,000
Ambulance services	1,234,121	1,098,761
Social housing	4,124,853	3,159,158
Library	477,828	464,276
Workplace Safety and Insurance Board (WSIB)	5,252,690	4,813,564
Planning	693,349	719,463
Other purposes and capital expenses	10,363,953	10,720,098
	76,754,129	68,400,366
 <b>Special Purpose Reserves</b>		
Landfill	26,025,557	25,111,557
	26,025,557	25,111,557
	<b>\$489,790,698</b>	<b>\$460,498,460</b>

**COUNTY OF OXFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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**10. Budget**

The Financial Plan (Budget) By-Law adopted by Council on January 09, 2013 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Ontario Municipal Act, 2001. The 2013 actual balances 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. This is consistent with the Public Sector Accounting Standard. 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, 2013 with adjustments as follows:

	<u>2013</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	39,083,605
Debt principal repayment	5,608,153
Less:	
Issuance of long term liabilities	8,806,000
Transfers from accumulated surplus	<u>3,711</u>
	<u><b>\$ 35,882,047</b></u>

**11. Commitments**

In 2008, County Council approved a \$400,000 capital grant to the Stratford General Hospital. The County has committed to fund \$40,000 each year from its general levy to fulfil this obligation. This obligation will be complete in the year 2017.

**12. Public Sector Salary Disclosure**

In 2013, as defined in the Public Sector Disclosure Act 1996, 23 employees were paid a salary of \$100,000 or more by the County of Oxford.

**13. Contingent Liabilities**

The County is in the process of defending a claim for damages concerning its involvement in the expropriation of land for industrial development purposes. If successful, the cost associated with this claim will be funded by the County's insurance provider or from revenues the County received from a third party having an interest in the matter.

Property assessment appeals have been filed by a property owner for years 2009 through to 2012 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.

**COUNTY OF OXFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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**14. Oxford County Library Board**

In 2013, the Oxford County Library Board received \$135,675 (2012 - \$111,990) from the Ministry of Tourism and Culture for the public library operating grant program and pay equity funding of \$3,229 (2012 - \$3,229). These amounts are included in government grants on the Consolidated Statement of Operations and Accumulated Surplus.

**15. Comparative Balances**

Certain comparative balances have been restated to conform with the current year's presentation.

**16. Accumulated Surplus**

An adjustment was made to the 2012 opening accumulated surplus and tangible capital assets to record assets that were not previously recognized. The adjustment increased accumulated surplus and the net book value of tangible capital assets by \$5,437,349.

**COUNTY OF OXFORD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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**17. Segmented Information**

The County of Oxford is a diversified municipal government institution that provides a wide range of services to its citizens such as emergency services, water and wastewater, roads and public housing. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments they encompass are as follows:

**General Government**

General government is responsible for: CAO/Clerk, Council, Facilities, 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.

**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 department consists of three distinct utilities - water, wastewater and solid waste disposal.

**Health Services**

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities. Emergency Medical Services provides 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 provides services that are meant to help the less fortunate in society and assistance to the aged.

**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, 2013**  
(with comparative balances as at December 31, 2012)

Schedule 1

	Land	Buildings	Vehicles	Furniture and Fixtures	Machinery and Equipment	Bridges
<b>COST</b>						
Balance, beginning of year	\$25,411,988	\$97,201,264	\$10,017,792	\$4,561,277	\$11,965,416	\$31,028,105
Add: additions during the year	50,002	3,897,485	1,663,305	353,280	554,735	714,932
Less: disposals during the year	-	303,065	897,821	17,549	1,243,335	2,738,145
Balance, end of year	<b>25,461,990</b>	<b>100,795,684</b>	<b>10,783,276</b>	<b>4,897,008</b>	<b>11,276,816</b>	<b>29,004,892</b>
<b>ACCUMULATED AMORTIZATION</b>						
Balance, beginning of year	-	\$22,451,892	\$5,758,608	\$3,954,595	\$4,474,075	\$10,813,219
Add: amortization during the year	-	2,643,818	1,206,585	106,535	658,480	406,368
Less: disposals during the year	-	108,809	889,627	17,549	1,136,587	1,147,683
Balance, end of year	-	<b>24,986,901</b>	<b>6,075,566</b>	<b>4,043,581</b>	<b>3,995,968</b>	<b>10,071,904</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$25,461,990</b>	<b>\$75,808,783</b>	<b>\$4,707,710</b>	<b>\$853,427</b>	<b>\$7,280,848</b>	<b>\$18,932,988</b>



**COUNTY OF OXFORD**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**AS AT DECEMBER 31, 2013**  
(with comparative balances as at December 31, 2012)

Schedule 1

	Water and Waste Water	Roads	Library Books	Computer Hardware and Software	Total	Total 2012  (Note 16)
<b>COST</b>						
Balance, beginning of year	\$325,867,036	\$147,588,390	\$1,676,383	\$1,399,204	<b>\$656,716,855</b>	\$637,890,642
Add: additions during the year	17,484,306	6,597,182	212,026	278,842	<b>31,806,095</b>	20,650,399
Less: disposals during the year	454,069	1,009,511	-	455,273	<b>7,118,768</b>	1,824,187
Balance, end of year	<b>342,897,273</b>	<b>153,176,061</b>	<b>1,888,409</b>	<b>1,222,773</b>	<b>681,404,182</b>	<b>656,716,854</b>
<b>ACCUMULATED AMORTIZATION</b>						
Balance, beginning of year	\$103,819,406	\$69,727,245	\$715,530	\$909,842	<b>\$222,624,412</b>	\$207,697,102
Add: amortization during the year	4,543,420	4,724,342	239,483	309,369	<b>14,838,400</b>	16,489,924
Less: disposals during the year	392,165	506,140	-	455,273	<b>4,653,833</b>	1,562,615
Balance, end of year	<b>107,970,661</b>	<b>73,945,447</b>	<b>955,013</b>	<b>763,938</b>	<b>232,808,979</b>	<b>222,624,411</b>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$234,926,612</b>	<b>\$79,230,614</b>	<b>\$933,396</b>	<b>\$458,835</b>	<b>\$448,595,203</b>	<b>\$434,092,443</b>

**COUNTY OF OXFORD**  
**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
(with comparative balances for the year ended December 31, 2012)

**Schedule 2**

	<b>General Government</b>	<b>Protection to Persons and Property</b>	<b>Transportation Services</b>	<b>Environmental Services</b>	<b>Health Services</b>	<b>Social and Family Services</b>
<b>REVENUES</b>						
Taxation	\$3,634,776	\$225,013	\$16,201,333	\$2,745,761	\$7,820,016	\$13,580,261
User charges	1,137,031	-	974,761	44,189,185	515,777	2,301,035
Government grants	37,007	-	-	-	12,059,490	29,863,273
Investment income	721,989	-	-	986,510	-	-
Long term care resident maintenance	-	-	-	-	-	5,078,775
Provincial offences	-	2,139,287	-	-	-	-
Other	-	5,328	3,099	-	23,289	23,628
	<u>5,530,803</u>	<u>2,369,628</u>	<u>17,179,193</u>	<u>47,921,456</u>	<u>20,418,572</u>	<u>50,846,972</u>
<b>EXPENSES</b>						
Wages and benefits	4,178,694	316,587	3,744,227	5,586,335	15,070,005	19,416,745
Material and supplies	3,334,660	109,614	2,185,737	12,130,073	1,797,826	2,903,392
Contracted services	2,467,732	270,510	575,097	10,061,533	541,568	5,641,363
Rents and financial expenses	132,454	17,928	-	5,284	11,975	26,427
External transfers	87,000	1,045,082	5,000	-	45,000	15,852,338
Interfunctional transfers	(8,350,549)	197,336	2,949,242	1,139,488	1,589,100	1,707,668
Interest on long term debt	355,858	54,212	9,243	1,329,105	36,669	1,057,909
Amortization	1,065,346	-	5,965,224	5,375,221	621,665	1,233,842
	<u>3,271,195</u>	<u>2,011,269</u>	<u>15,433,770</u>	<u>35,627,039</u>	<u>19,713,808</u>	<u>47,839,684</u>
<b>EXCESS REVENUES OVER EXPENSES BEFORE OTHER</b>	<u>2,259,608</u>	<u>358,359</u>	<u>1,745,423</u>	<u>12,294,417</u>	<u>704,764</u>	<u>3,007,288</u>
<b>OTHER REVENUES (EXPENSES)</b>						
Government capital transfers	-	-	3,125,000	-	-	-
Developer contributions-in-kind related to capital	90,100	-	82,959	6,411,158	-	-
Gain (loss) on disposal	-	-	(2,043,541)	(43,456)	(203,580)	-
Capital revenue recoverable from residents	-	-	-	1,011,176	-	-
Change in estimate for WSIB liability	-	-	-	-	-	-
	<u>90,100</u>	<u>-</u>	<u>1,164,418</u>	<u>7,378,878</u>	<u>(203,580)</u>	<u>-</u>
<b>EXCESS REVENUES OVER EXPENSES</b>	<u><u>\$2,349,708</u></u>	<u><u>\$358,359</u></u>	<u><u>\$2,909,841</u></u>	<u><u>\$19,673,295</u></u>	<u><u>\$501,184</u></u>	<u><u>\$3,007,288</u></u>

**COUNTY OF OXFORD**  
**CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
(with comparative balances for the year ended December 31, 2012)

**Schedule 2**

	Social Housing	Oxford County Public Library Board	Planning and Development	Total	Total 2012
<b>REVENUES</b>					
Taxation	\$3,259,369	\$2,962,786	\$2,982,701	<b>\$53,412,016</b>	\$52,161,058
User charges	2,199,776	42,294	225,338	<b>51,585,197</b>	49,984,791
Government grants	2,428,462	399,480	5,211	<b>44,792,923</b>	44,975,297
Investment income	883	980	-	<b>1,710,362</b>	1,321,132
Long term care resident maintenance	-	-	-	<b>5,078,775</b>	4,925,764
Provincial offences	-	-	-	<b>2,139,287</b>	2,128,390
Other	-	3,161	-	<b>58,505</b>	99,892
	<b>7,888,490</b>	<b>3,408,701</b>	<b>3,213,250</b>	<b>158,777,065</b>	<b>155,596,324</b>
<b>EXPENSES</b>					
Wages and benefits	97,461	1,994,950	2,306,217	<b>52,711,221</b>	51,515,981
Material and supplies	3,532,835	320,074	315,770	<b>26,629,981</b>	26,717,908
Contracted services	244,189	43,431	97,780	<b>19,943,203</b>	20,559,480
Rents and financial expenses	-	197,233	15,896	<b>407,197</b>	432,187
External transfers	3,986,552	-	25,000	<b>21,045,972</b>	23,558,731
Interfunctional transfers	85,440	381,931	300,344	-	-
Interest on long term debt	-	46,895	-	<b>2,889,891</b>	2,988,425
Amortization	184,277	392,825	-	<b>14,838,400</b>	16,489,924
	<b>8,130,754</b>	<b>3,377,339</b>	<b>3,061,007</b>	<b>138,465,865</b>	<b>142,262,636</b>
<b>EXCESS REVENUES OVER EXPENSES BEFORE OTHER</b>	<b>(242,264)</b>	<b>31,362</b>	<b>152,243</b>	<b>20,311,200</b>	<b>13,333,688</b>
<b>OTHER REVENUES (EXPENSES)</b>					
Government capital transfers	-	-	-	<b>3,125,000</b>	2,140,000
Developer contributions-in-kind related to capital	-	506,956	44,266	<b>7,135,439</b>	2,105,510
Gain (loss) on disposal	-	-	-	<b>(2,290,577)</b>	(192,372)
Capital revenue recoverable from residents	-	-	-	<b>1,011,176</b>	11,836,000
Change in estimate for WSIB liability	-	-	-	-	1,705,295
	<b>-</b>	<b>506,956</b>	<b>44,266</b>	<b>8,981,038</b>	<b>17,594,433</b>
<b>EXCESS REVENUES OVER EXPENSES</b>	<b>\$(242,264)</b>	<b>\$538,318</b>	<b>\$196,509</b>	<b>\$29,292,238</b>	<b>\$30,928,121</b>