

To: Warden and Members of County Council

From: Director of Corporate Services

2013 Audited Financial Statements

RECOMMENDATION

1. That the Oxford County Consolidated Financial Statements and the County of Oxford Trust Funds Statements for the year ended December 31, 2013 be accepted;
2. And further, that the Auditor's letter of independence for the year ended December 31, 2013 be received;
3. And further, that the Treasurer coordinate improvements to address items identified in the Auditor's 2013 Management Letter, dated May 28, 2014.

REPORT HIGHLIGHTS

- Auditor to present the 2013 consolidated financial statements, Letter of Independence and Management Letter
- Long Term Financial Sustainability Plan sustainability measures for 2009 to 2013
- 2013 year end budget surplus is \$1,441,879

Implementation Points

Staff will take the appropriate measures to remedy the weaknesses identified in the Auditor's Management Letter.

Financial Impact

2013 year end budget surplus from general purposes has been transferred to the corporate general reserve for tax stabilization purposes in accordance with Reserve Policy No. 6.20.

2013 year end surpluses or deficits from water/wastewater systems have been transferred to(from) the respective water or wastewater reserve in accordance with Reserve Policy No. 6.20.

The Treasurer has prepared this report based on the audited 2013 consolidated financial statements.

Risks/Implications

There are no risks or implications that could result by adopting the recommendation contained within this report.

Strategic Plan

County Council adopted the County of Oxford Strategic Plan at its regular meeting held March 27, 2013. The initiative contained within this report supports the Values and Strategic Directions as set out in the Strategic Plan as it pertains to the following Strategic Directions:

4. ii. A County that Informs and Engages - Better inform the public about County programs, services and activities through planned communication by *enhancing the communication value of Council reports.*

DISCUSSION

Background

For the 2013 fiscal year, Council appointed Scrimgeour & Company, Chartered Accountant, as auditor for the financial statements for the County of Oxford including its local boards.

Attached as Attachments 1 and 2 are copies of the County of Oxford Consolidated Audited Financial Statements and Audited Trust Funds Statements for the year ended December 31, 2013.

Comments

In September 2011, County Council adopted a Long Term Financial Sustainability Plan that sets out sustainability measures based on “Indicators of Government Financial Condition”, defined and approved by the Public Sector Accounting Board. They include a core set of indicators for assessing financial condition of the government entity based on financial statements prepared on the full accrual basis of accounting. Financial condition is health measured in terms of ability to meet obligations in respect of service commitments and financial commitments, using elements of sustainability, flexibility and vulnerability and provides an overall assessment of the municipality’s financial condition.

Sustainability measures the degree to which a government can maintain its existing service and financial commitment. The following illustrates some sustainability measures based on the County’s 2009 - 2013 financial statements:

| Sustainability Indicators | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|-------------|-------------|-------------|-------------|-------------|
| Financial assets to liabilities | 1.28 | 1.15 | 0.91 | 0.93 | 1.06 |
| Total cash and temporary investments to operating expenses | 0.94 | 0.76 | 0.65 | 0.46 | 0.59 |
| Net working capital to operating expenses | 0.76 | 0.61 | 0.50 | 0.39 | 0.51 |
| Net debt to total operating revenue | 0.40 | 0.40 | 0.45 | 0.35 | 0.39 |
| Net debt to taxable assessment | 0.0049 | 0.0053 | 0.0063 | 0.0057 | 0.0062 |
| Accumulated surplus to taxable assessment | 0.035 | 0.037 | 0.041 | 0.039 | 0.037 |
| Total debt per household | \$1,407 | \$1,463 | \$1,552 | \$1,401 | \$1,458 |
| Current ratio ¹ | 3.28 | 3.10 | 2.65 | 2.60 | 3.20 |
| Taxation rates coverage ² | 0.39 | 0.37 | 0.38 | 0.32 | 0.33 |
| Interest coverage ³ | 8.03 | 5.46 | 4.56 | 4.86 | 4.47 |
| Sustainability ratio ⁴ | 2.14 | 1.25 | 3.52 | 2.89 | 2.99 |

Notes:

- ¹ current assets/current liabilities - ability to meet short term debt obligations
- ² total tax revenue/total expenses - ability to cover its costs through tax revenue
- ³ earnings before interest/borrowing costs - ability to pay interest on outstanding debt
- ⁴ capital expenditures/amortization - net increase or decrease in the asset base

Flexibility Indicators measure the degree to which a municipality can change its debt or tax burden to meet its existing service and financial commitments. The following flexibility indicators have been calculated based on the County's 2009 - 2013 financial statements:

| Flexibility Indicators | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|-------------|-------------|-------------|-------------|-------------|
| Debt charges to total revenues | 0.02 | 0.02 | 0.03 | 0.02 | 0.04 |
| Net book value of capital assets to cost of capital assets | 0.66 | 0.66 | 0.67 | 0.67 | 0.66 |
| Total reserves to operating expenses | 0.74 | 0.66 | 0.66 | 0.50 | 0.55 |
| Total revenue to taxable assessment | 0.01 | 0.01 | 0.01 | 0.02 | 0.02 |

Vulnerability indicators measure the degree to which a government is dependent on sources of funding from outside its control or influence or the extent to which it is exposed to risks that could impair its existing ability to meet service and financial obligations. The following represents a vulnerability indicator based on the County's 2009 - 2013 financial statements:

| Vulnerability Indicators | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|-------------|-------------|-------------|-------------|-------------|
| Government transfers to total revenues | 0.28 | 0.29 | 0.29 | 0.39 | 0.37 |

The Financial Statements include a Consolidated Statement of Financial Position which identifies the assets, liabilities and accumulated surplus as of December 31, 2013. Note 9 to the Financial Statements provides a breakdown of the components of the accumulated surplus which includes investment in tangible capital assets, the Library surplus (budget to actual) discretionary reserves and special purpose reserves. The accumulated surplus at December 31, 2013 totals \$489,790,698 (\$460,498,460 – 2012). The overall 2013 budget surplus was \$1,441,879 (\$959,052 – 2012). The Library surplus of \$136,267 (\$74,388 – 2012) forms part of the following year's budget. The remaining \$1,441,879 of the surplus was transferred to, and forms part of, the corporate general reserve balance in accordance with Reserve Policy No. 6.20. The 2013 budget surplus is explained as follows:

| | |
|--|----------|
| Taxation | -582,000 |
| Provincial offences revenue | 175,000 |
| Corporate Services - IS - software support and service recovery fees | 90,000 |
| Corporate Services – IS – wages | 137,000 |
| Public Health and Emergency Services - salaries and benefits | 395,000 |
| Woodingford Lodge - additional provincial funding | 582,000 |
| Woodingford Lodge – salaries and benefits | 155,000 |
| Woodingford Lodge – maintenance expenses | 167,000 |
| Library surplus | 136,267 |
| Miscellaneous operating expenses | 186,612 |

| | |
|-----------------------|--------------------|
| Budget Surplus | \$1,441,879 |
|-----------------------|--------------------|

Conclusions

The five years of financial indicator comparatives suggest that the County is well positioned in the short and mid- term to meet its service and financial obligations.

Attached to this report as Attachments 3 and 4 is a Letter of Independence for the year ended December 31, 2013 and a Management Letter prepared by the Auditor that identifies areas of weakness in the internal controls or procedures of the County for the 2013 fiscal year. Action is being taken by Staff to remedy the weaknesses identified.

Overall the 2013 financial statements, supported by clean Auditor's Reports and stable financial indicators, reaffirms the County's ability to continue to maintain its strong liquidity position with a moderate debt burden – key strengths necessary for financial sustainability.

SIGNATURE

Departmental Approval:

Original signed by

Lynn S. Buchner, CGA
Director of Corporate Services

Approved for submission:

Original signed by

Peter M. Crockett, P.Eng.
Chief Administrative Officer

ATTACHMENTS

- Attachment No. 1 – Consolidated Financial Statements – December 31, 2013
- Attachment No. 2 – Trust Fund Statements – December 31, 2013
- Attachment No. 3 – Scrimgeour & Company – Letter of Independence
- Attachment No. 4 – Scrimgeour & Company – Management Letter, dated May 28, 2014



CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2013

COUNTY OF OXFORD
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DECEMBER 31, 2013

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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

DRAFT

LICENSED PUBLIC ACCOUNTANT

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

| | 2013 | 2012 |
|--|------------------------------|------------------------------|
| FINANCIAL ASSETS | | |
| 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> |
| LIABILITIES | | |
| 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> |
| NET FINANCIAL ASSETS | <u>33,193,767</u> | <u>17,050,066</u> |
| NON FINANCIAL ASSETS | | |
| 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> |
| ACCUMULATED SURPLUS (Note 9, Note 16) | <u>\$ 489,790,698</u> | <u>\$ 460,498,460</u> |

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)

| | Budget 2013 | Actual 2013 | Actual 2012 |
|---|------------------------|------------------------|------------------------|
| | (Note 10) | | |
| REVENUES | | | |
| 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 |
| | 157,850,061 | 158,777,065 | 155,596,324 |
| EXPENSES | | | |
| 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 |
| | 130,724,314 | 138,465,865 | 142,262,636 |
| EXCESS REVENUES OVER EXPENSES BEFORE OTHER | 27,125,747 | 20,311,200 | 13,333,688 |
| OTHER REVENUES (EXPENSES) | | | |
| 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 |
| | 8,756,300 | 8,981,038 | 17,594,433 |
| EXCESS REVENUES OVER EXPENSES | 35,882,047 | 29,292,238 | 30,928,121 |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR (Note 16) | 460,498,460 | 460,498,460 | 429,570,339 |
| ACCUMULATED SURPLUS, END OF YEAR | \$496,380,507 | \$489,790,698 | \$460,498,460 |

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)

| | 2013 | 2012 |
|--|----------------------|----------------------|
| EXCESS REVENUES OVER EXPENSES | \$ 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) |
| INCREASE IN NET FINANCIAL ASSETS | 16,143,701 | 27,233,799 |
| NET FINANCIAL ASSETS (LIABILITIES), BEGINNING OF YEAR | 17,050,066 | (10,183,733) |
| NET FINANCIAL ASSETS, END OF YEAR | \$ 33,193,767 | \$ 17,050,066 |

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 |
|---|-----------------------------|-----------------------------|
| OPERATING ACTIVITIES | | |
| 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> |
| CAPITAL ACTIVITIES | | |
| 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> |
| FINANCING ACTIVITIES | | |
| 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 | 22,013,689 | 20,428,872 |
| Cash and short term investments, beginning of year | <u>107,934,932</u> | <u>87,506,060</u> |
| Cash and short term investments, end of year | <u>\$129,948,621</u> | <u>\$107,934,932</u> |
| COMPRISED OF: | | |
| Cash and cash equivalents | 112,775,064 | 91,160,520 |
| Short term investments | 17,173,557 | 16,774,412 |
| | <u>\$129,948,621</u> | <u>\$107,934,932</u> |

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

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

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

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

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:

| | 2013 | 2012 |
|----------------------------|----------------------|----------------------|
| 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 |
| | \$ 22,711,390 | \$ 21,119,298 |

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:

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

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:

| | 2013 | 2012 |
|---|---------------------|---------------------|
| 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) |
| | 5,341,600 | 5,435,846 |
| Unamortized net actuarial gain | (1,329,436) | (1,495,616) |
| | \$ 4,012,164 | \$ 3,940,230 |

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

5. Post Retirement and Employee Future Benefits Continued

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

| | 2013 | 2012 |
|---|-------------|-------------|
| 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 | \$ 874,141 | \$ 865,797 |

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

| | 2013 | 2012 |
|---|--------------|--------------|
| Workplace Safety and Insurance Board (Note 9) | \$ 5,252,690 | \$ 4,813,564 |

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

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:

| | 2013 | 2012 |
|--|----------------------|----------------------|
| 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) |
| | \$ 63,695,522 | \$ 62,177,989 |

(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 |
| | \$ 63,695,522 |

(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

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

9. Accumulated Surplus

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

| | <u>2013</u> | <u>2012</u> |
|---|-----------------------------|-----------------------------|
| Surpluses (deficits) | | |
| 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 |
| | <u>387,011,012</u> | <u>366,986,537</u> |
| Reserves | | |
| 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 |
| | <u>76,754,129</u> | <u>68,400,366</u> |
| Special Purpose Reserves | | |
| Landfill | 26,025,557 | 25,111,557 |
| | <u>26,025,557</u> | <u>25,111,557</u> |
| | <u>\$489,790,698</u> | <u>\$460,498,460</u> |

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

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>\$ 35,882,047</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

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

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 |
|--|---------------------|---------------------|--------------------|---------------------------|-------------------------------|---------------------|
| COST | | | | | | |
| 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 | 25,461,990 | 100,795,684 | 10,783,276 | 4,897,008 | 11,276,816 | 29,004,892 |
| ACCUMULATED AMORTIZATION | | | | | | |
| 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 | - | 24,986,901 | 6,075,566 | 4,043,581 | 3,995,968 | 10,071,904 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | \$25,461,990 | \$75,808,783 | \$4,707,710 | \$853,427 | \$7,280,848 | \$18,932,988 |

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

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

| | General Government | Protection to Persons and Property | Transportation Services | Environmental Services | Health Services | Social and Family Services |
|---|-------------------------------|---|------------------------------------|-----------------------------------|----------------------------|---|
| REVENUES | | | | | | |
| 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> |
| EXPENSES | | | | | | |
| 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> |
| EXCESS REVENUES OVER EXPENSES BEFORE OTHER | <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> |
| OTHER REVENUES (EXPENSES) | | | | | | |
| 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> |
| EXCESS REVENUES OVER EXPENSES | <u>\$2,349,708</u> | <u>\$358,359</u> | <u>\$2,909,841</u> | <u>\$19,673,295</u> | <u>\$501,184</u> | <u>\$3,007,288</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 |
|---|--------------------|--|-----------------------------|---------------------|---------------------|
| REVENUES | | | | | |
| Taxation | \$3,259,369 | \$2,962,786 | \$2,982,701 | \$53,412,016 | \$52,161,058 |
| User charges | 2,199,776 | 42,294 | 225,338 | 51,585,197 | 49,984,791 |
| Government grants | 2,428,462 | 399,480 | 5,211 | 44,792,923 | 44,975,297 |
| Investment income | 883 | 980 | - | 1,710,362 | 1,321,132 |
| Long term care resident maintenance | - | - | - | 5,078,775 | 4,925,764 |
| Provincial offences | - | - | - | 2,139,287 | 2,128,390 |
| Other | - | 3,161 | - | 58,505 | 99,892 |
| | 7,888,490 | 3,408,701 | 3,213,250 | 158,777,065 | 155,596,324 |
| EXPENSES | | | | | |
| Wages and benefits | 97,461 | 1,994,950 | 2,306,217 | 52,711,221 | 51,515,981 |
| Material and supplies | 3,532,835 | 320,074 | 315,770 | 26,629,981 | 26,717,908 |
| Contracted services | 244,189 | 43,431 | 97,780 | 19,943,203 | 20,559,480 |
| Rents and financial expenses | - | 197,233 | 15,896 | 407,197 | 432,187 |
| External transfers | 3,986,552 | - | 25,000 | 21,045,972 | 23,558,731 |
| Interfunctional transfers | 85,440 | 381,931 | 300,344 | - | - |
| Interest on long term debt | - | 46,895 | - | 2,889,891 | 2,988,425 |
| Amortization | 184,277 | 392,825 | - | 14,838,400 | 16,489,924 |
| | 8,130,754 | 3,377,339 | 3,061,007 | 138,465,865 | 142,262,636 |
| EXCESS REVENUES OVER EXPENSES BEFORE OTHER | (242,264) | 31,362 | 152,243 | 20,311,200 | 13,333,688 |
| OTHER REVENUES (EXPENSES) | | | | | |
| Government capital transfers | - | - | - | 3,125,000 | 2,140,000 |
| Developer contributions-in-kind related to capital | - | 506,956 | 44,266 | 7,135,439 | 2,105,510 |
| Gain (loss) on disposal | - | - | - | (2,290,577) | (192,372) |
| Capital revenue recoverable from residents | - | - | - | 1,011,176 | 11,836,000 |
| Change in estimate for WSIB liability | - | - | - | - | 1,705,295 |
| | - | 506,956 | 44,266 | 8,981,038 | 17,594,433 |
| EXCESS REVENUES OVER EXPENSES | \$(242,264) | \$538,318 | \$196,509 | \$29,292,238 | \$30,928,121 |

**COUNTY OF OXFORD
TRUST FUNDS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

| | Total | County Home Trust | County Tree Memorial | County Agreement Forest Trust | P.O.A. Bail |
|---|------------------|-------------------------|----------------------------|--|----------------|
| REVENUES | | | | | |
| Capital | \$ 99,346 | \$ 99,346 | \$ - | \$ - | \$ - |
| Interest earned | 188 | - | 112 | 71 | 5 |
| | <u>99,534</u> | <u>99,346</u> | <u>112</u> | <u>71</u> | <u>5</u> |
| EXPENSES | | | | | |
| Resident withdrawals | <u>103,762</u> | <u>103,762</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS REVENUES OVER EXPENSES (EXPENSES OVER REVENUES) | (4,228) | (4,416) | 112 | 71 | 5 |
| FUND TRANSFER (Note 5) | (525) | - | - | - | (525) |
| FUND BALANCE, BEGINNING OF YEAR | <u>49,735</u> | <u>34,608</u> | <u>8,930</u> | <u>5,677</u> | <u>520</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 44,982</u> | <u>\$ 30,192</u> | <u>\$ 9,042</u> | <u>\$ 5,748</u> | <u>\$ -</u> |

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

| | | | | | |
|----------------------|------------------|------------------|-----------------|-----------------|-------------|
| ASSETS | | | | | |
| Cash | <u>\$ 44,982</u> | <u>\$ 30,192</u> | <u>\$ 9,042</u> | <u>\$ 5,748</u> | <u>\$ -</u> |
| FUND BALANCES | | | | | |
| Balance | <u>\$ 44,982</u> | <u>\$ 30,192</u> | <u>\$ 9,042</u> | <u>\$ 5,748</u> | <u>\$ -</u> |

The summary of significant accounting policies is an integral part of this financial statement.

COUNTY OF OXFORD
TRUST FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | Total | County Home Trust | County Tree Memorial | County Agreement Forest Trust | P.O.A. Bail |
|---|-------------------|-------------------------|----------------------------|--|----------------|
| OPERATING ACTIVITIES | | | | | |
| Excess revenues over expenses (expenses) over revenues | \$ (4,228) | \$ (4,416) | \$ 112 | \$ 71 | \$ 5 |
| Fund Transfer (Note 5) | (525) | - | - | - | (525) |
| Increase (decrease) in cash | (4,753) | (4,416) | 112 | 71 | (520) |
| Cash, beginning of year | 49,735 | 34,608 | 8,930 | 5,677 | 520 |
| Cash, end of year | \$ 44,982 | \$ 30,192 | \$ 9,042 | \$ 5,748 | \$ - |

The summary of significant accounting policies is an integral part of this financial statement.

COUNTY OF OXFORD
TRUST FUNDS
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2013

1. Significant Accounting Policies

- (a) The trust funds' financial statements reflect the assets, liabilities, revenues and expenses of the County's trust funds.
- (b) The financial statements have been prepared using the accrual basis of accounting in accordance with Canadian Generally Accepted Accounting Principles.

2. Management's Responsibility for the Financial Statements

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 trust funds financial statements of the County of Oxford are the representation of management prepared in accordance with Canadian public sector account standards and generally accepted accounting principles established by the Canadian Public Sector Accounting Board.

3. 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.

4. Subsequent Event

On January 8, 2014, Council authorized closure of the County Agreement Forest and the County Tree Memorial inactive trust funds reserving the funds from the County Agreement Forest and County Tree Memorial for future use in reforestation.

5. Fund Transfer

During the year the County of Oxford closed the P.O.A. Bail account and transferred the funds to the P.O.A. operating account.