

A photograph of the Oxford County Administration Building, a modern brick structure with large glass windows and a prominent brick chimney. The building is set against a blue sky with scattered white clouds. A utility pole is visible on the left side of the frame. The text "2020 CONSOLIDATED FINANCIAL STATEMENTS" is overlaid in white on the right side of the image. The building's name "OXFORD COUNTY ADMINISTRATION BUILDING" is visible on the brick facade.

2020 CONSOLIDATED FINANCIAL STATEMENTS

OXFORD COUNTY
ADMINISTRATION
BUILDING

County of Oxford
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of the County of Oxford, which comprise the Consolidated Statement of Financial Position as at December 31, 2020 and the Consolidated Statements of Operations and Accumulated Surplus, Change in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the County of Oxford as at December 31, 2020 and its financial performance and its change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

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

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

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

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

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

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

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

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

We also:

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

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

Scrimgeour Company

May 26, 2021
London, Canada

LICENSED PUBLIC ACCOUNTANT

County of Oxford

Consolidated Statement of Financial Position

As at December 31, 2020 (comparative balances as at December 31, 2019)

	2020	2019
Financial assets		
Cash and cash equivalents	\$ 208,945,214	\$ 170,689,102
Short term investments (Note 1)	30,347,541	41,938,092
Accounts receivable (Note 3)	19,605,182	21,757,340
Loans receivable (Note 4)	2,709,995	3,755,944
	<u>261,607,932</u>	<u>238,140,478</u>
Liabilities		
Accounts payable and accrued liabilities	28,307,276	27,474,602
Deferred revenue (Note 5)	26,269,105	20,674,202
Post retirement and employee future benefits (Note 6)	6,620,841	6,055,460
Net long term liabilities (Note 8)	42,717,321	47,175,301
Landfill closure and post closure liabilities (Note 9)	4,772,271	4,619,235
	<u>108,686,814</u>	<u>105,998,800</u>
Net financial assets	<u>152,921,118</u>	<u>132,141,678</u>
Non financial assets		
Tangible capital assets (Schedule 1)	546,730,237	534,883,989
Capital work in progress	8,903,505	8,444,466
Inventories	174,516	173,860
Prepaid and deferred charges	504,540	426,656
	<u>556,312,798</u>	<u>543,928,971</u>
Accumulated surplus (Note 10)	<u>\$ 709,233,916</u>	<u>\$ 676,070,649</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, 2020 (comparative balances for year ended December 31, 2019)

	Budget 2020	Actual 2020	Actual 2019
	(Note 11)		
Revenues			
Property taxes	\$ 62,665,460	\$ 67,245,964	\$ 64,476,487
User fees and charges	64,773,999	72,160,805	66,165,810
Government transfers (Note 15)	55,077,734	63,103,956	59,798,604
Investment income	3,801,285	2,764,304	4,224,046
Development charges	10,706,879	9,512,100	7,457,028
Provincial offences (Note 16)	1,440,000	1,291,090	1,205,737
Other	350,000	351,810	1,756,755
	198,815,357	216,430,029	205,084,467
Expenses			
General government	11,195,745	12,769,382	9,225,808
Protection to persons and property	2,884,455	2,459,573	2,694,664
Transportation services	18,059,041	18,933,733	20,915,564
Environmental services	42,031,675	49,844,537	43,153,164
Health services	16,275,621	26,880,738	24,115,728
Social and family services	57,449,471	55,154,634	56,007,983
Social housing	13,420,640	10,388,260	10,279,505
Recreation and cultural development	4,309,443	3,854,322	4,104,554
Planning and development	2,981,102	2,592,442	2,715,873
	168,607,193	182,877,621	173,212,843
Excess revenues over expenses before other	30,208,164	33,552,408	31,871,624
Other revenues (expenses)			
Public health share change	-	-	(15,697)
Gain (loss) on disposal of capital assets	268,000	(389,141)	(838,007)
	268,000	(389,141)	(853,704)
Excess revenues over expenses	30,476,164	33,163,267	31,017,920
Accumulated surplus, beginning of year	676,070,649	676,070,649	645,052,729
Accumulated surplus, end of year (Note 10)	\$706,546,813	\$709,233,916	\$676,070,649

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

County of Oxford

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2020 (comparative balances for year ended December 31, 2019)

	2020	2019
Excess revenues over expenses	\$ 33,163,267	\$ 31,017,920
Acquisition of tangible capital assets	(33,323,443)	(34,739,997)
Amortization of tangible capital assets	20,546,108	20,164,851
Loss on sale of tangible capital assets	389,141	838,007
Loss on public health share of tangible capital asset	-	47,261
Proceeds from the sale of tangible capital assets	541,946	350,171
Decrease (Increase) in capital work in progress	(459,039)	2,350,392
(Increase) in inventory	(656)	(89,165)
(Increase) in prepaid and deferred charges	(77,884)	(6,145)
Increase in net financial assets	20,779,440	19,933,295
Net financial assets, beginning of year	132,141,678	112,208,383
Net financial assets, end of year	\$152,921,118	\$132,141,678

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, 2020 (comparative balances for year ended December 31, 2019)

	2020	2019
Operating activities		
Excess revenues over expenses	\$ 33,163,267	\$ 31,017,920
Non-cash changes to operations		
Amortization of tangible capital assets	20,546,108	20,164,851
Loss on disposal of capital assets	389,141	838,007
Post retirement and employee future benefits	565,381	520,529
Landfill closure and post closure liabilities	153,036	174,306
Loss on public health share of tangible capital asset	-	47,261
Changes in non-cash operating balances		
Accounts receivable	2,152,158	(6,279,711)
Loans receivable	1,045,949	1,015,836
Accounts payable and accrued liabilities	832,674	340,248
Deferred revenue	5,594,903	4,934,084
Inventories	(656)	(89,165)
Prepaid and deferred charges	(77,884)	(6,145)
Net change in cash from operating	<u>64,364,077</u>	<u>52,678,021</u>
Capital activities		
Acquisition of tangible capital assets	(33,323,443)	(34,739,997)
Proceeds from the sale of tangible capital assets	541,946	350,171
Decrease (Increase) in work in progress	(459,039)	2,350,392
Net change in cash from capital	<u>(33,240,536)</u>	<u>(32,039,434)</u>
Financing activities		
Proceeds from long term debt	1,655,424	680,569
Long term debt principal repayments	(6,113,404)	(5,996,881)
Net change in cash from financing	<u>(4,457,980)</u>	<u>(5,316,312)</u>
Increase in cash and cash equivalents	26,665,561	15,322,275
Cash and short term investments, beginning of year	<u>212,627,194</u>	<u>197,304,919</u>
Cash and short term investments, end of year	<u>\$239,292,755</u>	<u>\$212,627,194</u>
Comprised of:		
Cash and cash equivalents	208,945,214	170,689,102
Short term investments	30,347,541	41,938,092
	<u>\$239,292,755</u>	<u>\$212,627,194</u>

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

Basis of Consolidation

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

Reporting entity

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

Consolidated entities

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

Oxford County Library Board

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

Proportionately consolidated entities

On May 1, 2018, Elgin St. Thomas Public Health and Oxford County Public Health, merged to form Oxford Elgin St. Thomas Health Unit (OESTHU). The County reports its share of assets, liabilities and resulting operations of any government partnerships in which it participates. The County participates in the Oxford Elgin St Thomas Health Unit to the extent of 55.5% (2019 - 55.5%) based on population.

Trust Funds

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

Cash and Cash Equivalents

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

Short Term Investments

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

Non-Financial Assets

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

Government Transfer

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

Investment Income

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

Revenue Recognition

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

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

Deferred Revenue

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

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

Tangible Capital Assets

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

General Capital:

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

Infrastructure Capital:

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

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

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

Loans Receivable

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

Inventories

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

Use of Estimates

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

1. Short Term Investments

The County's investment activities are governed by the Municipal Act and the County's investment policy. The short term investments of \$30,347,541 (2019 - \$41,938,092) are recorded at cost. The investments have a market value of \$30,986,289 (2019 - \$41,659,197). The market value represents the realizable value of the investments if they were sold on December 31, 2020. Accordingly, only realized gains and losses are recognized in the financial statements.

2. Trust Funds

Trust funds administered by the County of Oxford amounting to \$27,555 (2019 - \$26,503) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

3. Accounts Receivable

Accounts Receivable are reported net of allowance for doubtful accounts of \$223,912 (2019 - \$183,067).

4. Loans Receivable

The County has issued loans to properties for the extension of water and/or wastewater services. Interest rates range from 2.60% to 4.75%, and have repayment terms continuing until 2029. Property owners have assumed responsibility for paying the interest and principal charges for the debt.

5. Deferred Revenue

The deferred revenue balance is comprised of the following:

	<u>2020</u>	<u>2019</u>
Development charges	\$ 11,620,218	\$ 12,205,006
Economic development grant	1,928,054	1,968,367
Federal Gas Tax	2,482,263	3,522,618
Ontario Community Infrastructure Fund	1,849,408	937,426
Safe Restart Agreement	3,332,596	-
Other	5,056,566	2,040,785
	<u>\$ 26,269,105</u>	<u>\$ 20,674,202</u>

6. Post Retirement and Employee Future Benefits

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

	<u>2020</u>	<u>2019</u>
Workplace Safety & Insurance Board	\$ 6,620,836	\$ 6,052,722
Post retirement benefits	5	2,738
	<u>\$ 6,620,841</u>	<u>\$ 6,055,460</u>

Liability for Workplace Safety & Insurance (WSIB)

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

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

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

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

	<u>2020</u>	<u>2019</u>
Liability obligation, beginning of year	\$ 6,052,722	\$ 5,508,358
Current service cost	809,974	784,634
Interest expense	289,334	279,236
Actuarial loss	1,382,485	1,664,409
Benefits paid	(813,118)	(801,430)
Accrued benefit obligation, end of year	7,721,397	7,435,207
Unamortized net actuarial gain	(1,100,561)	(1,382,485)
Liability obligation, end of year	<u>\$ 6,620,836</u>	<u>\$ 6,052,722</u>

6. Post Retirement and Employee Future Benefits Continued

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

	2020	2019
Current period benefit cost	\$ 809,974	\$ 784,634
Amortization of net actuarial loss-December 31, 2017	165,376	165,376
Amortization of net actuarial gain-December 31, 2014	(49,632)	(49,632)
Amortization of net actuarial loss-December 31, 2011	166,180	166,180
Interest expense	289,334	279,236
Total expenditure	<u>\$ 1,381,232</u>	<u>\$ 1,345,794</u>

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

	2020	2019
Workplace Safety and Insurance Board (Note 10)	<u>\$ 3,805,290</u>	<u>\$ 3,578,659</u>

Liability for Post Retirement Benefits

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

7. Pension Contributions

The County makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of services and rates of pay. The amount contributed to OMERS for 2020 was \$3,758,583 (2019 - \$3,611,442) 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, 2020, under the past service provisions. The OMERS funding ratio for 2020 is 97.0% (2019 - 97.0%).

County of Oxford
Notes to the Consolidated Financial Statements
December 31, 2020

8. Net Long Term Liabilities

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

	<u>2020</u>	<u>2019</u>
Total long term liabilities incurred by the County at various rates of interest ranging from 1.03% to 7.00% (2019 - 1.62% to 7.00%) with maturity dates ranging from January 2021 to December 2045	\$ 83,430,825	\$ 88,426,609
Long term liabilities assumed through consolidation by the County related to OESTHU, interest at 2.85% (2019 - 2.85%) fixed through swap transaction, plus a stamping fee 0.40% for a total of 3.25%, maturing 2044	4,231,662	4,352,599
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by other municipalities	(44,764,610)	(45,312,812)
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage has been assumed by individuals	(180,556)	(291,095)
	<u>\$ 42,717,321</u>	<u>\$ 47,175,301</u>

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

2021	\$ 6,024,586
2022	6,016,595
2023	6,043,996
2024	4,207,965
2025	3,460,859
Thereafter	16,963,320
	<u>\$ 42,717,321</u>

(c) The net interest expense for the year ended December 31, 2020 was \$1,909,263 (2019 - \$2,144,731).

8. Net Long Term Liabilities Continued

(d) The net long term liabilities in (a) issued in the name of the County have received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(e) The County is contingently liable for long term liabilities with respect to tile drainage; of those for which the responsibility for the payment of principal and interest has been assumed by other municipalities; and shares contingent liability for long term liabilities of OESTHU. The total amount outstanding as at December 31, 2020, was \$44,945,166 (2019 - \$45,603,907) and is not recorded on the Consolidated Statement of Financial Position.

(f) The County shares contingent liability for long term liabilities of OESTHU. The proportionate amount outstanding as at December 31, 2020, was \$4,231,662 (2019 - \$4,352,599).

9. Landfill Closure and Post Closure Liabilities

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

The County owns and operates one open landfill site and it owns and monitors two closed landfill sites. The open site has a remaining capacity of 2,550,843 (2019 - 2,652,306) cubic metres with an estimated life expectancy of 35 years (2019 - 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 2.5% (2019 - 2.5%). The estimated expenses for closure and post closure care at December 31, 2020 are \$4,772,271 (2019 - \$4,619,235), and has been reported on the Consolidated Statement of Financial Position. The estimated length of time required for post-closure care is 25 years.

10. Accumulated Surplus

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

	<u>2020</u>	<u>2019</u>
Surpluses (deficits)		
Operating fund	\$ (10,778,048)	\$ (8,607,985)
Invested in tangible capital assets	511,926,631	495,576,538
	<u>501,148,583</u>	<u>486,968,553</u>
 <i>Proportionate share of Oxford Elgin St Thomas Health Unit surplus (deficit)</i>		
Operating fund	(35,112)	97,367
Invested in tangible capital assets	989,788	770,174
	<u>954,676</u>	<u>867,541</u>
 Reserves		
Working capital	6,100,000	6,100,000
General	16,154,360	15,612,750
Water and wastewater systems	106,375,583	96,125,576
Waste collection and disposal	2,750,823	2,742,466
Ambulance services	1,802,440	1,087,773
Social housing	9,946,689	8,327,576
Library	1,782,542	1,074,082
Workplace Safety and Insurance Board (WSIB)	3,805,290	3,578,659
Planning	687,250	615,021
Other purposes and capital expenses	34,019,222	29,170,875
	<u>183,424,199</u>	<u>164,434,778</u>
 Reserve Fund		
Landfill	<u>23,706,458</u>	<u>23,799,777</u>
	<u>\$709,233,916</u>	<u>\$676,070,649</u>

11. Budget

The Financial Plan (Budget) By-Law adopted by Council on January 08, 2020 was prepared on a modified accrual basis consistent with the requirements of Section 289 of the Municipal Act, 2001. The 2020 actual balances, in accordance with the Canadian Public Sector Accounting Standards, are reported on a full accrual basis which includes; amortization of, gains and losses on disposal of and certain revenues related to, capital assets, but excludes debt repayment, capital asset costs and transfers of accumulated surplus. As a result, the budget figures presented in the Consolidated Statement of Operations and Accumulated Surplus represent the Financial Plan adopted by Council on January 08, 2020 with adjustments as follows:

	<u>2020</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Tangible capital assets	58,558,673
Debt principal repayment	6,767,399
Less:	
Amortization	18,642,813
Issuance of long term liabilities	942,000
Transfers from accumulated surplus	<u>15,265,095</u>
	<u>\$ 30,476,164</u>

12. Public Sector Salary Disclosure

In 2020, as defined in the Public Sector Disclosure Act 1996, 79 employees were paid a salary of \$100,000 or more by the County of Oxford.

13. Contingent Liabilities

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

Property assessment appeals have been filed by property owners for years 2013 through to 2020 under the Assessment Act and the Municipal Act that, in the event they are successful, would be funded from the County's Corporate General reserve.

14. Liability for Contaminated Sites

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

15. Oxford County Library Board

In 2020, the Oxford County Library Board received \$135,675 (2019 - \$135,675) from the Ministry of Tourism and Culture for the public library operating grant program and pay equity funding of \$3,229 (2019 - \$3,229). These amounts are included in government grants on the Consolidated Statement of Operations and Accumulated Surplus.

16. Provincial Offences Administration

The County of Oxford is responsible for the administration of fines arising under the Provincial Offences Act ("POA"). The County performs court support, administration and collection functions for all related fines and fees and prosecutes matters under the POA. The POA is a procedural law for administering and prosecuting provincial offences, including but not limited to, those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act and municipal by-laws. Offenders may pay fines at any Provincial Offences Administration office in Ontario, at which time the receipts are recorded in the Integrated Courts Operation Network system ("ICON"). The County recognizes fine revenue when the receipt of funds is recorded in ICON. Gross revenue for 2020 totals \$1,291,090 (2019 - \$1,205,737).

17. Oxford County Housing Debt Obligations

On January 1, 2000, the Province of Ontario transferred ownership of housing units to the County. Prior to 2000, the Province issued debentures related to housing properties now owned by the County. The debt obligation for these debentures remains with the Province and has varying maturity dates. The outstanding debt at December 31, 2020 is \$1,025,150 and the principal repayments are scheduled as follows:

2021 to 2025	\$1,025,150
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18. Commitments and Contingencies

In 2020 the County, along with other municipalities in southwestern Ontario, provided a loan guarantee to a lender of the Southwestern Integrated Fibre Technology Inc. (SWIFT) totaling \$27.5 million to be used by SWIFT to finance fourteen projects identified in its Southwestern Ontario Integrated Fibre Technology Pilot Project Contribution Agreement with the Federal/Provincial Governments. This guarantee shall expire once SWIFT has been reimbursed by the Federal/Provincial Governments in accordance with the Southwestern Ontario Integrated Fibre Technology Pilot Project Contribution Agreement, expected by December 2023. The County's portion of the loan guarantee is \$1.498 million.

19. Ministry of Health

The County of Oxford received \$301,465 from the Ministry of Health in 2020 through the Pandemic Pay program to support the paramedic COVID-19 response for the period April 24 to August 13. This revenue is included in government grants on the Consolidated Statement of Operations and Accumulated Surplus. Expenditures incurred by the County of Oxford related to this program totaled \$301,465.

Additionally, the Ministry of Health provided \$359,374 in one-time funding to support paramedic services as part of the 2020 calendar year COVID-19 response. This revenue is included in government grants on the Consolidated Statement of Operations and Accumulated Surplus. Expenditures incurred by the County of Oxford related to this program totaled \$359,374.

20. Significant Event

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

21. Comparative Balances

The opening cost and accumulated amortization balance for buildings have been reclassified between General to Infrastructure assets within Schedule 1.

22. Segmented Information

General Government

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

Protection to Persons and Property

Provincial Offences Administration is responsible for providing administrative support for the Ontario Court of Justice. The Provincial Offences Act applies to all Ontario statutes (and regulations), municipal by-laws, and some federal contraventions. Protection to persons and property also includes flood control from conservation authorities and 911 services.

Transportation Services

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

Environmental Services

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

Health Services

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

Social and Family Services

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

Social Housing

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

Oxford County Public Library Board

Oxford County Public Library Board provides resources and services in a variety of media to meet the needs of individuals and groups for education, information and personal development including recreation and leisure.

Planning and Development

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

County of Oxford
Consolidated Schedule of Tangible Capital Assets
As at December 31, 2020

Schedule 1

Tangible capital assets are recorded at cost on the Consolidated Statement of Financial Position. The County has tangible capital assets with a net book value of \$8,903,505 (2019 - \$8,444,466) that are not being amortized as they are under construction. During the year there were no write-downs of assets (2019 - \$nil). Underground water and sewer systems in the amount of \$247,155 (2019 - \$1,587,051) were contributed to County and were recorded at their fair value at the time of contribution. The County has no tangible capital assets recognized at a nominal value. There was no interest capitalized during the year (2019 - \$nil). The County owns various works of art and historical treasures that have not been included as tangible capital assets. These items are categorized as Archival Materials.

The following charts summarize tangible capital asset balances by category for the year ended December 31, 2020:

	Cost Dec 31, 2019	Additions	Disposals	Cost Dec 31, 2020	Accumulated Amortization Dec 31, 2019	Amortization	Disposals	Accumulated Amortization Dec 31, 2020	Net Book Value Dec 31, 2020
General									
Land	\$19,669,932	\$-	\$1,854	\$19,668,078	\$-	\$-	\$-	\$-	\$19,668,078
Land improvements	2,991,251	591,285	36,977	3,545,559	689,446	197,831	2,814	884,463	2,661,096
Buildings	103,553,167	4,377,042	782,094	107,148,115	38,900,804	3,033,925	504,690	41,430,039	65,718,076
Vehicle	13,280,339	1,326,622	1,334,888	13,272,073	7,086,362	1,528,391	1,266,227	7,348,526	5,923,547
Furniture and fixtures	4,864,167	275,665	330,625	4,809,207	4,053,777	124,703	330,625	3,847,855	961,352
Machinery and equipment	8,312,712	1,877,018	853,466	9,336,264	3,890,215	713,704	844,381	3,759,538	5,576,726
Library books	1,596,313	180,440	212,026	1,564,727	717,719	228,044	212,026	733,737	830,990
Computer hardware	1,818,712	531,162	299,484	2,050,390	797,737	344,756	299,484	843,009	1,207,381
Total General	156,086,593	9,159,234	3,851,414	161,394,413	56,136,060	6,171,354	3,460,247	58,847,167	102,547,246
Infrastructure									
Land	\$7,274,579	\$-	\$35,004	\$7,239,575	\$-	\$-	\$-	\$-	\$7,239,575
Land improvements	12,481,911	156,131	-	12,638,042	3,448,381	249,197	-	3,697,578	8,940,464
Buildings	147,923,133	2,349,496	201,051	150,071,578	45,508,603	2,428,816	99,214	47,838,205	102,233,373
Machinery and equipment	26,661,656	1,199,514	75,343	27,785,827	13,167,049	860,885	75,343	13,952,591	13,833,236
Bridges	39,816,149	2,973,262	151,364	42,638,047	12,412,622	690,151	103,312	12,999,461	29,638,586
Water and Wastewater	254,099,730	5,947,111	467,292	259,579,549	78,523,029	3,338,807	235,961	81,625,875	177,953,674
Roads	209,079,725	11,538,695	340,687	220,277,733	109,343,743	6,806,898	216,991	115,933,650	104,344,083
Total Infrastructure	697,336,883	24,164,209	1,270,741	720,230,351	262,403,427	14,374,754	730,821	276,047,360	444,182,991
Total Tangible Capital Assets	\$853,423,476	\$33,323,443	\$5,122,155	\$881,624,764	\$318,539,487	\$20,546,108	\$4,191,068	\$334,894,527	\$546,730,237

County of Oxford

Consolidated Schedule of Segmented Disclosure

For the Year Ended December 31, 2020 (comparative balances for year ended December 31, 2019)

Schedule 2

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services
Revenues						
Property taxes	\$7,364,595	\$1,559,815	\$20,693,961	\$1,919,027	\$10,356,357	\$13,851,661
User fees and charges	5,536,391	-	946,791	54,064,183	872,997	7,732,264
Government transfers	75,494	99,911	5,830,253	60,969	16,930,908	35,663,636
Investment income	995,474	-	229,524	1,469,996	28,276	1,218
Development charges	35,088	-	3,096,880	5,788,486	237,227	-
Provincial offences	-	1,291,090	-	-	-	-
Other	58,074	-	-	247,155	37,010	7,024
	<u>14,065,116</u>	<u>2,950,816</u>	<u>30,797,409</u>	<u>63,549,816</u>	<u>28,462,775</u>	<u>57,255,803</u>
Expenses						
Wages and benefits	7,236,520	334,612	3,831,384	7,194,280	18,378,914	25,236,014
Materials and supplies	7,736,202	66,132	3,712,743	12,177,801	2,753,745	3,341,451
Contracted services	7,595,757	211,108	1,297,123	15,222,589	3,527,780	2,242,377
Rents and financial expenses	312,423	-	22,067	31,631	-	44,953
External transfers	1,352,800	1,624,179	30,000	-	168,219	20,183,737
Interfunctional transfers	(14,402,106)	215,800	2,416,299	7,233,962	793,568	2,222,914
Interest on long term debt	204,072	7,742	26,400	951,392	155,797	470,669
Amortization	2,733,714	-	7,597,717	7,032,882	1,102,715	1,412,519
	<u>12,769,382</u>	<u>2,459,573</u>	<u>18,933,733</u>	<u>49,844,537</u>	<u>26,880,738</u>	<u>55,154,634</u>
Excess revenues over expenses before other	<u>1,295,734</u>	<u>491,243</u>	<u>11,863,676</u>	<u>13,705,279</u>	<u>1,582,037</u>	<u>2,101,169</u>
Other revenues (expenses)						
Public health share change	-	-	-	-	-	-
Gain (loss) on disposal	362,610	-	(199,349)	(339,729)	(13,438)	(182,494)
	<u>362,610</u>	<u>-</u>	<u>(199,349)</u>	<u>(339,729)</u>	<u>(13,438)</u>	<u>(182,494)</u>
Excess revenues over expenses	<u>\$1,658,344</u>	<u>\$491,243</u>	<u>\$11,664,327</u>	<u>\$13,365,550</u>	<u>\$1,568,599</u>	<u>\$1,918,675</u>

County of Oxford

Consolidated Schedule of Segmented Disclosure

For the Year Ended December 31, 2020 (comparative balances for year ended December 31, 2019)

Schedule 2

	Social Housing	Oxford County Public Library Board	Planning and Development	Total	Total 2019
Revenues					
Property taxes	\$5,351,369	\$3,994,008	\$2,155,171	\$67,245,964	\$64,476,487
User fees and charges	2,599,309	18,820	390,050	72,160,805	66,165,810
Government transfers	4,176,570	179,685	86,530	63,103,956	59,798,604
Investment income	30,117	9,699	-	2,764,304	4,224,046
Development charges	-	282,190	72,229	9,512,100	7,457,028
Provincial offences	-	-	-	1,291,090	1,205,737
Other	-	2,547	-	351,810	1,756,755
	<u>12,157,365</u>	<u>4,486,949</u>	<u>2,703,980</u>	<u>216,430,029</u>	<u>205,084,467</u>
Expenses					
Wages and benefits	-	2,062,534	1,850,704	66,124,962	61,840,347
Materials and supplies	2,864,956	359,547	195,011	33,207,588	29,810,463
Contracted services	907,304	22,466	211,242	31,237,746	28,612,943
Rents and financial expenses	-	-	4,164	415,238	397,395
External transfers	5,975,466	-	102,315	29,436,716	30,242,112
Interfunctional transfers	327,313	963,244	229,006	-	-
Interest on long term debt	78,208	14,983	-	1,909,263	2,144,732
Amortization	235,013	431,548	-	20,546,108	20,164,851
	<u>10,388,260</u>	<u>3,854,322</u>	<u>2,592,442</u>	<u>182,877,621</u>	<u>173,212,843</u>
Excess revenues over expenses before other	<u>1,769,105</u>	<u>632,627</u>	<u>111,538</u>	<u>33,552,408</u>	<u>31,871,624</u>
Other revenues (expenses)					
Public health share change	-	-	-	-	(15,697)
Gain (loss) on disposal	-	(16,741)	-	(389,141)	(838,007)
	-	(16,741)	-	(389,141)	(853,704)
Excess revenues over expenses	<u>\$1,769,105</u>	<u>\$615,886</u>	<u>\$111,538</u>	<u>\$33,163,267</u>	<u>\$31,017,920</u>