
County of Wellington
Financial Statements
For the year ended December 31, 2013

County of Wellington
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For the year ended December 31, 2013

Consolidated Financial Statements

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County of Wellington

Independent Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Wellington:

We have audited the accompanying consolidated financial statements of the Corporation of the County of Wellington, which comprise the consolidated statement of financial position as at December 31, 2013, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the County of Wellington as at December 31, 2013, and its consolidated results of operations, and its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

County of Wellington**Consolidated Statement of Financial Position****As at December 31**

	2013	2012
	\$	\$
Assets		
Financial Assets		
Cash and Short Term Investments (Note 3)	28,738,282	25,599,673
Accounts Receivable	6,575,197	4,774,608
Long Term Investments (Note 3)	71,945,848	66,579,787
Loans Receivable (Note 4)	481,068	483,756
Total Financial Assets	107,740,395	97,437,824
Liabilities		
Accounts Payable and Accrued Liabilities	20,552,202	17,288,806
Deferred Revenue (Note 5)	8,676,019	5,950,087
Landfill Site Closure & Post Closure Liability (Note 6)	7,997,026	8,666,918
Post Employment/Retirement Liability (Note 7)	2,501,460	2,386,527
WSIB Liability (Note 8)	1,435,121	1,424,122
Net Long Term Liabilities (Note 9)	37,620,894	31,936,324
Total Liabilities	78,782,722	67,652,784
Net Financial Assets	28,957,673	29,785,040
Non Financial Assets		
Tangible Capital Assets (Note 10)	372,855,271	362,793,772
Inventories of Supplies	505,388	640,989
Prepaid Expenses	1,985,197	1,115,362
Total Non Financial Assets	375,345,856	364,550,123
Accumulated Surplus (Note 11)	404,303,529	394,335,163

County of Wellington
Consolidated Statement of Operations
For the year ended December 31

	Budget	2013	2012
	\$	\$	\$
Revenues			
Taxation	78,412,900	79,285,560	74,979,107
Government Transfers			
Provincial	48,536,500	50,518,274	48,938,858
Federal	7,221,200	5,217,887	8,210,928
Municipal	24,029,600	24,596,190	23,199,960
Fees and Service Charges	8,893,200	7,691,941	6,768,455
Licences, Permits, Rent	6,713,300	6,955,891	6,714,216
Interest, Donations, Other	2,750,200	3,009,273	3,176,494
Development Charges Earned	131,600	1,112,949	742,006
Total Revenues	176,688,500	178,387,965	172,730,024
Expenses			
General Government	13,833,000	12,852,998	12,368,901
Protection to Persons & Property	18,130,700	17,647,545	17,660,996
Transportation Services	28,554,500	27,257,804	22,784,377
Environmental Services	8,080,000	7,481,141	8,767,472
Health Services	10,768,600	9,872,636	9,255,992
Social Housing	30,585,300	28,538,100	25,925,890
Social and Family Services	52,717,600	54,535,798	53,891,547
Library	5,724,300	5,682,218	5,561,565
Museum	1,878,500	1,829,010	1,689,758
Planning and Development	2,955,700	2,722,349	2,863,549
Total Expenses	173,228,200	168,419,599	160,770,047
Annual Surplus	3,460,300	9,968,366	11,959,977
Accumulated Surplus, Beginning of Year	394,335,163	394,335,163	382,375,186
Accumulated Surplus, End of Year	397,795,463	404,303,529	394,335,163

County of Wellington
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	2013	2012
	\$	\$
Annual Surplus	9,968,366	11,959,977
Acquisition of Tangible Capital Assets	(30,403,091)	(23,589,942)
Amortization of Tangible Capital Assets	18,765,785	16,273,638
Loss on Disposal of Tangible Capital Assets	1,254,206	2,032,016
Proceeds on Sale of Tangible Capital Assets	321,601	445,679
	<u>(93,133)</u>	<u>7,121,368</u>
Acquisition of Inventories of Supplies	(505,388)	(640,989)
Acquisition of Prepaid Expenses	(1,985,197)	(1,115,362)
Consumption of Inventories of Supplies	640,989	611,554
Use of Prepaid Expenses	1,115,362	1,627,989
	<u>(827,367)</u>	<u>7,604,560</u>
Change in Net Financial Assets	(827,367)	7,604,560
Net Financial Assets, Beginning of Year	<u>29,785,040</u>	<u>22,180,480</u>
Net Financial Assets, End of Year	<u>28,957,673</u>	<u>29,785,040</u>

County of Wellington

Consolidated Statement of Cash Flows

Operating Activities:

Annual Surplus	9,968,366	11,959,977
Items Not Involving Cash:		
Amortization	18,765,785	16,273,638
Loss on Disposal of Tangible Capital Assets	1,254,205	2,032,016
Contributed Tangible Capital Assets	-	-
Change in Post Employment/Retirement Liability	114,933	186,728
Change in WSIB Liability	10,999	7,851
Change in Landfill Liability	(669,892)	371,589
Change in Non-Cash Assets and Liabilities:		
Accounts Receivable	(1,800,589)	3,310,243
Accounts Payable and Accrued Liabilities	3,263,396	(506,759)
Deferred Revenue	2,725,932	(1,103,495)
Inventories of Supplies	135,601	(29,435)
Prepaid Expenses	(869,835)	512,627
Net Change in Cash from Operating Activities	32,898,901	33,014,980

Capital Activities:

Proceeds on Sale of Tangible Capital Assets	321,601	445,679
Cash Used to Acquire Tangible Capital Assets	(30,403,090)	(23,589,942)
Net Change in Cash from Capital Activities	(30,081,489)	(23,144,263)

Investing Activities:

Change in Loan Receivable	2,688	1,559,712
Change in Long Term Investments	(5,366,061)	(8,101,490)
Net Change in Cash from Investing Activities	(5,363,373)	(6,541,778)

Financing Activities:

Long term debt issued	8,200,000	3,700,000
Long term debt repaid	(2,515,430)	(2,418,562)
Net Change in Cash from Financing Activities	5,684,570	1,281,438

Net Change in Cash and Short-Term Investments 3,138,609 4,610,377

Cash and Short-Term Investments, Beginning of Year 25,599,673 20,989,296

Cash and Short-Term Investments, End of Year 28,738,282 25,599,673

Notes to the Financial Statements For the Year Ended December 31, 2013

The County of Wellington (the County) is an upper-tier municipality in the Province of Ontario, Canada. The County is comprised of seven member municipalities: the Towns of Erin and Minto, and the Townships of Centre Wellington, Guelph/Eramosa, Mapleton, Puslinch and Wellington North.

1. ACCOUNTING POLICIES

The consolidated financial statements of the County of Wellington are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the County are as follows:

a) Basis of Consolidation

(i) Consolidated Entities

These consolidated statements include the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

Wellington County Police Services Board

Wellington County Public Library Board

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenditures.

Under PSAB standards, the County reports only its share of assets, liabilities and results of operations of any government partnerships in which it participates. The County participates in the Wellington-Dufferin-Guelph Health Unit to the extent of 32.7% (2012 – 33.5%) based on population, as stated in the agreement with the other participants, the City of Guelph and the County of Dufferin.

(ii) Trust Funds

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

b) Basis of Accounting

(i) Accrual Basis of Accounting

The County follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(ii) Investments

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

(iii) Deferred Revenue

In accordance with PSAB requirements obligatory reserve funds are reported as a component of deferred revenue. The County has obligatory development charge reserve funds in the amount of \$3,610,181 (2012 - \$3,071,351). These funds have been set aside, as required by the Development Charges Act, to finance a portion of the cost of growth-related capital projects. Revenue recognition occurs after the funds have been collected and when the County has incurred the expenditures for the capital works for which the development charges were raised.

Unexpended funds of \$4,102,460 (2012 - \$2,391,529) received by the County under the Federal Gas Tax Revenue Transfer are reported as deferred revenue and will be recognized as revenue in the fiscal year in which the eligible expenditures are incurred.

(iv) Government Transfers

Government transfers received relate to social services, police, health and cultural programs. Transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(v) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, landfill closure and post-closure liability, actuarial valuations of employee future benefits, and the historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

c) Physical Assets

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, is amortized on a straight line basis over their estimated useful lives as follows:

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

Major Asset Classification	Component Breakdown	Useful Life - Years
Land		N/A
Landfill Sites		N/A - Based on usage
Buildings	Structure	15 to 50
	Exterior	20 to 40
	Interior	15 to 40
	Site Elements	10 to 30
	Leasehold Improvements	Lease Term
Infrastructure	Roads and Parking Lots - Asphalt	20
	Roads and Parking Lots - Gravel	10
	Roads - Base	50
	Bridges - Surface	20
	Bridges and Culverts - Structure	50
	Traffic Signals, Street Signs, Outdoor Lighting	20
Vehicles & Machinery	Licensed Equipment	7
	Unlicensed Equipment	15
Furniture & Fixtures		15
Technology & Communications		5
Library Books		5

Landfill sites are amortized using the units of production method based upon capacity used during the year.

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

The County completed a review of social housing building assets in 2013 and determined that in order to properly manage these assets it was necessary to recognize that components of the building have significantly different useful lives.

The change in estimate of useful life from accounting for social housing buildings as a whole with a useful life of 40 years to accounting for these assets on a component basis with varied useful lives has resulted in an increase to amortization expense for the year ended December 31, 2013 of \$1,418,611.

(ii) Contributions of Tangible Capital Assets

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

(iii) Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements. The County's art collection includes approximately 1,000 pieces along with approximately 100,000 artifacts and archival documents which are considered to be "historical treasures". All artwork, artifacts, and archival documents are fully catalogued (along with appraised values) in the County's collections database. The collection is maintained and stored at the Wellington County Museum & Archives.

(iv) Interest Capitalization

Borrowing costs incurred as a result of the acquisition, construction and production of an asset that takes a substantial period of time to prepare for its intended use are capitalized as part of the cost of the asset.

Capitalization of interest costs commences when the expenses are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

use are in progress. Capitalization is suspended during periods in which active development is interrupted. Capitalization ceases when substantially all of the activities necessary to prepare the asset for its intended use are complete. If only minor modifications are outstanding, this indicates that substantially all of the activities are complete.

The capitalized interest costs associated with the acquisition or construction of tangible capital assets during the year was \$nil (2012 - \$nil).

(v) Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are expensed as incurred.

(vi) Inventories of Supplies

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

2. TRUST FUNDS

Trust funds administered by the County amounting to \$73,780 (2012 - \$52,114) have not been included in the Consolidated Statement of Financial Position, nor have their operations been included in the Consolidated Statement of Financial Activities.

3. CASH AND INVESTMENTS

Total cash and short term investments of \$28,738,282 (2012 - \$25,599,673) are reported on the Consolidated Statement of Financial Position at cost and have a market value of \$28,738,654 (2012 - \$25,599,055) at the end of the year.

Total long term investments of \$71,945,848 (2012 - \$66,579,787) are reported on the Consolidated Statement of Financial Position at cost and have a market value of \$73,624,922 (2012 - \$70,631,037).

At December 31, 2013 the County had undrawn credit capacity under a credit facility of \$3,000,000. Interest on the credit facility is at prime less 0.75%.

4. LOANS RECEIVABLE

(i) Service Financing and Cost Sharing Agreements with the Township of Centre Wellington

In 2003 the County entered into a service financing agreement with the Township of Centre Wellington. The agreement provides for the extension of water and sanitary sewer services to County-owned lands at Wellington Place in Aboyne. The County financed the initial cost of the services, and the Township is repaying the County for 87.5% of the cost of water services and 95.0% the cost of sanitary sewer services over a 10 year period commencing in 2006. In 2010 the County entered into a cost sharing agreement with the Township of Centre Wellington and Groves Memorial Hospital to fund three phases of a Community Planning Area Subwatershed Study. The County funds the work upfront and is repaid by the Township at 54% and the Hospital at 6%. In 2011 phase 1 was completed and in 2012 phase 2 was completed. The Township will repay the County over 10 years from year of completion and the Hospital will repay the County through the Township at the time of building permit issuance. The amount to be repaid to the County as at December 31, 2013 was \$376,353 (2012 - \$483,756) and is reflected on the Consolidated Statement of Financial Position as a Loan Receivable.

In 2013, the County and Centre Wellington agreed in principle to share soil remediation costs for the

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

Fergus Library Expansion Project. The land, originally owned by Centre Wellington, will be remediated by the County upfront and repaid by the Township at 60%. Details of the repayment schedule are currently under negotiation. The amount to be repaid to the County as at December 31, 2013 was \$104,715 (2012 - \$0).

5. DEFERRED REVENUE

Deferred revenue, which is reported on the Consolidated Statement of Financial Position, is further analyzed as follows:

	2013	2012
Federal Gas Tax	4,102,460	2,391,529
Development Charges	3,610,181	3,071,351
Deferred Capital Grants	-	29,038
Deferred Operating Grants	263,083	314,686
Other	700,295	143,483
	<u>8,676,019</u>	<u>5,950,087</u>
	2013	2012
Balance, Beginning of Year		
Federal Gas Tax	2,391,529	4,047,465
Development Charges	3,071,351	2,568,783
Deferred Capital Grants	29,038	68,000
Deferred Operating Grants	314,686	293,985
Other	143,483	76,508
	<u>5,950,087</u>	<u>7,054,741</u>
Amounts Received		
Federal Gas Tax	2,622,160	2,622,160
Development Charges	1,530,462	1,139,482
Deferred Capital Grants	-	-
Deferred Operating Grants	397,001	105,903
Other	954,284	593,459
Interest Earned	218,792	265,553
	<u>5,722,699</u>	<u>4,726,557</u>
Contributions Used	(2,996,767)	(5,831,211)
Balance, End of Year	<u>8,676,019</u>	<u>5,950,087</u>

6. LANDFILL SITE CLOSURE AND POST-CLOSURE LIABILITY

The County is responsible for all aspects of solid waste management. As of December 31, 2013 there were 16 closed landfill sites (of which 5 locations were operating as transfer stations) and 1 active landfill site. The total estimated expenditure (on a discounted basis) for closure and post-closure care as of December 31, 2013 is \$8,729,716 (2012- \$9,568,023). The amount reported on the Consolidated Statement of Financial Position as of December 31, 2013 is \$7,997,026 (2012 - \$8,666,918) and the amount remaining to be recognized is \$732,690 (2012 - \$901,105).

Closure costs include final cover and vegetation, drainage control features, leachate control and monitoring systems, water quality monitoring systems, gas monitoring and recovery, land acquisition, site remediation, and site closure reports. Post-closure costs include leachate monitoring and treatment, water quality monitoring, gas monitoring and recovery, ongoing maintenance and annual reports. The discounted cash flow analysis is based on the estimated costs for each of these items over a 25 year period using the County's estimated long term borrowing rate as of December 31, 2013.

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

The liability for closure and post closure care is recognized as the capacity of each site is used. For any closed sites, 100% of the liability is recognized. A total of 91.60% (2012 – 90.58%) of the liability is recognized and reported, which represents the estimated weighted average capacity used to December 31, 2013. It is estimated that sufficient landfill site capacity exists for approximately 32 years.

Of the \$7,997,026 (2012 - \$8,666,918) recognized as a liability, \$3,256,528 (2012 - \$4,122,593) is included on the Consolidated Statement of Financial Position as a reduction to accumulated surplus and will be recovered from future general municipal revenues and \$4,740,498 (2012 - \$4,544,325) is shown as an amount to be recovered from reserve funds (see note 11).

7. POST EMPLOYMENT / RETIREMENT LIABILITY

Post employment benefits include a provision to pay 90% of the premium cost for retired non-union full-time employees, 100% of the premium cost for retired union full-time employees and 50% of the premium cost for retired permanent part time employees for dental, extended health care and life insurance benefits for an employee voluntarily electing early retirement until the retired employee's 65th birthday. To be eligible to receive these benefits, the employee must be at least 55 years of age, have a minimum of ten years of continuous service with the County at the time of retirement and be in receipt of an OMERS pension.

Post employment benefits include a sick leave accumulation plan for full time unionized employees. This plan allows for the vesting of sick leave credits after ten years of service, with a maximum accumulation of 1.5 days per month of completed service. Fifty percent of the accumulated credits are paid out upon termination, retirement, early retirement or death of the employee. Payouts are limited to a maximum of fifty percent of the employee's current salary.

The present value of these benefit obligations at December 31, 2013 was estimated from an actuarial review completed in December 2012. The review calculated the benefit obligations using an accrued benefit obligation methodology, which recognizes the accrued benefit over the employees' working lifetime. Of the \$2,493,743 (2012 - \$2,372,756) recognized as a liability \$1,720,347 (2012 - \$1,687,489) is included on the Consolidated Statement of Financial Position as a reduction to accumulated surplus and will be recovered from future general municipal revenues and \$773,397 (2012 - \$685,267) is an amount to be recovered from reserve funds (see note 11).

Benefit	Number of Employees Entitled to Benefit as at December 31, 2013	Liability as at December 31, 2013	Liability as at December 31, 2012
Sick Leave	47	773,396	685,267
Dental	46	377,816	371,178
Extended Health Care	45	1,207,848	1,178,765
Life Insurance	51	134,683	137,546
County of Wellington Total		2,493,743	2,372,756
Wellington-Dufferin Guelph Public Health Unit		7,717	13,771
Consolidated Total		2,501,460	2,386,527

Information about the County's benefit plan is as follows:

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

	2013	2012
Accrued Benefit Obligation:		
Balance, beginning of year	3,256,513	2,643,977
Current benefit cost	178,053	178,609
Interest	128,643	132,659
Benefits paid	(258,911)	(160,203)
Actuarial loss	-	461,471
Balance, end of year	<u>3,304,298</u>	<u>3,256,513</u>
Unamortized actuarial loss	<u>(810,555)</u>	<u>(883,757)</u>
Liability for benefits	2,493,743	2,372,756
Wellington-Dufferin-Guelph Public Health Unit	<u>7,717</u>	<u>13,771</u>
Consolidated Total	2,501,460	2,386,527

Included in expenses is \$73,202 (2012 - \$40,240) for amortization of the actuarial loss. The unamortized actuarial loss is amortized over the expected average remaining service life as listed below:

Accumulated Sick Leave Benefit Plan Entitlements	14 years
Retiree Benefits	14 years

The main actuarial assumptions employed for the valuation are as follows:

- (i) Interest (discount rate):
The present value of future liabilities and the expense for the 12 months ended December 31, 2013 were determined using a discount rate of 4.0%.
- (ii) Medical costs:
Medical costs were assumed to increase at the rate of 5.67% per year reducing over 6 years to 4% in 2018.
- (iii) Dental costs:
Dental costs were assumed to increase at the rate of 4.0% per year.

8. WORKPLACE SAFETY AND INSURANCE

The County is a Schedule II (self-insured) employer with the Workplace Safety and Insurance Board (WSIB). Payments made to the WSIB in 2013 resulting from approved claims were \$117,161 (2012 - \$163,002) and are reported as a liability transaction on the Consolidated Statement of Financial Position. There were no major unsettled claims as at December 31, 2013. The WSIB liability has been established based on an actuarial evaluation completed in December 2012. The evaluation is updated every four years. As WSIB benefits are a compensated absence, PSAB Section PS 3250 requires full recognition of liabilities associated with workplace injuries that occurred on or before the valuation date. The amount reported on the Consolidated Statement of Financial Position as a liability is \$1,435,121 (2012 - \$1,424,122).

Information about the WSIB liability is as follows:

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

	2013	2012
Accrued Benefit Obligation:		
Balance, beginning of year	1,133,048	1,087,042
Current benefit cost	188,194	181,963
Interest	45,397	43,531
Expected benefit payments	(184,437)	(179,488)
Expected accrued benefit obligation, end of year	1,182,202	1,133,048
Actual accrued benefit obligation, end of year	1,182,202	1,133,048
Unamortized actuarial gain	252,919	291,074
WSIB Liability	1,435,121	1,424,122

Included in expenses is \$38,155 (2012 - \$38,155) for amortization of the actuarial gain. The unamortized actuarial gain on future payments required to WSIB is amortized over the expected period of the liability which is 10 years.

The main actuarial assumptions employed for the valuation are as follows:

- (i) Interest (discount rate):
The present value of future liabilities and the expense for the 12 months ended December 31, 2013 were determined using a discount rate of 4.0%.
- (ii) Administration costs:
Administration costs were assumed to be 30.0% of the compensation expense
- (iii) Compensation expense:
Compensation costs, which include loss of earnings benefits, health care costs and non-economic loss awards, were assumed to increase at rates ranging from 1.5% to 6.0% depending on the benefit type.

The County purchases two forms of insurance to limit exposure in the event of a significant work-related accident resulting in a death or permanent disability. Occupational Accident Insurance coverage provides a one-time fixed payment of \$500,000 per incident. Excess indemnity insurance is in place to a maximum of \$10,000,000 with a \$500,000 retention.

9. NET LONG-TERM LIABILITIES

Provincial legislation restricts the use of long-term liabilities to financing capital expenditures, and also authorizes the County to issue long-term debt for both County and Local purposes, with the latter at the request of the Local Municipality. The responsibility for raising the amounts required to service these liabilities rests with the County and such Local Municipalities for which the debt was issued.

Long-term liabilities outstanding for County purposes (2013 - \$37,620,894, 2012 - \$31,936,324) are direct, unsecured and unsubordinated obligations of the County. Long-term liabilities outstanding for Local Municipal purposes (2013 - \$29,178,956, 2012 - \$31,666,636) are direct, unsecured, unsubordinated, joint and several obligations of the County and such Local Municipalities.

- (a) The outstanding principal portion of unmatured long term liabilities for municipal expenditures is reported on the Consolidated Statement of Financial Position, under "Net Long Term Liabilities". Net long-term liabilities reported on the Consolidated Statement of Financial Position are comprised of the following:

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

	2013	2012
Long-term liabilities incurred by the County, including those incurred on behalf of member municipalities, and outstanding at the end of the year	66,799,850	63,602,960
Long-term liabilities incurred by the County and recoverable from member municipalities	(29,178,956)	(31,666,636)
Net long-term liabilities at the end of the year	37,620,894	31,936,324

(b) Future principal payments for net long term liabilities are as follows:

	Principal
2014	3,087,449
2015	3,216,803
2016	3,071,694
2017	3,081,330
2018	3,208,936
Subsequent to 2018	21,954,682
	37,620,894

(c) The long-term liabilities in (a) of this note issued in the name of the County, as well as those pending issues of long-term liabilities and commitments to be financed by revenues beyond the term of Council, 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.

(d) Total charges for the year for net long term liabilities are as follows:

	2013	2012
Principal Payments	2,515,430	2,418,562
Interest	1,667,188	1,641,736
	4,182,618	4,060,298

(e) The charges shown on the previous table are recovered as follows:

	2013	2012
General Municipal Revenues	3,734,279	3,717,710
Development Charges	448,339	342,588
	4,182,618	4,060,298

(f) Net long-term liabilities are to be recovered are as follows:

	2013	2012
Net Long-term liabilities		
Recovered from General Municipal Revenues	33,435,894	28,147,324
Recovered from Development Charges	4,185,000	3,789,000
	37,620,894	31,936,324

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

10. TANGIBLE CAPITAL ASSETS

County tangible capital assets are identified by asset type. The cost of tangible capital assets, their accumulated amortization and net book value are disclosed in the following schedule:

Cost	Balance at December 31, 2012	Adjustment	Additions	Disposals	Balance at December 31, 2013
Land	\$ 31,150,126		\$ 94,821		\$ 31,244,947
Landfill Sites	1,871,638				1,871,638
Buildings	122,736,583	(448,687)	3,621,728	(191,516)	125,718,108
Infrastructure					-
Roads	293,479,303	(161,359)	6,075,688	(2,335,372)	297,058,260
Bridges	70,115,990		3,512,625	(986,315)	72,642,300
Culverts	13,427,921		2,636,129	(104,766)	15,959,284
Traffic Lights	2,162,528	153,430			2,315,958
Parking Lots	125,223	448,687	68,877		642,787
Vehicles & Machinery					
Licensed Equipment	8,429,417		1,791,349	(908,739)	9,312,027
Unlicensed Equipment	6,794,772		573,958	(1,256,187)	6,112,543
Furniture & Fixtures	5,955,596		482,592	(4,234)	6,433,954
Technology & Communications	3,602,529		939,016	(185,000)	4,356,545
Library Books	3,256,160		534,819	(778,803)	3,012,176
Public Health	2,535,247	(60,543)	4,353,669		6,828,373
Capital Work-in Progress	6,182,449		10,080,742	(4,322,168)	11,941,023
Total	\$ 571,825,482	\$ (68,472)	\$ 34,766,013	\$ (11,073,100)	\$ 595,449,923

Accumulated Amortization	Balance at December 31, 2012	Adjustment	Disposals	Amortization Expense	Balance at December 31, 2013
Land	\$ -				\$ -
Landfill Sites	(726,010)			\$ (50,778)	(776,788)
Buildings	(21,717,754)	96,320	56,281	(4,568,666)	(26,133,819)
Infrastructure					
Roads	(127,963,894)	7,929	1,732,201	(8,562,309)	(134,786,073)
Bridges	(37,990,513)		964,731	(1,642,216)	(38,667,998)
Culverts	(7,101,202)		101,609	(416,342)	(7,415,935)
Traffic Lights	(1,368,287)			(159,815)	(1,528,102)
Parking Lots	(2,083)	(96,320)		(43,730)	(142,133)
Vehicles & Machinery					
Licensed Equipment	(3,707,265)		732,985	(987,253)	(3,961,533)
Unlicensed Equipment	(2,049,892)		619,282	(417,107)	(1,847,717)
Furniture & Fixtures	(2,756,993)		4,234	(330,269)	(3,083,028)
Technology & Communications	(1,159,983)		185,000	(631,020)	(1,606,003)
Library Books	(1,659,188)		778,803	(627,273)	(1,507,658)
Public Health	(828,646)	19,788		(329,007)	(1,137,865)
Total	\$ (209,031,710)	\$ 27,717	\$ 5,175,126	\$ (18,765,785)	\$ (222,594,652)

Net Book Value	December 31, 2012				December 31, 2013
Land	\$ 31,150,126				\$ 31,244,947
Landfill Sites	1,145,628				1,094,850
Buildings	101,018,829				99,584,289
Infrastructure					
Roads	165,515,409				162,272,187
Bridges	32,125,477				33,974,302
Culverts	6,326,719				8,543,349
Traffic Lights	794,241				787,856
Parking Lots	123,140				500,654
Vehicles & Machinery					
Licensed Equipment	4,722,152				5,350,494
Unlicensed Equipment	4,744,880				4,264,826
Furniture & Fixtures	3,198,603				3,350,926
Technology & Communications	2,442,546				2,750,542
Library Books	1,596,972				1,504,518
Public Health	1,706,601				5,690,508
Capital Work-in-Progress	6,182,449				11,941,023
Total	\$ 362,793,772				\$ 372,855,271

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

(a) Assets Under Construction

Assets under construction having a value of \$11,941,023 (2012 - \$6,182,449) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Write-Down of Tangible Capital Assets

The write-down of tangible capital assets during the year was \$nil (2012- \$nil).

(c) Adjustments

- (i) The adjustment related to the Wellington-Dufferin-Guelph Health Unit tangible capital assets is due to a reduction in the share of assets the County reports based on updated 2011 Census information of 32.7% (2012 – 33.5%).
- (ii) The other adjustments relate to reclassification of assets as a result of updated information provided by asset management plan work during 2013.

11. ACCUMULATED SURPLUS

Accumulated surplus shown on the Consolidated Statement of Financial Position is analyzed as follows:

As at December 31	2013	2012
	\$	\$
Surplus:		
Invested in Tangible Capital Assets	372,855,271	362,793,772
Invested in Capital Fund	11,163,209	9,241,388
Share of Public Health Unit	3,212,196	1,000,732
Amounts to be Recovered		
From Future Revenues		
Net Long Term Liabilities	(37,620,894)	(31,936,324)
Landfill Liability	(3,256,528)	(4,122,593)
Post Employment Benefits	(1,720,347)	(1,687,489)
From Reserve Funds		
Landfill Liability	(4,740,498)	(4,544,325)
Post Employment Benefits	(773,397)	(685,267)
WSIB	(1,435,121)	(1,424,122)
Total Surplus	337,683,891	328,635,772
Reserves set aside by Council for:		
Capital	23,501,033	25,097,677
Contingencies and Stabilization	15,579,449	12,834,910
Equipment Replacement	4,609,929	4,705,236
Hospital Redevelopment	3,890,877	3,940,100
Benefit and Insurance	3,205,625	3,131,072
Program Specific	1,923,940	2,718,468
Total Reserves	52,710,853	52,427,463
Reserve Funds set aside for specific purposes by Council for:		
Landfill Closure and Post Closure	4,740,498	4,544,474
Workplace Safety and Insurance	3,348,711	3,452,902
Best Start Programme	2,592,832	2,607,396
Housing Development	1,978,310	1,441,807
Federal Housing Projects	924,244	893,630
Museum Donations and Endowments	278,391	268,412
Wellington Terrace Donations	45,799	63,307
Total Reserve Funds	13,908,785	13,271,928
Accumulated Surplus	\$ 404,303,529	\$ 394,335,163

Notes to the Financial Statements For the Year Ended December 31, 2013

12. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of its operations, the County is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time.

The County has approved a grant of 20% of eligible costs to a maximum of \$5.0 million for the redevelopment of Groves Memorial Community Hospital (GMCH) in the Township of Centre Wellington. As of December 31, 2013 the sum of \$1,109,123 (2012 - \$1,059,943) has been paid to GMCH, leaving an outstanding commitment of \$3,890,877 (2012 - \$3,940,057).

13. GOVERNMENT PARTNERSHIP

The County of Wellington is a partner in the Wellington-Dufferin-Guelph Health Unit. The County provides 32.7% (2012 – 33.5%) of the municipal funding to the Health Unit, and is responsible for a similar share of the assets, liabilities and municipal position of the Health Unit. The County's share of the results of the Health Unit's financial activities for the year and its financial position at year end - have been consolidated in these financial statements. At December 31, 2013, the Health Unit's financial results and financial position are as follows:

	2013	2012
Financial Assets	15,455,984	6,160,214
Liabilities	(21,771,994)	(3,468,048)
Non-Financial Assets	17,703,460	5,389,426
Accumulated Surplus	11,387,450	8,081,592
Revenues	23,074,161	22,327,116
Expenses	19,768,303	18,695,514
Annual Surplus	3,305,858	3,631,602

On December 19, 2012, The County entered into a Financing Agreement with the Wellington-Dufferin-Guelph Public Health Unit, the County of Dufferin and the City of Guelph, to finance the County portion of the cost of building the two new facilities at Chancellors Way, Guelph, and Broadway, Orangeville. The Financing Agreement allows for quarterly advances of capital by the County of Wellington to Public Health beginning in January 2013, until the completion of the new facilities. The total amount of the advances from all obligated municipalities will not exceed \$24,400,000 and based on 2011 Census population information, the County of Wellington's obligation is 32.7% or \$8,000,000. The interest rate on the loan repayment from the Health Unit to the County will be 3.34% per annum, and the term and amortization of the loan will be twenty years. Repayment will commence thirty days following certification by the project's architect of substantial completion of both facilities. The whole or any part of the capital financing under this agreement may be prepaid at any time without penalty or bonus. The County has included a capital project with debt funding of \$7,700,000 in its approved 2013 capital budget. At December 31, 2013 the County has advanced \$5,179,009 to the Wellington-Dufferin-Guelph Health Unit.

14. PUBLIC LIABILITY INSURANCE

The County has a comprehensive program of risk identification, evaluation and control to minimize the risk of injury to its employees and third parties and to minimize the risk of damage to its property and the property of others.

The County's purchased general liability insurance policy is \$25,000,000 per occurrence with no aggregate. The environmental liability policy is the maximum that can be purchased at \$3,000,000 per occurrence with an aggregate of \$5,000,000. The County's licensed fleet is insured with liability coverage of \$25,000,000. The deductible (self-insurance) is \$10,000 on fleet policies and \$50,000 on property and liability. The County also carries a legal expense reimbursement policy that covers 100% of legal fees to a maximum of \$100,000 per claim with an annual aggregate of \$250,000.

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

Based on claims received to December 31, 2013, the maximum deductible exposure to the County is estimated at \$362,895. These claims have not been accrued in the Financial Statements because the outcome of these claims is not known and the loss will be accounted for in the period in which the loss, if any, becomes known with certainty. For claims not covered by purchased insurance, the County has established a reserve, which as at December 31, 2013 totaled \$305,195 (2012 - \$313,872).

15. CHILD CARE SERVICES CONTRACT WITH THE MINISTRY OF EDUCATION

The County of Wellington has a child care services contract with the Ministry of Education. A requirement of the service contract is the production of supplementary information by detail code (funding type) which summarizes all revenues and expenditures relating to the service contracts.

Ministry reporting is based on modified accrual accounting which forms the basis of funding and is also guided by the following ministry policies and program guidelines:

- Admissible / inadmissible expenditures (2013/14)
- Retainable and Non-Retainable Revenue (2013/14)

This method of accounting requires the inclusion of short term accruals of revenue and normal operating expenditures in the determination of operating results for a given time period. Short-term accruals are defined as payable or receivable usually within 30 days of the budget year-end.

The modified accrual basis of accounting, as defined by the ministry, does not recognize non-cash transactions such as amortization, charges/appropriations to reserves or allowances as these expenses do not represent an actual cash expenditure related to the current period.

A review of these revenues and expenditures, by detail code, are outlined below.

	REVENUES		
	Ministry of Education (Most recent Amended Service agreement)	Legislated Cost Share (Calculated)	Total (Calculated)
Full Flexibility			
1.1 - Core Services Delivery (100% provincial)	1,898,334	0%	1,898,334
1.2 - Core Services Delivery - Cost Shared Requirement 80/20	5,852,516	20%	7,315,645
1.3 - Core Service Delivery - Cost Shared Requirement 50/50 - Administration	224,615	50%	449,230
2.1 - Language	253,967	0%	253,967
2.2 - Aboriginal	24,705	0%	24,705
2.3 - Cost of Living	347,580	0%	347,580
2.4 - Rural/Remote	225,489	0%	225,489
2.5 - FDK Transition	660,637	0%	660,637
2.10 - Repairs and Maintenance	38,209	0%	38,209
2.11 - Utilization Adjustment	321,882	0%	321,882
2.12 - Capping Adjustment	0	0%	0
Total (full flexibility)	9,847,934		11,535,678
2.6 - Transformation	130,079	0%	130,079
Limited Flexibility			
2.7 - Capacity Building	86,058	0%	86,058
4.1 - Capital Retrofits	152,836	0%	152,836
2.8 - Small Water Works	9,748	0%	9,748
Total (limited flexibility)	248,642		248,642
No Flexibility			
2.9 - Territory Without Municipal Organization		0%	0
TOTAL	10,226,655		11,914,399

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

EXPENDITURES BY AUSPICE															
	Non-Profit			Profit			Directly Operated			Other			Total Expenditures		
	Gross Expenditures	Offsetting Revenues (Parent contribution/other offsetting)	Adjusted Gross Expenditures	Gross Expenditures	Offsetting Revenues (Parent contribution/other offsetting)	Adjusted Gross Expenditures	Gross Expenditures	Offsetting Revenues (Parent contribution/other offsetting)	Adjusted Gross Expenditures	Gross Expenditures	Offsetting Revenues (Parent contribution/other offsetting)	Adjusted Gross Expenditures	Gross Expenditures	Offsetting Revenues (Parent contribution/other offsetting)	Adjusted Gross Expenditures
	Sch 2.3, Col. 1	Sch 2.3, Col. 2 + 3	Calculated (Sch 2.3, Col. 4)	Sch 2.3, Col. 5	Sch 2.3, Col. 6 + 7	Calculated (Sch 2.3, Col. 8)	Sch 2.3, Col. 9	Sch 2.3, Col. 10+11+12	Calculated (Sch 2.3, Col. 13)	Sch 2.3, Col. 14	Sch 2.3, Col. 15	Calculated (Sch 2.3, Col. 16)	Calculated	Calculated	Calculated
Full Flexibility															
1.1 - General Operating	2,011,514		2,011,514	669,202		669,202	2,469,829		2,469,829			0	5,150,545	0	5,150,545
1.2 - Regular Fee Subsidy	1,813,839	(260,335)	1,553,504	1,265,684	(159,480)	1,106,204	1,021,690	(631,370)	390,320			0	4,101,213	(1,051,185)	3,050,028
1.3 - Extended Day Fee Subsidy	42,139	(6,260)	35,879	3,318	(493)	2,825			0			0	45,457	(6,753)	38,704
1.4 - Recreation Fee Subsidy	198,094	(19,868)	178,226			0			0			0	198,094	(19,868)	178,226
1.5 - Ontario Works Formal	89,960		89,960	100,664		100,664	64,221		64,221			0	254,845	0	254,845
1.6 - Ontario Works Informal			0			0			0	15,043		15,043	15,043	0	15,043
1.7 - Pay Equity Memorandum	105,367		105,367			0			0			0	105,367	0	105,367
1.8 - Special Needs Resourcing	2,020,495		2,020,495			0	11,923		11,923	3,731		3,731	2,036,149	0	2,036,149
1.9 - Administration			0			0			0	1,626,255		1,626,255	1,626,255	0	1,626,255
1.10 - Repairs and Maintenance	53,137		53,137	3,400		3,400	48,387		48,387			0	104,924	0	104,924
1.11 - Play-based Material	47,046		47,046	7,961		7,961	2,852		2,852			0	57,859	0	57,859
1.14 - Miscellaneous			0			0			0			0	0	0	0
Total (full flexibility)	6,381,591	(286,463)	6,095,128	2,050,229	(159,973)	1,890,256	3,618,902	(631,370)	2,987,532	1,645,029	0	1,645,029	13,695,751	(1,077,806)	12,617,945
1.13 - Transformation	26,069		26,069			0			0			0	26,069	0	26,069
Limited Flexibility															
1.12 - Capacity Building	226,737		226,737			0			0			0	226,737	0	226,737
2.1 - Capital Retrofits	(7,559)		(7,559)			0			0			0	(7,559)	0	(7,559)
3.1 - Small Water Works	5,123		5,123	3,647		3,647			0			0	8,770	0	8,770
Total (limited flexibility)	224,301	0	224,301	3,647	0	3,647	0	0	0	0	0	0	227,948	0	227,948
No Flexibility															
3.2 - Territory without Municipal Organization												0	0	0	0
TOTAL	6,631,961	(286,463)	6,345,498	2,053,876	(159,973)	1,893,903	3,618,902	(631,370)	2,987,532	1,645,029	0	1,645,029	13,949,768	(1,077,806)	12,871,962

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

16. SERVICE CONTRACT APPROVAL WITH THE MINISTRY OF CHILDREN AND YOUTH SERVICES

The County has a service contracts with the Ministry of Children and Youth Services. A requirement of this service contract is the production of a report by management (Transfer Payment Annual Reconciliation), which summarizes all revenues and expenditures relating to the service contract.

Ministry reporting is based on modified accrual accounting which forms the basis of funding and is also guided by the following ministry policies and program guidelines:

- Admissible / inadmissible expenditures (2013/14)
- Retainable and Non-Retainable Revenue (2013/14)

This method of accounting requires the inclusion of short term accruals of revenue and normal operating expenditures in the determination of operating results for a given time period. Short-term accruals are defined as payable or receivable usually within 30 days of the budget year-end.

The modified accrual basis of accounting, as defined by the ministry, does not recognize non-cash transactions such as amortization, charges/appropriations to reserves or allowances as these expenses do not represent an actual cash expenditure related to the current period.

A review of these revenues and expenditures, by detail code, are outlined below. The identified surplus / (deficit) position is reflected prior to the application of flexibility.

Service Name	REVENUES			EXPENDITURES	SURPLUS / (DEFICIT)	
	Ministry Funding	Legislated Cost Share	Other			Total
A525 - ELCD Planning	38,425			38,425	39,356	(931)

17. PENSION AGREEMENTS

The County makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of approximately 570 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay.

The amount contributed to OMERS for 2013 was \$3,027,085 (2012 - \$2,620,642) for current service and past service costs and is included as an expense on the Consolidated Statement of Operations.

18. SOCIAL HOUSING PROPERTIES

The County has title to the 1189 Social Housing units of the former Wellington-Guelph Housing Authority. The units are located in the City of Guelph and throughout the County. The related debt on these units remains with the Province of Ontario. Of the \$3,351,425 (2012 - \$3,341,753) in federal government subsidies provided to the County for social housing, \$1,179,023 (2012 - \$1,179,023) is retained by the province to fund the associated debt servicing costs.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

20. SEGMENTED INFORMATION

The County of Wellington is a diversified municipal government institution that is responsible for ensuring the provision of a wide range of services to its citizens, including police, roads, solid waste services, ambulance, public health, child care, social housing, Ontario Works, homes for the aged, museum, library and planning.

County services are provided by departments and their activities are reported in the Consolidated Statement of Operations. Certain departments have been separately disclosed in the segmented information in the following schedule.

2013											
	General Government	Protection	Transportation Services	Environmental Services	Health Services	Social Housing	Social and Family Services	Library	Museum	Planning & Development	Consolidated
Revenues											
Taxation	7,377,860	18,464,100	18,916,300	5,684,100	5,677,800	3,580,200	9,396,000	5,116,300	1,673,100	3,399,800	79,285,560
Grants and Subsidies	5,174,502	287,890	1,520,003	821,602	5,059,009	5,237,472	37,424,540	162,213	52,264	(3,334)	55,736,161
Municipal Revenue	32,243	644,810	1,753,016			14,492,059	7,613,625	26,160		34,277	24,596,190
Fees & Service Charges	440,602	165,756	(79,470)	2,459,653		(42,864)	4,300,013	99,603	76,487	272,161	7,691,941
Licences, Permits, Rents	1,070,402	164,955		12,887		5,653,432		34,344	19,871		6,955,891
Interest, Donations, Other	3,024,313				(15,040)						3,009,273
Development Charges		110,234	809,141		11,580	16,290	4,587	161,117			1,112,949
Total Revenues	17,119,922	19,837,745	22,918,990	8,978,242	10,733,349	28,936,589	58,738,765	5,599,737	1,821,722	3,702,904	178,387,965
Expenses											
Salaries and Benefits	6,509,195	355,912	4,411,666	2,201,104	3,237,134	2,793,259	22,247,485	3,406,949	1,172,856	1,871,510	48,207,070
Goods and Services	4,661,763	543,734	10,455,205	4,929,980	2,625,456	6,988,659	3,053,013	978,811	416,678	321,470	34,974,769
Transfer Payments	158,000	16,241,512			3,628,415	15,689,644	27,580,820		6,701	474,078	63,779,170
Insurance and Interest	549,112	188,492	302,954	76,378	52,624	345,076	989,181	163,922	16,679	8,387	2,692,805
Amortization	974,928	317,895	12,087,979	273,679	329,007	2,721,462	665,299	1,132,536	216,096	46,904	18,765,785
Total Expenses	12,852,998	17,647,545	27,257,804	7,481,141	9,872,636	28,538,100	54,535,798	5,682,218	1,829,010	2,722,349	168,419,599

**Notes to the Financial Statements
For the Year Ended December 31, 2013**

2012											
	General Government	Protection	Transportation Services	Environmental Services	Health Services	Social Housing	Social and Family Services	Library	Museum	Planning & Development	Consolidated
Revenues											
Taxation	5,526,407	18,354,500	18,982,100	4,909,900	5,138,000	3,402,700	8,157,100	6,131,200	1,915,900	2,461,300	74,979,107
Grants and Subsidies	4,720,200	328,573	4,450,133	894,395	5,197,136	5,019,413	36,283,390	158,040	63,506	35,000	57,149,786
Municipal Revenue	76,541	620,830	543,778		31,151	13,765,179	8,097,645	24,703		40,133	23,199,960
Fees & Service Charges	632,689	129,819	(432,419)	3,085,461	(5,200)	32,171	2,900,732	105,726	73,432	246,044	6,768,455
Licences, Permits, Rents	988,312	167,386		12,886		5,504,996		22,867	17,769		6,714,216
Interest, Donations, Other	3,033,382	170	16,029		10,273	282	96,146	2,298	3,575	14,339	3,176,494
Development Charges	37,125	97,861	317,477		28,507		36,487	224,549			742,006
Total Revenues	15,014,656	19,699,139	23,877,098	8,902,642	10,399,867	27,724,741	55,571,500	6,669,383	2,074,182	2,796,816	172,730,024
Expenses											
Salaries and Benefits	6,099,870	324,222	4,257,681	2,231,209	4,875,413	2,618,137	21,633,488	3,333,612	1,116,328	1,761,977	48,251,937
Goods and Services	5,018,911	578,562	6,894,484	5,937,665	400,882	6,658,740	3,061,417	989,668	404,490	610,105	30,554,924
Transfer Payments		16,263,590			3,752,020	15,089,543	27,450,819		2,565	450,000	63,008,537
Insurance and Interest	520,757	187,705	292,555	130,281		333,276	1,042,481	151,054	16,863	6,039	2,681,011
Amortization	729,363	306,917	11,339,657	468,317	227,677	1,226,194	703,342	1,087,231	149,512	35,428	16,273,638
Total Expenses	12,368,901	17,660,996	22,784,377	8,767,472	9,255,992	25,925,890	53,891,547	5,561,565	1,689,758	2,863,549	160,770,047

County of Wellington Independent Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Wellington:

We have audited the accompanying financial statements of the Trust Funds of The Corporation of the County of Wellington ("the Entity"), which comprise the financial position as at December 31, 2013 and the statement of operations 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an 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 the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion, except as explained in the following paragraph.

In common with many such organizations, the Entity derives certain of its revenue from sundry sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Entity and we were not able to determine whether any adjustment might be necessary to such revenues, excess of revenues over expenditures, assets or fund balances..

Opinion

In our opinion, except for the above-mentioned limitation on the scope examination, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of The Corporation of the County of Wellington as at December 31, 2013, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

County of Wellington
Trust Funds – Statement of Financial Position
As at December 31, 2013

	Comfort Money	County Wellness Centre	Safe Communities	2013	2012
Financial Assets					
Cash and Bank	42,240	13,186	18,354	73,780	52,114
Liabilities					
Balance	42,240	13,186	18,354	73,780	52,114

County of Wellington
Trust Funds - Statement of Operations
For the year ended December 31, 2013

	Comfort Money	County Wellness Centre	Safe Communities	2013	2012
Balance at the beginning of the year	43,934	8,180	-	52,114	72,729
Source of Funds:					
Deposits	201,230	45,230	30,743	277,203	249,715
Use of Funds					
Withdrawals	202,924	40,224	12,389	255,537	270,330
Balance at the end of the year	42,240	13,186	18,354	73,780	52,114

The accompanying notes are an integral part of these financial statements

**Notes to the Trust Fund Financial Statements
For the Year Ended December 31, 2013**

1. ACCOUNTING POLICIES

These trust funds have not been consolidated with the financial statements of the County of Wellington (the "County").

These financial statements reflect the financial activity and financial position of funds held in trust by the County for residents of the Wellington Terrace Home for the Aged (Comfort Money), for County staff who are the members of the County Wellness Centre and for the Wellington County Safe Communities Committee.

In October 2012 the Safe Communities Trust fund was established. These funds are held in trust by the County for use by the Wellington County Safe Communities Committee.

Funds held in trust are maintained in separate bank accounts by the County on behalf of the Terrace residents and Safe Communities Committee. Net County Wellness Centre membership proceeds are maintained in the County's general bank account. Interest is credited to the funds and allocated to the Terrace residents and Wellington County Safe Communities Committee on the basis of their individual balances in the fund.