



Year End Report for
County of Grey
December 31, 2017

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Financial Report 2017

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We have audited the consolidated financial statements of the County of Grey which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated May 24, 2018.

The audit was performed to form an opinion on the consolidated financial statements as a whole. The information in this year-end report is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The information was derived from the underlying accounting and other records used to prepare the consolidated financial statements. The information in this year-end report has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

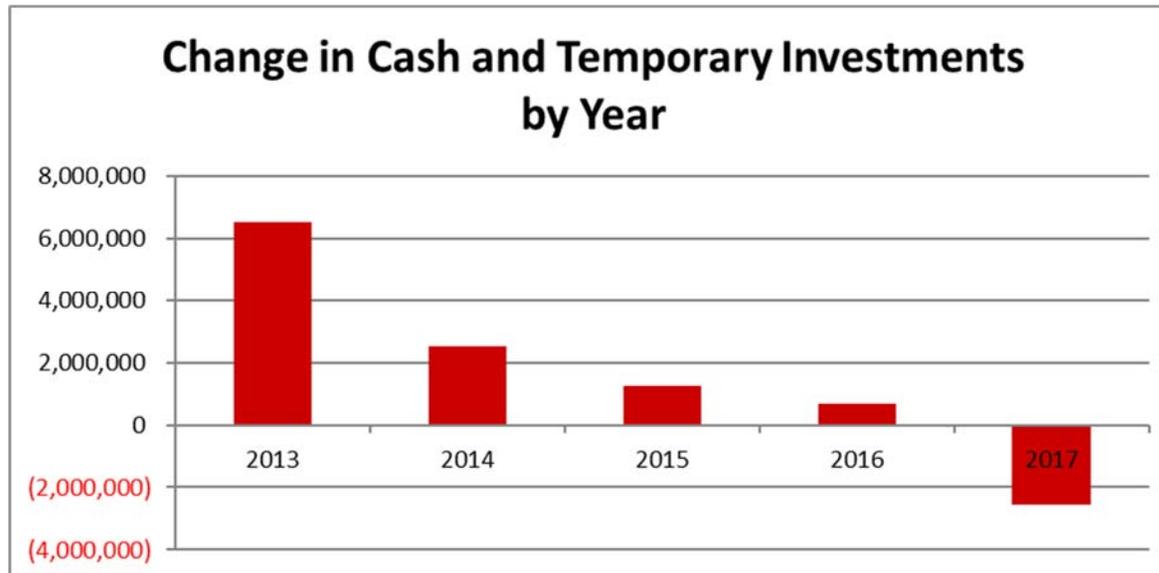
The year-end report is prepared to provide Council with more detailed financial information and graphical analysis of the consolidated financial statements. As a result, the year-end report may not be suitable for other purposes. Our year-end report is intended solely for the use of Council and should not be distributed to or used by parties other than Council in conjunction with the audited consolidated financial statements.

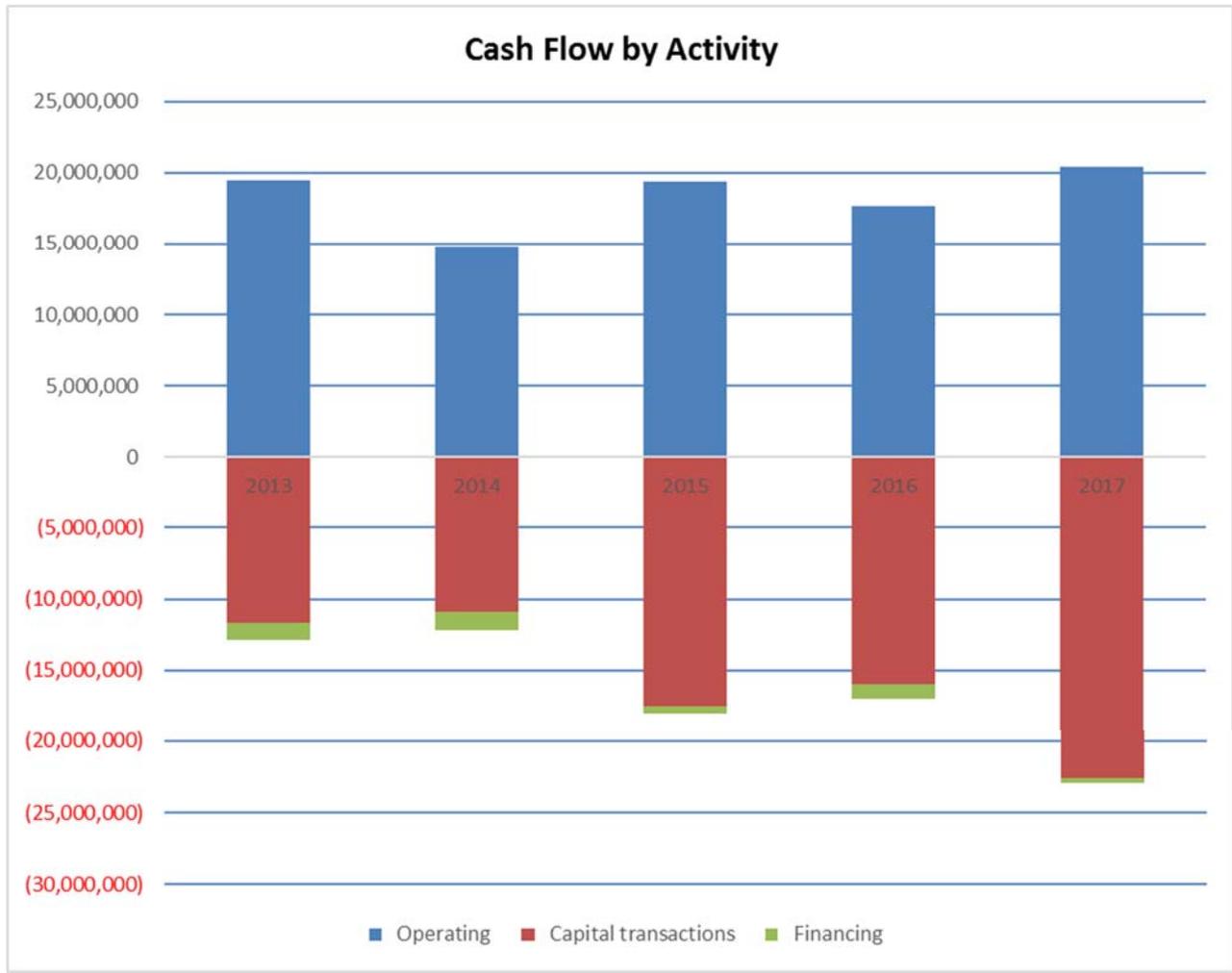
WHERE ARE YOU TODAY?

	2013	2014	2015	2016	2017
Cash and temporary investments	55,140,831	57,663,636	58,928,067	59,619,551	57,084,235
Trade and other receivables	2,068,777	2,348,622	3,659,837	2,450,026	3,080,701
Other	13,431	12,564	11,539	11,138	11,473
	<u>57,223,039</u>	<u>60,024,822</u>	<u>62,599,443</u>	<u>62,080,715</u>	<u>60,176,409</u>
Liabilities					
Accounts payable and accrued liabilities	7,237,053	6,106,804	10,768,924	8,945,687	10,485,315
Vacation pay, post-employment benefits and WSIB					
Schedule II liabilities	6,425,879	6,420,519	6,201,179	8,265,984	7,661,908
Deferred Revenue	8,768,783	7,734,823	6,114,239	7,379,465	9,883,345
Net long-term liabilities	2,471,501	1,981,277	2,993,195	2,000,000	1,600,000
	<u>24,903,216</u>	<u>22,243,423</u>	<u>26,077,537</u>	<u>26,591,136</u>	<u>29,630,568</u>
Net financial assets	<u>32,319,823</u>	<u>37,781,399</u>	<u>36,521,906</u>	<u>35,489,579</u>	<u>30,545,841</u>
Accumulated surplus					
Invested in tangible capital assets					
Net book value of tangible capital assets	172,041,317	168,828,886	172,294,241	174,169,747	183,721,051
Unexpended financing (Unfinanced capital)	(1,374,289)	(946,048)	(853,565)	(779,503)	(7,295,143)
Capital assets financed by long-term liabilities and to be funded in future years	(2,471,501)	(1,181,280)	(593,195)	-	
Total invested in capital assets	<u>168,195,527</u>	<u>166,701,558</u>	<u>170,847,481</u>	<u>173,390,244</u>	<u>176,425,908</u>
Unfunded post-employment benefits	(5,857,018)	(5,825,883)	(5,615,745)	(7,664,899)	(7,071,121)
Unfunded commitment to Grey Bruce Health Services	-	(800,000)	(600,000)	(400,000)	(200,000)
Unfunded commitment to Georgian College	-	-	(1,800,000)	(1,600,000)	(1,400,000)
Other surplus	1,395,605	1,424,698	1,405,741	1,209,825	1,070,647
	<u>163,734,114</u>	<u>161,500,373</u>	<u>164,237,477</u>	<u>164,935,170</u>	<u>168,825,434</u>
Reserves	42,061,293	46,560,802	46,019,475	46,131,947	46,553,044
	<u>205,795,407</u>	<u>208,061,175</u>	<u>210,256,952</u>	<u>211,067,117</u>	<u>215,378,478</u>

CASH FLOWS

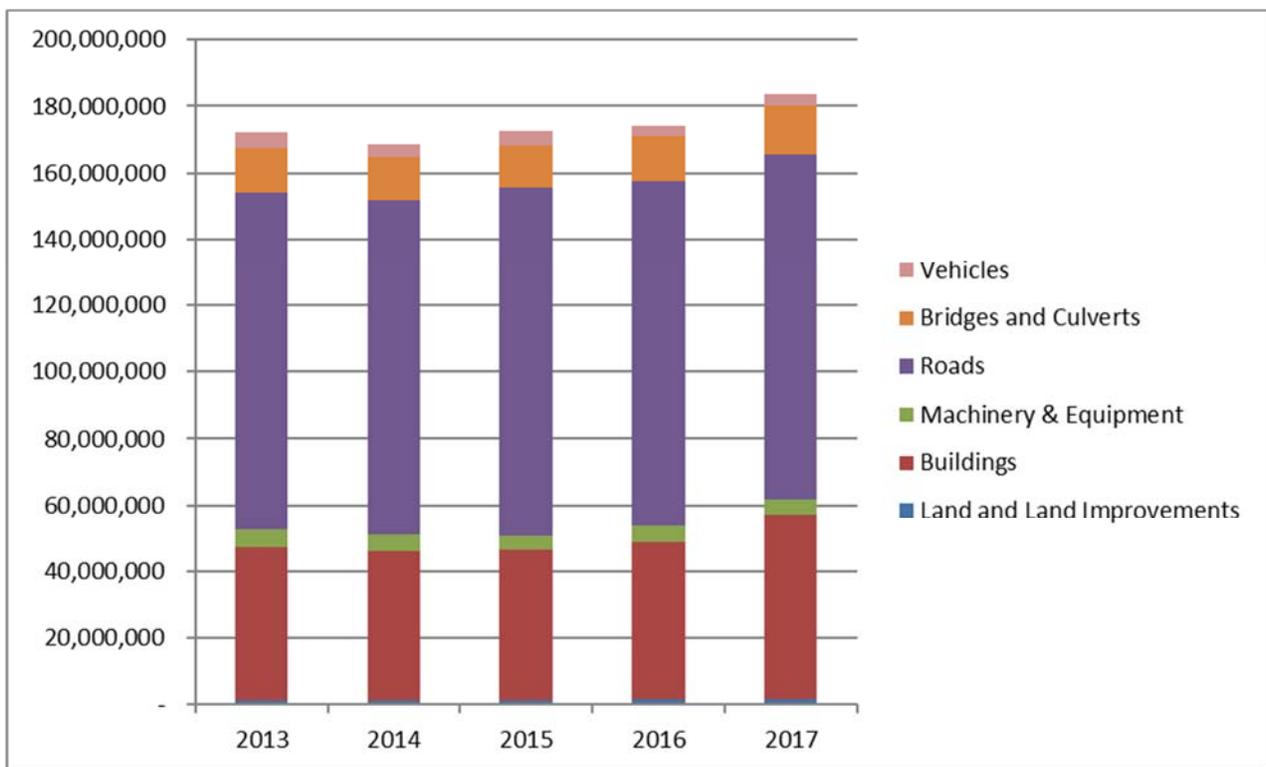
	2013	2014	2015	2016	2017
Cash and temporary investments	55,140,831	57,663,636	58,928,067	59,619,551	57,084,235
Cash Flows					
Operating	19,422,561	14,727,342	19,333,154	17,686,420	20,434,569
Capital transactions	(11,653,225)	(10,914,313)	(17,480,641)	(16,001,741)	(22,569,885)
Financing	(1,234,315)	(1,290,224)	(588,082)	(993,195)	(400,000)
Increase (decrease) in cash	6,535,021	2,522,805	1,264,431	691,484	(2,535,316)





TANGIBLE CAPITAL ASSETS

	2013	2014	2015	2016	2017
Land and Land Improvements					
Buildings	1,154,210	1,291,744	1,340,994	1,746,686	1,675,515
Machinery & Equipment	45,979,261	44,870,897	44,979,392	47,193,752	55,465,422
Roads	5,271,317	4,708,226	4,416,708	4,802,898	4,813,798
Bridges and Culverts	101,531,765	100,990,518	105,005,018	103,783,882	103,734,268
Vehicles	13,378,555	12,842,117	12,650,839	13,247,688	14,370,920
Net Book Value	4,726,209	4,125,384	3,901,290	3,394,841	3,661,128
Historical Cost	172,041,317	168,828,886	172,294,241	174,169,747	183,721,051
	394,820,399	395,675,860	408,260,450	420,469,488	437,739,002



Definitions:

Historical Cost - the price of an asset on the balance sheet based on its original cost when acquired

Net Book Value - the amount recorded for an asset based on its historical cost less accumulated amortization

Amortization - the allocation of the cost of an asset over its useful life

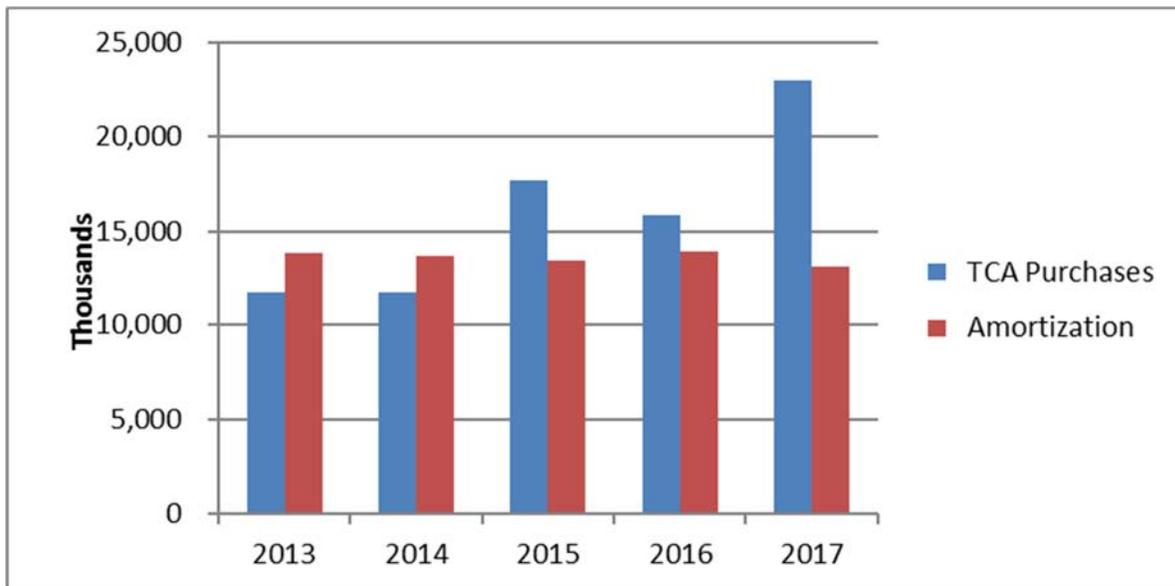
TANGIBLE CAPITAL ASSETS

As assets age, the TCA Financial Indicator percentage will decrease. The newer the assets, the longer the remaining life of the asset and the higher the percentage.

$$\text{Age of TCA Financial Indicator} = \frac{\text{Net Book Value of TCA}}{\text{Historical Cost of TCA}}$$

The County of Grey's TCA Financial Indicator percentages are as follows:

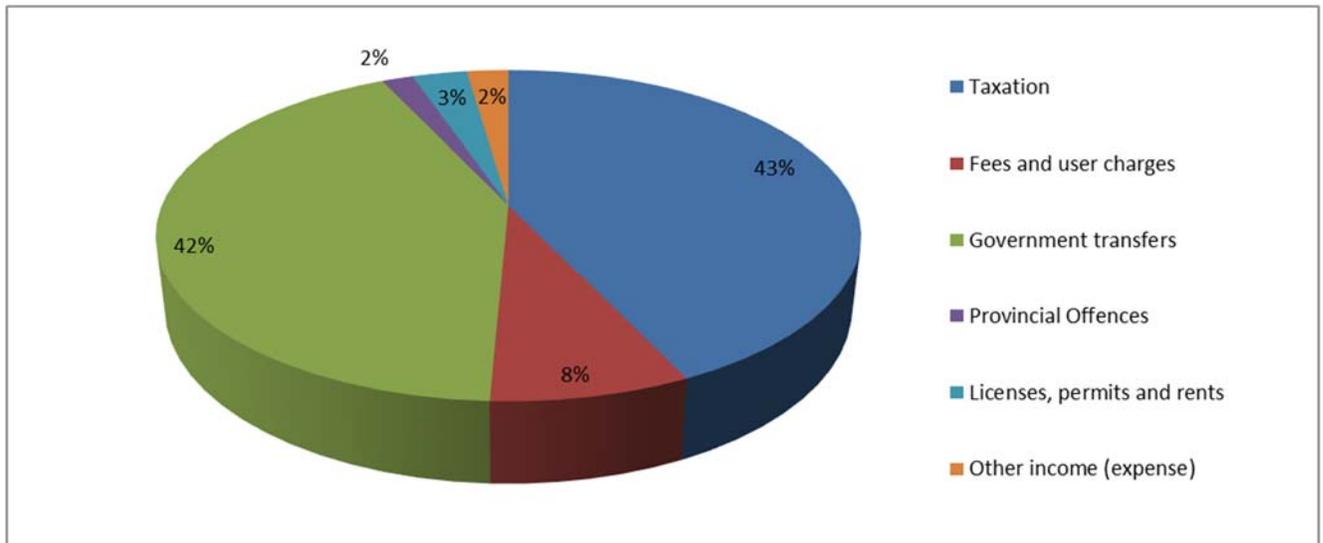
2013	2014	2015	2016	2017
43.57%	42.67%	42.20%	41.42%	41.97%



FOUR YEAR AND BUDGET COMPARISON OF REVENUES

	2014	2015	2016	2017	Budget
Taxation	\$ 52,283,016	\$ 51,377,416	\$ 52,760,353	\$ 54,844,864	\$ 54,440,234
Fees and user charges	9,634,477	12,468,173	10,476,788	9,866,339	9,914,782
Government transfers	48,895,303	52,153,538	50,494,104	53,982,270	55,038,719
Provincial Offences	2,313,049	2,474,738	2,374,188	2,186,128	2,327,000
Licenses, permits and rents	3,745,909	3,756,881	3,781,531	3,834,869	3,751,750
Other income (expense)	522,748	1,618,911	2,316,732	2,918,394	3,298,740
	<u>\$ 117,394,502</u>	<u>\$ 123,849,657</u>	<u>\$ 122,203,696</u>	<u>\$ 127,632,864</u>	<u>\$ 128,771,225</u>

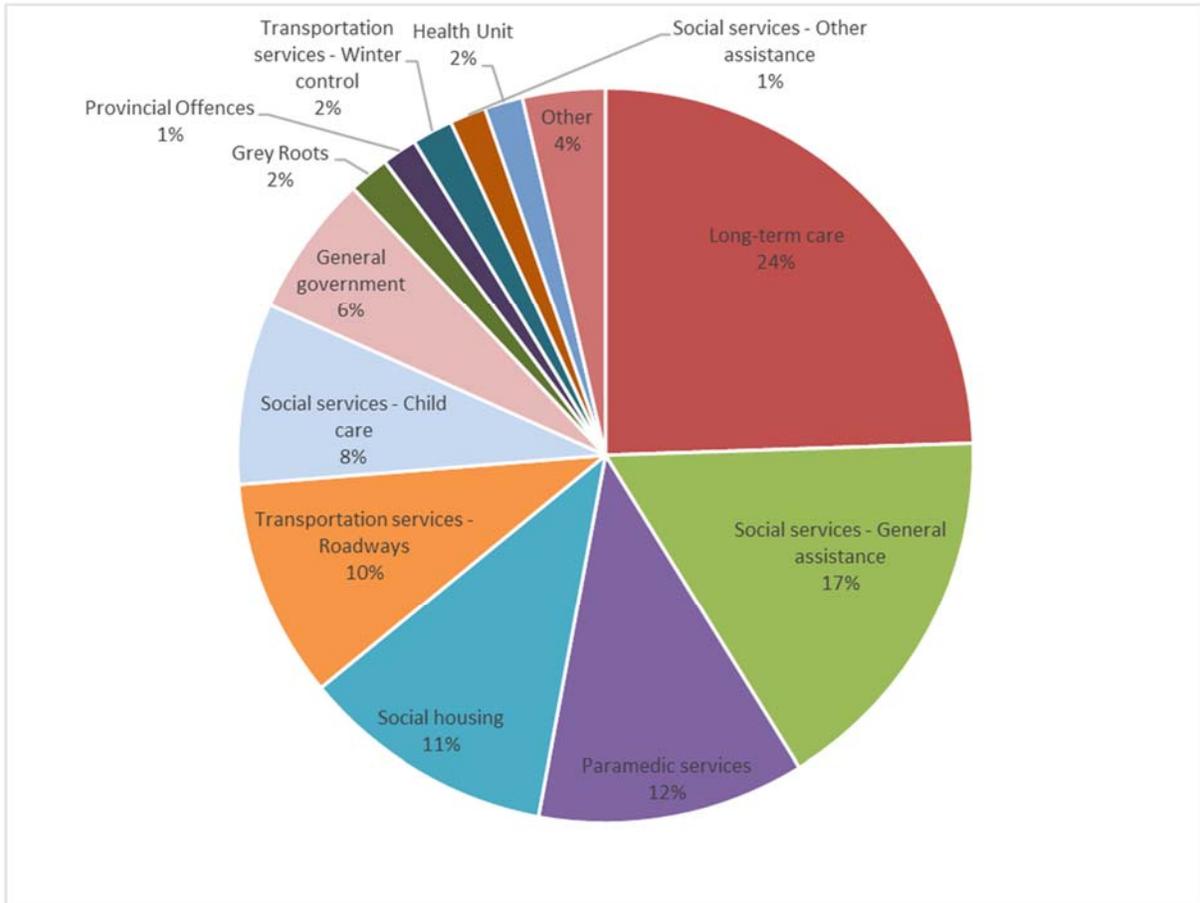
2017 REVENUES



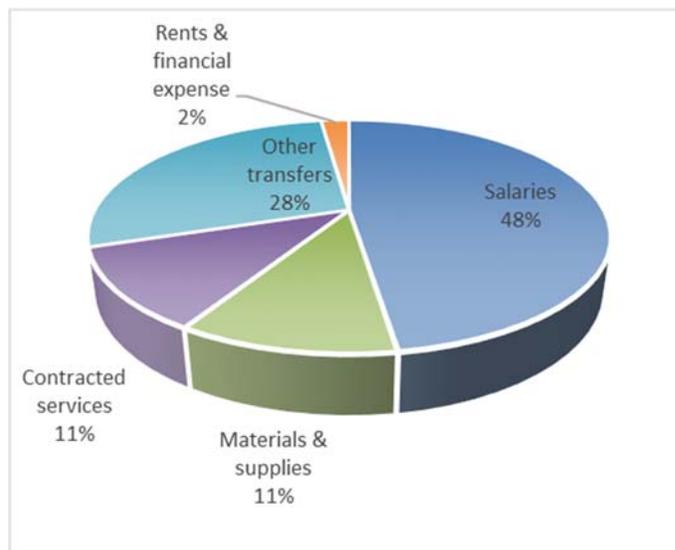
FOUR YEAR COMPARISON OF OPERATING EXPENSES AND BUDGET (excluding amortization)

	2014	2015	2016	2017	Budget
Council	594,668	582,786	587,239	624,764	629,400
General government	5,679,148	8,863,042	6,888,098	6,887,355	6,985,874
Corporate overhead	480,628	373,431	424,199	477,900	487,524
Emergency management	172,860	202,144	155,289	178,165	234,729
Provincial Offences	1,723,900	1,800,258	1,826,187	1,694,682	1,795,769
Transportation services - Roadways	9,502,364	9,021,805	10,240,965	10,649,102	7,777,311
Transportation services - Winter control	2,101,477	1,679,542	1,817,625	1,974,294	2,190,225
Health Unit	1,930,803	1,787,027	1,695,252	1,853,813	2,079,043
Paramedic services	11,530,740	12,308,352	13,092,287	12,934,178	12,625,722
Social services - General assistance	17,617,757	19,074,226	18,371,982	18,387,214	19,161,182
Social services - Child care	6,894,634	7,583,510	8,228,296	8,797,906	9,317,902
Social services - Other assistance	1,760,891	1,838,388	1,764,119	1,754,133	1,817,100
Long-term care	25,703,235	26,267,671	27,272,403	26,965,780	27,089,143
Social housing	10,811,726	10,639,865	10,949,522	12,280,702	14,233,467
Grey Roots	1,950,787	2,017,901	1,941,510	1,973,572	2,043,300
Planning and Development	679,650	785,110	812,969	753,962	805,658
Tourism and Economic Development	957,804	1,069,923	953,247	1,527,758	1,404,750
Agriculture and forestry	328,625	315,164	448,103	436,755	435,725
Long-term commitments	1,000,000	2,000,000	-	-	-
Total	101,421,694	108,210,145	107,469,292	110,152,035	111,113,824
Salaries	48,278,000	49,702,978	53,163,520	52,451,865	52,835,870
Interest	140,262	85,748	56,580	32,621	-
Materials & supplies	12,202,602	11,725,497	11,931,882	12,143,564	11,971,415
Contracted services	11,156,795	10,981,277	11,853,571	12,395,012	10,623,556
Other transfers	27,542,350	33,815,907	28,474,514	30,745,363	33,691,359
Rents & financial expense	2,101,685	1,898,738	1,989,225	2,383,610	1,991,624
Total	101,421,694	108,210,145	107,469,292	110,152,035	111,113,824

2017 OPERATING EXPENSES BY FUNCTION



2017 OPERATING EXPENSES BY OBJECT



DEPARTMENTAL SUMMARY OF SURPLUS TRANSFERRED TO RESERVES

The following is a departmental summary of surplus amounts transferred to reserves at the end of the year.

	Budget Revenue	Actual Revenue	Budget Expenditure	Actual Expenditure	Surplus / (Deficit) Before Allocations and Transfers	Internal Allocations	Transfer to (from) Reserve	Surplus (Deficit)
CORPORATE SERVICES								
Taxation & Grants	\$ 55,203,234	\$ 55,401,263	\$ 697,000	\$ 490,398	404,630	(364,929)	39,701	\$ -
Council	\$ -	\$ 1,110	\$ 638,600	\$ 634,144	5,566	(5,566)	-	\$ -
Admin. Departments	\$ 1,054,500	\$ 1,084,190	\$ 5,204,707	\$ 5,217,476	16,920	(16,920)	-	\$ -
Information Services	\$ 36,200	\$ 17,756	\$ 36,200	\$ 54,218	(36,462)	36,462	-	\$ -
Weekly Indemnity	\$ -	\$ -	\$ (6,581)	\$ 2,713	(9,294)	9,294	-	\$ -
Workers Compensation	\$ 4,430	\$ 1,262	\$ 4,430	\$ 160,680	(159,418)	159,418	-	\$ -
Property	\$ 7,770,495	\$ 8,632,444	\$ 8,858,925	\$ 9,670,199	50,675	(50,675)	-	\$ -
Provincial Offices	\$ 2,522,800	\$ 2,433,180	\$ 2,077,033	\$ 2,043,347	(55,934)	55,934	-	\$ -
Assessment	\$ -	\$ -	\$ 1,803,650	\$ 1,808,065	(4,415)	4,415	-	\$ -
Health Care and Education	\$ 244,198	\$ 253,604	\$ 2,343,543	\$ 2,318,313	34,636	-	34,636	\$ -
	\$ 66,835,857	\$ 67,824,808	\$ 21,657,507	\$ 22,399,552	246,905	(172,568)	74,337	\$ -
PLANNING & COMMUNITY DEVELOPMENT								
Planning & Development	\$ 263,220	\$ 137,463	\$ 950,787	\$ 808,159	\$ 16,871	\$ (16,871)	\$ -	\$ -
Econ. Dev., Tourism, Forestry & Agriculture	\$ 583,005	\$ 708,046	\$ 2,021,686	\$ 2,120,224	\$ 26,503	\$ 49,261	\$ 75,764	\$ -
Grey Roots	\$ 326,550	\$ 431,769	\$ 2,462,115	\$ 2,427,193	\$ 140,141	\$ (32,390)	\$ 107,752	\$ -
	\$ 1,172,775	\$ 1,277,279	\$ 5,434,588	\$ 5,355,576	\$ 183,515	\$ -	\$ 183,515	\$ -
SOCIAL SERVICES								
Ontario Works and Child Care	\$ 25,659,097	\$ 24,687,737	\$ 29,443,525	\$ 28,268,370	\$ 203,795	\$ -	\$ 203,795	\$ -
Housing	\$ 9,179,922	\$ 8,521,396	\$ 16,398,328	\$ 15,468,164	\$ 271,638	\$ -	\$ 271,638	\$ -
Grey Gables	\$ 4,951,504	\$ 5,002,511	\$ 6,290,743	\$ 6,426,223	\$ (84,474)	\$ 77,082	\$ (7,392)	\$ -
Lee Manor	\$ 11,164,960	\$ 11,206,397	\$ 13,092,955	\$ 13,063,533	\$ 70,859	\$ (117,387)	\$ (46,528)	\$ -
Rockwood Terrace	\$ 8,934,425	\$ 7,512,639	\$ 10,455,899	\$ 8,902,135	\$ 131,978	\$ (78,550)	\$ 53,428	\$ -
Long Term Care Redevelopment	\$ -	\$ -	\$ 1,361,010	\$ 1,394,912	\$ (33,902)	\$ 118,855	\$ 84,954	\$ -
	\$ 59,889,908	\$ 56,930,680	\$ 77,042,460	\$ 73,523,338	\$ 559,894	\$ -	\$ 559,894	\$ -
TRANSPORTATION & PUBLIC SAFETY								
Paramedic Services	\$ 8,279,821	\$ 7,946,159	\$ 14,710,599	\$ 14,549,505	\$ (172,568)	\$ 172,568	\$ -	\$ -
Transportation Services	\$ 7,247,698	\$ 7,388,574	\$ 24,580,905	\$ 23,843,772	\$ 878,009	\$ -	\$ 878,009	\$ -
	\$ 15,527,519	\$ 15,334,733	\$ 39,291,504	\$ 38,393,277	\$ 705,441	\$ 172,568	\$ 878,009	\$ -
	\$ 143,426,059	\$ 141,367,500	\$ 143,426,059	\$ 139,671,744	\$ 1,695,756	\$ -	\$ 1,695,756	\$ -

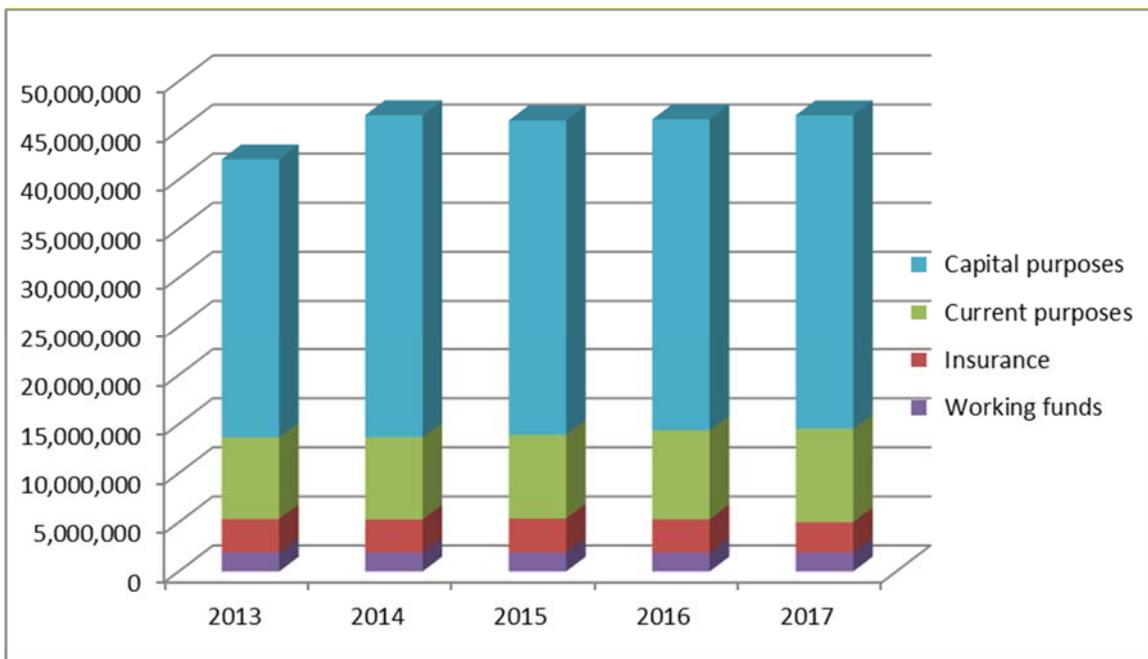
The departmental summary has been prepared by management. It does not include the expenditures for WSIB Schedule 2 costs, vacation pay and post employment benefits and amortization.

Revenues and expenditures include transfers to and from reserves and debt principal repayments and therefore columns do not agree to the consolidated statement of operations.

Internal allocations refers to the approved transfers required to fund departmental deficits.

WHAT YOU HAVE FOR THE FUTURE - RESERVES

Reserves	2013	2014	2015	2016	2017
Working funds	1,930,799	1,930,799	1,930,799	1,930,799	1,930,799
Insurance	3,399,572	3,359,760	3,461,496	3,374,622	3,084,428
Current purposes	8,328,940	8,377,928	8,526,130	9,060,933	9,519,037
Capital purposes	28,401,982	32,892,315	32,101,050	31,765,593	32,018,780
	42,061,293	46,560,802	46,019,475	46,131,947	46,553,044



	2013	2014	2015	2016	2017
Reserves as a % of Total Expenses	43.60%	45.91%	42.53%	42.93%	42.26%
Reserves as a % of Taxation	82.82%	89.06%	89.57%	89.79%	84.88%

WHAT YOU HAVE FOR THE FUTURE - OBLIGATORY RESERVE FUNDS

	2013	2014	2015	2016	2017
Obligatory Reserve Funds					
Development Charges	2,333,961	3,295,811	3,585,057	4,462,419	6,408,480
Federal Gas Tax	4,591,281	2,404,319	2,348,672	2,561,990	3,034,313
	6,925,242	5,700,130	5,933,729	7,024,409	9,442,793

