

The Corporation of the  
County of Grey  
Financial Information  
For the year ended December 31, 2012

The Corporation of the County of Grey  
Financial Information  
For the year ended December 31, 2012

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For the year ended December 31, 2012

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## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the County of Grey

We have audited the accompanying consolidated financial statements of the Corporation of the County of Grey, which comprise the consolidated statement of financial position as at December 31, 2012, 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.

### 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.

### Auditor's 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 the auditor's 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, the auditor considers 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 financial position of the Corporation of the County of Grey as at December 31, 2012 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario  
May 14, 2013

**The Corporation of the County of Grey**  
**Consolidated Statement of Financial Position**

December 31	2012	2011
<b>Financial assets</b>		
Cash and temporary investments (Note 1)	\$ 48,605,810	\$ 37,219,882
Trade and other receivables	1,536,239	3,943,411
Inventory held for resale	17,150	17,489
	<u>50,159,199</u>	<u>41,180,782</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	6,443,764	7,130,837
Vacation pay, post-employment benefits and WSIB Schedule II liabilities (Note 10)	8,115,923	7,680,897
Deferred revenue (Page 28)	8,274,906	5,576,435
Net long-term liabilities (Note 2)	3,705,816	4,886,658
	<u>26,540,409</u>	<u>25,274,827</u>
<b>Net financial assets</b>	<u>23,618,790</u>	<u>15,905,955</u>
<b>Contingencies (Note 12)</b>		
<b>Non financial assets</b>		
Prepaid expenses	30,576	70,873
Tangible capital assets (Note 3)	175,166,458	183,003,825
Inventory of supplies	1,497,564	1,765,979
	<u>176,694,598</u>	<u>184,840,677</u>
<b>Accumulated surplus (Note 4)</b>	<u>\$ 200,313,388</u>	<u>\$ 200,746,632</u>

**The Corporation of the County of Grey**  
**Consolidated Statement of Operations and Accumulated Surplus**

<u>For the year ended December 31</u>	<u>2012</u>	<u>2012</u>	<u>2011</u>
	Budget (Note 6)	Actual	Actual
<b>Revenue</b>			
Taxation	\$ 50,100,825	\$ 50,213,355	\$ 48,775,034
Fees and user charges	9,551,657	9,654,060	9,732,172
Government transfers (Note 8)	44,373,254	40,906,557	40,446,938
Other income (Note 7)	7,364,291	7,311,540	7,835,289
Obligatory reserve fund revenue recognized	4,836,151	1,015,313	1,396,935
	<u>116,226,178</u>	<u>109,100,825</u>	<u>108,186,368</u>
<b>Expenses</b>			
General government	6,822,244	6,589,240	6,092,924
Protection services	2,233,125	2,249,752	2,468,340
Transportation services	10,259,595	21,553,370	23,115,725
Health services	1,655,239	1,630,205	1,586,603
Land ambulance	10,611,168	11,046,088	10,535,454
Social and family services	27,550,026	25,315,887	24,473,317
Social housing	10,653,125	11,348,851	11,766,693
Homes for the Aged	23,760,352	25,869,536	24,774,787
Recreation and cultural services	1,796,638	2,180,814	2,134,860
Planning and development	1,745,681	1,750,326	1,568,346
	<u>97,087,193</u>	<u>109,534,069</u>	<u>108,517,049</u>
Annual surplus (deficit) (Note 6)	19,138,985	(433,244)	(330,681)
Accumulated surplus, beginning of year	200,746,632	200,746,632	201,077,313
<b>Accumulated surplus, end of year</b>	<u>\$219,885,617</u>	<u>\$ 200,313,388</u>	<u>\$200,746,632</u>

**The Corporation of the County of Grey**  
**Consolidated Statement of Changes in Net Financial Assets**

For the year ended December 31	2012 Budget (Note 6)	2012 Actual	2011 Actual
Annual surplus (deficit) (Page 6)	\$ 19,138,985	\$ (433,244)	\$ (330,681)
Acquisition of tangible capital assets	(16,613,117)	(6,397,035)	(7,129,973)
Amortization of tangible capital assets	-	13,870,896	14,642,667
(Gain) loss on disposal of capital assets	-	168,072	(49,928)
Proceeds on disposal of capital assets	-	195,434	150,355
	<u>(16,613,117)</u>	<u>7,837,367</u>	<u>7,613,121</u>
Change in prepaid expenses	-	40,297	(32,771)
Change in inventory of supplies	-	268,415	379,692
	<u>-</u>	<u>308,712</u>	<u>346,921</u>
Increase in net financial assets	2,525,868	7,712,835	7,629,361
Net financial assets, beginning of the year	<u>15,905,955</u>	<u>15,905,955</u>	<u>8,276,594</u>
Net financial assets, end of the year	<u>\$ 18,431,823</u>	<u>\$ 23,618,790</u>	<u>\$ 15,905,955</u>



**The Corporation of the County of Grey**  
**Consolidated Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2012</b>	<b>2011</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual deficit	\$ (433,244)	\$ (330,681)
Items not involving cash		
Vacation pay, post-employment benefits and WSIB Schedule II liabilities	435,026	642,912
Amortization	13,870,896	14,642,667
(Gain) loss on disposal of capital assets	168,072	(49,928)
	<u>14,040,750</u>	<u>14,904,970</u>
<b>Changes in non-cash working capital balances</b>		
Trade and other receivables	2,407,172	89,751
Inventory held for resale	339	(2,316)
Prepaid expenses	40,297	(32,771)
Accounts payable and accrued liabilities	(687,073)	(1,369,990)
Inventory of supplies	268,415	379,692
Deferred revenue	2,698,471	2,111,668
	<u>18,768,371</u>	<u>16,081,004</u>
<b>Capital transactions</b>		
Cash used to acquire capital assets	(6,397,035)	(7,129,973)
Proceeds on disposal of capital assets	195,434	150,355
	<u>(6,201,601)</u>	<u>(6,979,618)</u>
<b>Financing activities</b>		
Repayment of long-term liabilities	(1,180,842)	(1,129,697)
<b>Net change in cash and temporary investments</b>	<u>11,385,928</u>	<u>7,971,689</u>
<b>Cash and temporary investments, beginning of year</b>	<u>37,219,882</u>	<u>29,248,193</u>
<b>Cash and temporary investments, end of year</b>	<u>\$ 48,605,810</u>	<u>\$ 37,219,882</u>

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## The Corporation of the County of Grey Summary of Significant Accounting Policies

December 31, 2012

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### Basis of Accounting

The consolidated financial statements of the Corporation of the County of Grey have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing.

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

### Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future. Estimates are used when accounting for items such as accrued liabilities and post-employment benefits.

### Basis of Consolidation

The consolidated statements reflect the assets, liabilities, revenues and expenses of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

Grey County and Owen Sound Housing Corporation

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**The Corporation of the County of Grey**  
**Summary of Significant Accounting Policies**

December 31, 2012

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Cash and Cash Equivalents	Cash and cash equivalents include all cash balances and short term highly liquid investments that are readily convertible into cash.																
Temporary Investments	Temporary investments are recorded at the lower of cost and market value.																
Inventory	<p>Inventory of goods held for resale is recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.</p> <p>Inventory held for consumption is recorded at the lower of cost and replacement cost.</p>																
Non-Financial Assets	Tangible capital and other non-financial assets are accounted for as assets by the organization because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the organization unless they are sold.																
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by management. The following rates are used:</p> <table><tr><td>Land improvements</td><td>20 years</td></tr><tr><td>Buildings</td><td>20 to 50 years</td></tr><tr><td>Machinery and equipment</td><td>3 to 25 years</td></tr><tr><td>Roads</td><td>7 to 40 years</td></tr><tr><td>Traffic signals</td><td>20 years</td></tr><tr><td>Bridges</td><td>15 to 50 years</td></tr><tr><td>Culverts</td><td>30 to 50 years</td></tr><tr><td>Vehicles</td><td>5 to 15 years</td></tr></table> <p>Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.</p>	Land improvements	20 years	Buildings	20 to 50 years	Machinery and equipment	3 to 25 years	Roads	7 to 40 years	Traffic signals	20 years	Bridges	15 to 50 years	Culverts	30 to 50 years	Vehicles	5 to 15 years
Land improvements	20 years																
Buildings	20 to 50 years																
Machinery and equipment	3 to 25 years																
Roads	7 to 40 years																
Traffic signals	20 years																
Bridges	15 to 50 years																
Culverts	30 to 50 years																
Vehicles	5 to 15 years																
Intangible Assets	Intangible assets, art and historic treasures, are not recognized in these financial statements.																

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## The Corporation of the County of Grey Summary of Significant Accounting Policies

December 31, 2012

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### Post-Employment Benefits

The County provides post-employment health, dental, life insurance and other benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit costs and are expensed as services are rendered.

The County is an employer under Schedule 2 of the Workplace Safety and Insurance Act (WSIB). As such it self-insures the entire risk of its own WSIB claims and is individually liable for reimbursing WSIB for all costs relating to workers' WSIB claims. The cost of the claims are determined using management's best estimates and are expensed as incidents occur. The County of Grey, in order to reduce this risk as a Schedule 2 employer, has purchased Occupational Accident and Excess Indemnity Insurance to assist with work related death or permanent impairments.

The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit plan are expensed when contributions are due.

### Revenue Recognition

Revenues are reported on the accrual basis of accounting. Revenues are recognized as follows:

- a) Tax revenue is recognized in the calendar year to which the tax assessment applies.
- b) Fines and donations are recognized when collected.
- c) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- d) Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations and accumulated surplus in the year in which it is used for the specified purpose.
- e) Government 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, and eligibility criteria have been met and reasonable estimates of the amounts can be made.

### Provincial Subsidies

Subsidies from the Province of Ontario are subject to review of year end settlement forms and adjustments by the Province. Adjustments to funding, if any, are recorded in the year in which they occur.

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The Corporation of the County of Grey  
Summary of Significant Accounting Policies

December 31, 2012

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Trust Funds

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

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The Corporation of the County of Grey  
Notes to Financial Statements

December 31, 2012

1. Cash and Temporary Investments

	2012	2011
Unrestricted	\$ 48,605,810	\$ 37,219,882

A cash balance of \$31,511,041 is being held in one bank account earning interest at a rate of prime less 1.75%. Cash balances of \$2,988,350 and investment deposits of \$12,164,923 are also held at the same financial institution. The Canadian Deposit Insurance Corporation insures up to a maximum of \$100,000 per depositor per financial institution. Investment deposits of \$1,023,058 are also held at a second financial institution.

Temporary investments of \$14,204,340 consist of an interest bearing bank account and money market funds earning interest at 0.83% and 1.39% respectively and guaranteed investment certificates and term deposits earning between 1.63% and 2.05%. Temporary investments have a market value of \$14,225,781 (2011 - \$11,074,642) at the end of the year.

The County of Grey has a demand operating facility agreement with a financial institution at prime less 0.5%. At December 31, 2012, the County of Grey had a \$6,000,000 unused credit facility.

2. Long-Term Liabilities

The balance of long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2012	2011
Royal Bank of Canada, 2.693%, mortgage payable in blended monthly instalments of \$2,330, due 2015	\$ 75,295	\$ 100,901
Ontario Strategic Infrastructure Financing Authority, 4.36%, blended semi annual payments of \$373,345, due 2014	1,415,409	2,078,622
Ontario Strategic Infrastructure Financing Authority, 4.73%, blended semi annual payments of \$307,160, due 2016	2,215,112	2,707,135
	\$ 3,705,816	\$ 4,886,658

Principal payments for the next 4 fiscal years and thereafter are as follows:

2013	\$	1,235,557
2014	\$	1,290,223
2015	\$	586,841
2016	\$	593,195

Interest of \$255,285 (2011 - \$301,414) was paid during the year.

The Corporation of the County of Grey  
Notes to Financial Statements

December 31

3. Tangible Capital Assets

	2012								
	Land and Land Improvements	Buildings	Machinery & Equipment	Roads	Traffic Signals	Bridges	Culverts	Vehicles	Total
Cost, beginning of year	\$ 1,894,571	\$ 83,160,848	\$ 11,726,536	\$ 242,105,702	\$ 2,080,064	\$ 27,960,045	\$ 7,985,726	\$ 8,717,839	\$ 385,631,331
Additions	18,317	1,957,942	987,379	2,547,722	-	-	-	885,675	6,397,035
Disposals	-	-	(525,330)	(1,540,457)	-	-	-	(178,159)	(2,243,946)
Cost, end of year	1,912,888	85,118,790	12,188,585	243,112,967	2,080,064	27,960,045	7,985,726	9,425,355	389,784,420
Accumulated amortization, beginning of year	680,952	35,158,924	6,078,862	133,560,552	1,252,779	17,433,219	4,551,868	3,910,350	202,627,506
Amortization	62,224	2,788,522	1,007,567	8,305,170	104,003	499,083	166,636	937,691	13,870,896
Disposals	-	-	(454,626)	(1,279,243)	-	-	-	(146,571)	(1,880,440)
Accumulated amortization, end of year	743,176	37,947,446	6,631,803	140,586,479	1,356,782	17,932,302	4,718,504	4,701,470	214,617,962
Net carrying amount, end of year	\$ 1,169,712	\$ 47,171,344	\$ 5,556,782	\$ 102,526,488	\$ 723,282	\$ 10,027,743	\$ 3,267,222	\$ 4,723,885	\$ 175,166,458

The Corporation of the County of Grey  
Notes to Financial Statements

December 31

3. Tangible Capital Assets - (continued)

	2011								
	Land and Land Improvements	Buildings	Machinery & Equipment	Roads	Traffic Signals	Bridges	Culverts	Vehicles	Total
Cost, beginning of year	\$ 1,894,571	\$ 82,721,723	\$ 11,355,288	\$ 237,233,824	\$ 2,080,064	\$ 27,960,045	\$ 7,985,726	\$ 8,331,030	\$ 379,562,271
Additions	-	439,125	583,480	4,871,878	-	-	-	1,235,490	7,129,973
Disposals	-	-	(212,232)	-	-	-	-	(848,681)	(1,060,913)
Cost, end of year	1,894,571	83,160,848	11,726,536	242,105,702	2,080,064	27,960,045	7,985,726	8,717,839	385,631,331
Accumulated amortization, beginning of year	618,728	32,427,535	5,319,039	124,364,276	1,148,776	16,933,190	4,385,232	3,748,549	188,945,325
Amortization	62,224	2,731,389	952,783	9,196,276	104,003	500,029	166,636	929,327	14,642,667
Disposals	-	-	(192,960)	-	-	-	-	(767,526)	(960,486)
Accumulated amortization, end of year	680,952	35,158,924	6,078,862	133,560,552	1,252,779	17,433,219	4,551,868	3,910,350	202,627,506
Net carrying amount, end of year	\$ 1,213,619	\$ 48,001,924	\$ 5,647,674	\$ 108,545,150	\$ 827,285	\$ 10,526,826	\$ 3,433,858	\$ 4,807,489	\$ 183,003,825



The Corporation of the County of Grey  
Notes to Financial Statements

December 31, 2012

3. Tangible Capital Assets - (continued)

The net book value of tangible capital assets not being amortized because they are under construction is \$152,793 (2011 - \$86,539).

In 2012 \$57,220 (2011 - \$Nil) in contributed capital assets were recognized in the financial statements during the year.

The municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

The County of Grey has recorded land, machinery and equipment assets at nominal amounts when historical or replacement cost was not available.

No interest was capitalized to tangible capital assets during the current year or previous year.

4. Accumulated Surplus

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

	<u>2012</u>	<u>2011</u>
Invested in tangible capital assets		
Tangible capital assets purchased	\$ 175,166,458	\$ 183,003,825
Unfinanced capital assets	(1,784,920)	(1,908,644)
Capital assets financed by long-term liabilities and to be funded in future years	<u>(3,705,816)</u>	<u>(4,886,658)</u>
Total invested in capital assets	169,675,722	176,208,523
Unfunded post-employment benefits	(7,532,870)	(7,123,468)
Other surplus	<u>1,497,564</u>	<u>1,765,978</u>
	163,640,416	170,851,033
Reserves and reserve funds (Note 5)	<u>36,672,972</u>	<u>29,895,599</u>
Accumulated surplus	<u>\$ 200,313,388</u>	<u>\$ 200,746,632</u>

**The Corporation of the County of Grey**  
Notes to Financial Statements

December 31, 2012

5. Reserves and Reserve Funds Set Aside for Specific Purpose by Council

	2012	2011
Reserves		
Working funds	\$ 2,399,917	\$ 2,165,358
Insurance, sick leave and WSIB	3,124,381	2,760,994
Current purposes	12,418,600	10,335,921
Capital purposes	18,730,074	14,633,326
Reserves and reserve funds set aside for specific purpose by Council	\$ 36,672,972	\$ 29,895,599

6. Budgets

Under Canadian Public sector accounting principles, budget amounts are to be reported on the consolidated statement of operations and changes in net debt for comparative purposes. The 2012 budget amounts for the Corporation of the County of Grey approved by Council have been reclassified to conform to the presentation of the consolidated statements of operations and changes in net financial assets. The following is a reconciliation of the budget approved by Council.

	2012 Budget	2012 Actual	2011 Actual
Annual surplus (deficit) (Page 6)	\$ 19,138,985	\$ (433,244)	\$ (330,681)
Transfers to reserves	(9,009,605)	(9,761,916)	(10,852,323)
Transfers from reserves	7,664,579	2,984,543	3,983,556
Capital acquisitions, disposals and write-down	(16,613,117)	(6,033,529)	(7,029,546)
Amortization	-	13,870,896	14,642,667
Debt principal repayments	(1,180,842)	(1,180,842)	(1,129,696)
Change in unfunded liabilities	-	409,402	663,824
Change in other surplus	-	268,414	379,693
	-	123,724	327,494
Prior year capital projects funded	-	(123,724)	(327,494)
	\$ -	\$ -	\$ -

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The Corporation of the County of Grey  
Notes to Financial Statements

December 31, 2012

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7. Other Income

	2012	2012	2011
	Budget	Actual	Actual
Provincial Offences Act (POA)	\$ 2,815,000	\$ 2,995,231	\$ 3,386,605
Investment income, penalties and interest	397,094	498,527	403,615
Licenses, permits and rents	3,858,957	3,877,472	3,974,748
Donations	128,240	108,382	20,393
Gain (loss) on disposal of assets	165,000	(168,072)	49,928
	<u>\$ 7,364,291</u>	<u>\$ 7,311,540</u>	<u>\$ 7,835,289</u>

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The Corporation of the County of Grey  
Notes to Financial Statements

December 31, 2012

8. Government Transfers

	Budget	2012	2011
<b>Operating</b>			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)			
Conditional - General Government	\$ 1,053,700	\$ 288,861	\$ 623,716
- Land Ambulance	5,597,298	5,683,191	5,481,615
- Social and Family Services	20,171,719	18,774,305	17,857,017
- Social Housing	1,291,836	615,980	-
- Homes for the Aged	13,905,848	14,423,836	13,885,649
- Other	99,434	73,365	758,820
	<u>42,119,835</u>	<u>39,859,538</u>	<u>38,908,217</u>
Government of Canada			
Conditional - Social Housing	694,830	694,830	978,923
- Other	17,740	39,851	49,070
	<u>712,570</u>	<u>734,681</u>	<u>1,027,993</u>
Other Municipalities			
Conditional - Transportation Services	211,033	139,759	266,141
- Other	75,170	64,933	94,982
	<u>286,203</u>	<u>204,692</u>	<u>361,123</u>
<b>Total Operating Transfers</b>	<u><b>43,118,608</b></u>	<u><b>40,798,911</b></u>	<u><b>40,297,333</b></u>
<b>Capital</b>			
Province of Ontario			
- Social and Family Services	187,646	178,429	-
- Social Housing	-	-	73,325
- Other	-	-	76,280
	<u>187,646</u>	<u>178,429</u>	<u>149,605</u>
Government of Canada			
- Social Housing	420,000	-	-
- Other	110,000	(70,783)	-
	<u>530,000</u>	<u>(70,783)</u>	<u>-</u>
Other Municipalities			
Conditional - Transportation Services	537,000	-	-
<b>Total Capital Transfers</b>	<u><b>1,254,646</b></u>	<u><b>107,646</b></u>	<u><b>149,605</b></u>
<b>Total Government Transfers</b>	<u><b>\$ 44,373,254</b></u>	<u><b>\$ 40,906,557</b></u>	<u><b>\$ 40,446,938</b></u>

The Corporation of the County of Grey  
Notes to Financial Statements

December 31, 2012

9. Pension Agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 665 members of its staff. This 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 service and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS by the County for 2012 was \$2,790,190 (2011 - \$2,313,922). The contribution rate for 2012 was 8.3% to 12.8% depending on age and income level (2011 - 7.4% to 10.7%).

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was on December 31, 2012. At that time the plan reported a \$9.9 billion actuarial deficit (2011 - \$7.3 billion actuarial deficit), based on actuarial liabilities of \$69.1 billion (2011 - \$64.5 billion) and actuarial assets of \$59.2 billion (2011 - \$57.2 billion). There has been a severe decline in financial markets. Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

10. Post-Employment Benefits

	2012	2011
WSIB	\$ 4,563,469	\$ 4,158,216
Vacation pay liability	2,056,521	2,128,603
Post-employment benefits	1,444,852	1,368,621
Other	51,081	25,457
	\$ 8,115,923	\$ 7,680,897

- a) The County is a Schedule II employer under the Workplace Safety and Insurance Act. As a Schedule II employer the County assumes liability for any award made under the Act.

An actuarial valuation performed at December 31, 2009 has calculated the liability to be \$4,563,469. Included in the actuarial liability above is an unamortized actuarial gain of \$339,961. The actuarial valuation was based on a number of assumptions such as, discount rates, wage increase, and WSIB payment rates. The assumptions used reflect management's best estimates. The WSIB benefit liability was determined using a discount rate of 5%, average lost time injury payment rate of 87%, a WSIB administration rate of 24% and a average lost time injury count of 41. At December 31, 2012 the County provided \$2,897,417 in a reserve to offset this liability.

	2012	2011
Current period benefit cost	\$ 1,120,686	\$ 1,086,518
Amortization of actuarial gain	(48,566)	(48,566)
Retirement benefit expense	(861,823)	(788,465)
Interest costs	194,956	172,412
	\$ 405,253	\$ 421,899

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The Corporation of the County of Grey  
Notes to Financial Statements

December 31, 2012

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10. Post-Employment Benefits - (continued)

- b) The vacation year for an employee begins either on their "start date" anniversary or the date defined by the applicable union contract. The vacation liability includes all carry-forward amounts from the previous vacation year and vacation earned from the vacation year start date to December 31, 2012.
- c) The County pays certain life insurance, health and dental benefits on behalf of its retired employees. The County recognizes these post-retirement costs in the period in which the employees render the services.

Actuarial valuations for accounting purposes are performed using the projected benefit method. The most recent actuarial report was prepared as at December 31, 2009.

The assumptions used reflect management's best estimates. The post-employment benefit liability was determined using a discount rate of 5%. For future salaries, a 3% annual rate of increase was used for 2011 and forwards. For dental, travel and vision premiums, a 4% annual rate of increase was assumed for 2011 and forwards. For health care premiums, a 7% increase was used for 2011 and a decreasing rate used until 2019 where 4% was used thereafter.

	<u>2012</u>		<u>2011</u>
Retirement benefit expense	\$ 7,612	\$	8,444
Interest costs	68,621		64,971
Total expense for the year	<u>\$ 76,233</u>	<u>\$</u>	<u>73,415</u>

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The Corporation of the County of Grey  
Notes to Financial Statements

December 31, 2012

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11. Contractual Commitments

- (a) As part of the Provincial Local Services Realignment Program, the Ontario Housing Corporation (OHC) remains responsible for the servicing of the debentures used to finance the public housing projects transferred to the Grey County and Owen Sound Housing Corporation under the authority of the Social Housing Reform Act, 2000.

Information received from OHC as at December 31, 2012 indicates the following:

Principal payments on debentures during the year	\$ 546,127
Interest payments on debentures during the year	<u>456,331</u>
Total	<u>\$ 1,002,458</u>
Debentures outstanding at year end	<u>\$ 6,156,980</u>

The principal and interest payments are recovered at source from Federal Social Housing funding provided to the Province and the balance is flowed to or recovered from the Consolidated Municipal Services Manager (County of Grey). The net amount recovered from the County of Grey in 2012 was \$161,422 (2011 - \$161,358) and is recorded on the statement of operations as a transfer to the Province.

- (b) The County of Grey has approved a capital grant of land and money in the amount of \$1,000,000 to the Centre Grey Health Services Foundation for the Centre Grey General Hospital Building Fund. The amount of money to be paid will be determined by deducting the value of the lands and will be paid in ten equal instalments contingent upon the approval of funding for completion of the Centre Grey Hospital by the Province of Ontario. Payments will be processed once construction begins. The County has transferred \$394,300 to reserves towards this commitment.
- (c) The County of Grey has been allocated funding for Affordable Housing projects under the Canada-Ontario Affordable Housing Program and Delivering Opportunities for Ontario Renters Program. These funds are being used to create new housing units within the County. A total of \$7,032,566 has been committed to developers in order to complete these units with \$4,626,383 released as of December 31, 2012. If the units remain as affordable housing units for a period of 25 years, no amount will be repayable.
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The Corporation of the County of Grey  
Notes to Financial Statements

December 31, 2012

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12. Contingencies

- (a) The County of Grey along with the County of Bruce, the Province of Ontario, the Dominion of Canada and several lower tier municipalities have been named as defendants in a land claim action filed by the Chippewas of Saugeen and Nawash, for damages alleged to total \$92,000,000,000. No breakdown as to each municipality's relative share of the \$92,000,000,000 has been provided. The likelihood of the success of this action is undeterminable at the present time.
  - (b) The County has been served with various claims as a result of motor vehicle accidents and other incidents. The County is not aware of any possible settlements in excess of its liability insurance coverage. The outcomes of these claims are not determinable at this time.
  - (c) A number of assessment appeals relating to properties in the County are currently in process. The impact on taxation revenue as a result of settlement of these appeals is not determinable at this time. The effect on taxation of the settlement of these appeals will be recorded in the fiscal year in which they can be determined.
  - (d) The County insured errors and omissions and public liability insurance coverage through the Ontario Municipal Insurance Exchange (OMEX) up until December 31, 2008. OMEX is a separate pooling of the public liability insurance risks of its municipal members. All members are subject to assessment for losses, if any, experienced for the years in which they were members.
  - (e) The County is currently reviewing pay equity issues for employees of the Homes For The Aged. Pay equity settlements, if any, will be reflected in operations in the period in which they become determinable.
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The Corporation of the County of Grey  
Notes to Financial Statements

December 31, 2012

13. Trust Funds

The trust funds administered by the municipality amounting to \$75,709 (2011 - \$83,189) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations and accumulated surplus.

14. Provincial Offences Act

Revenue is recognized on a cash basis for fines levied during the year. The gross revenues collected for the County of Grey for the year ended December 31, 2012 were \$2,995,231 (2011 - \$3,386,605). Net revenues after deduction of operating expenses were \$742,078 (2011 - \$939,656).

15. Service Contracts with the Ministry of Education, Ministry of Community and Social Services and the Ministry of Child and Youth Services

The County of Grey has Service Contracts/CFSA Approvals with the Ministry of Education, Ministry of Community and Social Services and the Ministry of Child and Youth Services. A reconciliation report summarized by service (project code) reporting all revenues and expenses and identifying any surplus or deficit that is (repayable) or receivable to the respective Ministry has been prepared by the County of Grey.

A review of this report shows the following services to be in a (repayable)/receivable position as at December 31, 2012. Surplus and deficit amounts are reflected in accounts payable and accrued liabilities.

	2012	2011
A371 - Fee Subsidy, DA	\$ (113,213)	\$ (18,118)
A380 - Child Care Administration	-	(1,975)
A390 - Wage Subsidy Non-Profit	-	(5,585)
A391 - Wage Subsidy Commercial	-	5,585
A400 - Child Care Formal	(15,473)	(6,037)
A401 - Child Care Informal	(2,826)	(5,957)
A425 - ELCC Administration	-	463
A429 - ELCC Fee Subsidy	(1)	-
A462 - Ontario Early Years Centres	-	(3)
A463 - Early Literacy Specialists	(9,888)	-
A515 - Small Water Works	(4,077)	-
A664 - Extended Day 100% Fee Subsidy	(4)	-
A665 - Transition, Operating	(96,587)	(12,569)
8766 - Domiciliary Hostels	(39,021)	(3,665)
	\$ (281,090)	\$ (47,861)

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The Corporation of the County of Grey  
Notes to Financial Statements

December 31, 2012

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16. Segmented Information

The County of Grey is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

**Corporate Services**

The Corporate Services Committee is responsible to oversee the budgets of Council, Corporate Administration, Emergency Management, Assessment, Provincial Offences, County Property and the Grey Bruce Health Unit. In addition, this committee is also responsible for the administration of the taxation budget, which includes supplementary tax and tax write-offs, as well as the Ontario Municipal Partnership Fund grant and the Federal Gas Tax funding.

**Planning and Community Development**

The Planning and Community Development Committee is responsible for Planning (including civic addressing), Heritage, Agriculture, Forestry, Trails, Tourism and Economic Development mandates.

**Social Services, Housing and Long-Term Care**

The Social Services Committee oversees the Social Services, Housing and Long-Term Care departments. Social Services includes Social Assistance, Administration, Ontario Works and Child Care. Housing covers operational and capital budgets for Grey County Housing, subsidies provided to Non-Profit Housing Providers and the Affordable Housing Programs. The Long-Term Care component refers to the three Long-Term Care facilities (Grey Gables - Markdale, Rockwood Terrace - Durham and Lee Manor - Owen Sound) that are owned and operated by the County of Grey.

**Transportation and Public Safety**

The Committee oversees the Transportation Services Department (responsible for providing a safe transportation network of 877 kilometers of County roads and 189 culverts and bridges) and the Emergency Medical Services Department (Land Ambulance operations).

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

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The Corporation of the County of Grey  
Notes to Financial Statements

December 31

	Corporate Services	Planning and Community Development	Social Services, Housing and Long-Term Care	Transportation and Public Safety	2012 Total
<b>Revenue</b>					
Taxation	\$ 8,821,977	\$ 3,451,648	\$ 16,787,668	\$ 21,152,062	\$ 50,213,355
Fees and user charges	39,706	484,582	8,630,005	499,767	9,654,060
Specific grants	301,090	158,303	34,708,380	5,738,784	40,906,557
OMPF grant	-	-	-	-	-
Other revenue	3,838,647	53,889	3,821,935	(161,607)	7,552,864
Transfers from obligatory reserve	79,706	69,792	108,837	756,978	1,015,313
	<u>13,081,126</u>	<u>4,218,214</u>	<u>64,056,825</u>	<u>27,985,984</u>	<u>109,342,149</u>
<b>Expenses</b>					
Salaries and benefits	3,262,482	1,975,390	26,047,548	14,682,717	45,968,137
Interest on debt	-	-	248,853	6,432	255,285
Materials and supplies	463,956	905,746	5,037,316	5,354,596	11,761,614
Contracted services	3,472,628	445,834	5,087,927	1,279,454	10,285,843
Other transfers	2,971,089	156,658	22,901,532	-	26,029,279
Rents and financial expenses	352,399	14,495	606,944	630,501	1,604,339
Amortization	126,319	433,018	2,665,799	10,645,760	13,870,896
	<u>10,648,873</u>	<u>3,931,141</u>	<u>62,595,919</u>	<u>32,599,460</u>	<u>109,775,393</u>
<i>Annual surplus (deficit)</i>	<u>\$ 2,432,253</u>	<u>\$ 287,073</u>	<u>\$ 1,460,906</u>	<u>\$ (4,613,476)</u>	<u>\$ (433,244)</u>

The Corporation of the County of Grey  
Notes to Financial Statements

December 31

	Corporate Services	Planning and Community Development	Social Services, Housing and Long-Term Care	Transportation and Public Safety	2011 Total
<b>Revenue</b>					
Taxation	\$ 6,953,542	\$ 3,244,169	\$ 17,369,533	\$ 21,207,790	\$ 48,775,034
Fees and user charges	49,291	363,280	8,418,526	901,075	9,732,172
Specific grants	631,144	213,370	33,509,543	5,791,481	40,145,538
OMPF grant	301,400	-	-	-	301,400
Other revenue	4,161,227	18,964	3,855,320	50,686	8,086,197
Transfers from obligatory reserve	71,486	-	-	1,325,449	1,396,935
	<u>12,168,090</u>	<u>3,839,783</u>	<u>63,152,922</u>	<u>29,276,481</u>	<u>108,437,276</u>
<b>Expenses</b>					
Salaries and benefits	2,776,705	1,811,348	24,894,038	14,210,396	43,692,487
Interest on debt	-	-	301,414	-	301,414
Materials and supplies	386,226	887,676	5,124,304	5,949,926	12,348,132
Contracted services	3,213,567	357,106	4,936,003	1,819,523	10,326,199
Other transfers	3,183,701	184,466	22,570,276	321,540	26,259,983
Rents and financial expenses	300,949	32,830	580,909	282,389	1,197,077
Amortization	111,849	429,779	2,607,853	11,493,184	14,642,665
	<u>9,972,997</u>	<u>3,703,205</u>	<u>61,014,797</u>	<u>34,076,958</u>	<u>108,767,957</u>
<i>Annual surplus (deficit)</i>	<i>\$ 2,195,093</i>	<i>\$ 136,578</i>	<i>\$ 2,138,125</i>	<i>\$ (4,800,477)</i>	<i>\$ (330,681)</i>

**The Corporation of the County of Grey**  
**Schedule of Deferred Revenue**

**For the year ended December 31, 2012**

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
<b>Obligatory Reserve Funds</b>					
Development charges	\$ 2,040,730	\$ 994,534	\$ 30,026	\$ (906,476)	\$2,158,814
Federal gas tax	2,459,283	2,834,707	34,845	(108,837)	5,219,998
	<u>4,500,013</u>	<u>3,829,241</u>	<u>64,871</u>	<u>(1,015,313)</u>	<u>7,378,812</u>
<b>Other</b>					
Tourism and Heritage	78,203	51,178	-	(69,430)	59,951
Social Services	5,250	21,000	-	(21,000)	5,250
Ontario Nursing Strategy Initiatives grant	26,259	-	-	(62,142)	(35,883)
Rockwood Terrace Municipal Infrastructure Investment Initiative	90,873	-	-	(78,429)	12,444
Rent Bank program	6,540	44,049	-	(36,707)	13,882
Housing Allowance program	21,416	6,300	-	(29,509)	(1,793)
Affordable housing administration	100,000	35,495	-	(51,292)	84,203
Affordable housing	49,912	83,558	-	(65,470)	68,000
Investing in Ontario	697,969	-	-	(7,929)	690,040
	<u>1,076,422</u>	<u>241,580</u>	<u>-</u>	<u>(421,908)</u>	<u>896,094</u>
	<u>\$ 5,576,435</u>	<u>\$ 4,070,821</u>	<u>\$ 64,871</u>	<u>\$(1,437,221)</u>	<u>\$8,274,906</u>

The Corporation of the County of Grey  
Trust Funds  
Financial Statements  
For the year ended December 31, 2012



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## Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the County of Grey

We have audited the accompanying financial information for the trust funds of the County of Grey, which comprise the statement of financial position as at December 31, 2012, the statement of continuity for the year then ended, and a summary of significant accounting policies.

### Management's Responsibility for the Financial Information

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

### Auditor's Responsibility

Our responsibility is to express an opinion on this financial information 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 financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, 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 information 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 information.

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



### Basis for Qualified Opinion

The trust funds of the County derive receipts from and make disbursements to residents of the Grey County Homes for the Aged which are not susceptible to complete audit verification. Accordingly, our verification of such receipts and disbursements was limited to accounting for the amounts recorded in the records of the trust funds and we were not able to determine whether any adjustments might be necessary to receipts, assets and liabilities.

### Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial information presents fairly, in all material respects, the statement of financial position for the trust funds of the County of Grey as at December 31, 2012 and the statement of continuity for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario  
May 14, 2013



The Corporation of the County of Grey  
Trust Funds  
Balance Sheet

December 31, 2012

	Grey County Homes for the Aged		
	Total	Residents' Activities	Residents' Trust Accounts
Assets			
Cash	\$ 75,709	\$ 16,483	\$ 59,226
Fund balance	\$ 75,709	\$ 16,483	\$ 59,226

Statement of Continuity

For the year ended December 31, 2012

	Grey County Homes for the Aged		
	Total	Residents' Activities	Residents' Trust Accounts
Balance, beginning of the year	\$ 83,189	\$ 16,483	\$ 66,706
Receipts			
Residents' net deposits	118,930	-	118,930
Expenses			
Residents' net withdrawals	126,410	-	126,410
Balance, end of the year	\$ 75,709	\$ 16,483	\$ 59,226

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# The Corporation of the County of Grey

## Notes to Financial Statements

December 31, 2012

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### 1. Summary of Significant Accounting Policies

Management Responsibility	<p>The financial statements of the Corporation of the County of Grey Trust Funds are the representation of management. They have been prepared in accordance with accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as prescribed by the Ontario Ministry of Municipal Affairs and Housing.</p> <p>Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.</p>
Use of Estimates	<p>The preparation of financial information in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial information, and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.</p>
Basis of Consolidation	<p>These trust funds have not been consolidated with the financial statements of the Corporation of the County of Grey.</p>

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The Corporation of the County of Grey  
Trust Funds  
Schedule of Residents' Trust Accounts

For the year ended December 31, 2012

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	<u>Total</u>	<u>Rockwood Terrace</u>	<u>Grey Gables</u>	<u>Lee Manor</u>
Balance, beginning of the year	\$ 66,706	\$ 22,528	\$ 10,426	\$ 33,752
Receipts				
Residents' net deposits	118,930	31,153	1,113	86,664
Expenses				
Residents' net withdrawals	<u>126,410</u>	<u>30,289</u>	<u>2,582</u>	<u>93,539</u>
Balance, end of the year	<u>\$ 59,226</u>	<u>\$ 23,392</u>	<u>\$ 8,957</u>	<u>\$ 26,877</u>
Consists of:				
Cash	<u>\$ 59,226</u>	<u>\$ 23,392</u>	<u>\$ 8,957</u>	<u>\$ 26,877</u>

**The Corporation of the County of Grey**  
**Other Financial Information**  
For the year ended December 31, 2012



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## Auditor's Comments on Supplementary Financial Information

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the County of Grey

We have audited the consolidated financial statements of the County of Grey, which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of operations and changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, a summary of significant accounting policies and other explanatory information and have issued our report thereon dated May 14, 2013 which contained an unmodified opinion on those financial statements. The audit was performed to form an opinion on the financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

### Restriction on Distribution and Use

The supplementary information is prepared to assist the Corporation of the County of Grey to meet the requirements of their funding agencies. As a result, the supplementary information may not be suitable for another purpose. Our report is intended solely for the Corporation of the County of Grey and their funding agencies and should not be distributed to or used by parties other than the Corporation of the County of Grey or their funding agencies.

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario  
May 14, 2013

**Grey Roots - Museum**  
**Statement of Operations**  
(See Auditor's Comments on Supplementary Financial Information)

For the year ended December 31	2012	2011
<b>Revenues</b>		
Province of Ontario	\$ 69,765	\$ 84,210
Canada	12,020	44,144
County of Grey	1,144,741	1,085,410
Donations	3,128	5,130
Donation in kind	550	25
Admissions and sales	125,618	81,464
Transfer from County of Grey reserves	4,574	9,608
	<u>1,360,396</u>	<u>1,309,991</u>
<b>Expenditures</b>		
Advertising	83,049	88,251
Cleaning and supplies	34,578	42,142
Donation in kind	550	25
Equipment rentals	3,605	4,294
Heat, light and water	99,657	90,589
Insurance	13,455	13,526
Office supplies, postage and telephone	44,335	49,313
Professional	5,165	1,693
Purchases for resale	14,468	10,290
Repairs and maintenance	74,440	73,032
Special events	111,962	115,281
Salaries and benefits	838,284	803,081
Travel and convention fees	17,306	11,255
Vehicle operations and licensing	2,138	4,348
Transfer to County of Grey reserve	2,065	2,065
	<u>1,345,057</u>	<u>1,309,185</u>
Less: Change in unfinanced liabilities	<u>(2,375)</u>	<u>7,174</u>
	<u>1,347,432</u>	<u>1,302,011</u>
<b>Net revenue for the year</b>	<u>\$ 12,964</u>	<u>\$ 7,980</u>

**County of Grey - Provincial Offences Act**  
**Statement of Operations**  
(See Auditor's Comments on Supplementary Financial Information)

For the year ended December 31	2012	2011
<b>Revenue</b>		
Fines	\$ 2,995,231	\$ 3,386,605
Province of Ontario	-	1,701
Investment income	1,340	1,624
Transcripts	7,706	14,267
Cost recoveries	32	69
	<u>3,004,309</u>	<u>3,404,266</u>
<b>Expenditures</b>		
Salaries and benefits	527,390	503,128
Administrative charges	371,606	370,666
Victim fine surcharge	523,324	591,554
Dedicated fines	29,736	63,589
Prosecution expenses	283,383	279,091
Transfers to County of Bruce	526,476	670,901
	<u>2,261,915</u>	<u>2,478,929</u>
Change in unfunded liabilities	(316)	14,319
	<u>2,262,231</u>	<u>2,464,610</u>
Net revenue before transfer to reserves	742,078	939,656
Transfer to reserve	130,594	288,800
<b>Net revenue for the year</b>	<u>\$ 611,484</u>	<u>\$ 650,856</u>