

REPORT TO COUNTY COUNCIL

2024 Audited Financial Statements

To: Warden and Members of County Council

From: Director of Corporate Services

RECOMMENDATION

1. That the Oxford County Consolidated Financial Statements and the County of Oxford Trust Funds Statements for the year ended December 31, 2024 be accepted.

REPORT HIGHLIGHTS

- Auditor to present the 2024 consolidated financial statements
- Long Term Financial Sustainability Plan sustainability measures for 2020 to 2024 are responding to increased operating costs
- 2024 year end County operating budget deficit is \$3,309,157

IMPLEMENTATION POINTS

Following Council's acceptance of the Audited Financial Statements they will be posted on the County's website for public information.

Financial Impact

2024 year end budget surpluses have been transferred to the appropriate reserves in accordance with Reserve Policy 6.20, as outlined in Table 4 in this report.

This report has been prepared on the basis of the audited 2024 consolidated financial statements.

Communications




The consolidated financial statements will be posted on the County’s website for public information and submitted to the province with the Financial Information Return (FIR). A copy of the statements will also be provided to the County’s banking institution and Standard & Poor’s for their respective annual credit rating reviews.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the **2023-2026 Strategic Plan** on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goal.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
		Goal 3.4 – Financial sustainability

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

For the 2024 fiscal year, Council appointed Scrimgeour & Company, Licensed Public Accountant, as auditor for the financial statements for the County of Oxford including its local boards.

Attached as Attachments 1 and 2 are copies of the County of Oxford Consolidated Audited Financial Statements and Audited Woodingford Lodge Resident Trust Fund Statements for the year ended December 31, 2024.

Comments

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

Performance regarding 2024 achievements with respect to projects and advancement of the County’s strategic plan will form part of the 2024 Annual Report.

Sustainability indicators measure the degree to which a government can maintain its existing service and financial commitment. Table 1 provides a list of sustainability measures based on the County’s 2020 to 2024 financial statements.

Table 1 – Sustainability Indicators

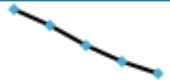
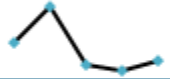
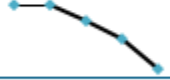

	2020	2021	2022	2023	2024	Trend
Financial assets to liabilities	2.41	2.44	2.21	1.91	2.02	
Total cash and temporary investments to operating expenses	1.31	1.35	1.32	1.26	1.14	
Net working capital to operating expenses	1.13	1.14	1.03	0.97	0.91	
Net debt to total operating revenue	0.20	0.18	0.15	0.14	0.11	
Net debt to taxable assessment	0.0022	0.0020	0.0018	0.0017	0.0015	
Accumulated surplus to taxable assessment	0.036	0.037	0.038	0.038	0.040	
Total debt per household	\$868	\$831	\$729	\$678	\$624	
Current ratio ¹	4.81	4.56	3.63	3.53	3.82	
Taxation rates coverage ²	0.37	0.35	0.36	0.35	0.36	
Interest coverage ³	18.57	19.83	25.07	27.78	43.21	
Sustainability ratio ⁴	1.62	1.53	2.08	1.82	2.92	

Notes:

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


Flexibility Indicators measure the degree to which a municipality can change its debt or tax burden to meet its existing service and financial commitments. Table 2 presents flexibility indicators based on the County's 2020 to 2024 financial statements.

Table 2 – Flexibility Indicators

	2020	2021	2022	2023	2024	Trend
Debt charges to total revenues	0.009	0.008	0.006	0.005	0.004	
Net book value of capital assets to cost of capital assets	0.62	0.64	0.61	0.61	0.61	
Total reserves to operating expenses	1.13	1.13	1.08	1.01	0.91	
Total revenue to taxable assessment	0.0110	0.0112	0.0118	0.0120	0.0141	

Vulnerability indicators measure the degree to which a government is dependent on sources of funding from outside its control or influence the extent to which it is exposed to risks that could impair its existing ability to meet service and financial obligations. Table 3 exhibits a vulnerability indicator based on the County's 2020 to 2024 financial statements.

Table 3 – Vulnerability Indicators

	2020	2021	2022	2023	2024	Trend
Government transfers to total revenues	0.29	0.33	0.32	0.33	0.32	

Budget Surplus

The Financial Statements include a Consolidated Statement of Financial Position which identifies the assets, liabilities and accumulated surplus as of December 31, 2024. Note 12 to the Financial Statements provides a breakdown of the components of the accumulated surplus which includes investment in tangible capital assets; the Library surplus (budget to actual); unfunded asset retirement obligations; the County's proportionate share of the Oxford Elgin St. Thomas Health Unit surplus; and discretionary and special purpose reserves. The accumulated surplus at December 31, 2024 totals \$846,558,372 (\$796,029,868 – 2023 restated).

The overall 2024 budget deficit of \$3,309,157 (2023 surplus - \$1,757,645) was transferred to reserves in accordance with Reserve Policy 6.20 as explained in Table 4.

Table 4 – Summary of Surplus

Description		Reserve	2024
General operating	See Table 5	Corporate General	\$120,517
		Roads	241,033
		Bridges	24,103
		Facilities-Housing	96,413
General Operating Levy Surplus			482,066
Library operating	See Table 5	General-Library	295,523
Library Operating Levy Surplus			295,523
Wastewater and Water Rates	See Table 6	Respective water and wastewater system reserves	(6,009,707)
Rates Deficit			(6,009,707)
Waste collection	Minor variance	Waste collection	29,388
Fleet	Higher vehicle sales	Fleet	45,260
Facilities (Rented buildings)	Minor variance	Facilities	(4,131)
Landfill	Reduced construction and demolition material	Landfill and Waste Diversion	167,015
Housing	Reduced not-for-profit subsidies transferred and fewer rent supplements. Savings in transitional housing costs due to delayed implementation.	Affordable Housing Reserve	1,685,429
Special Program surplus (deficit)			1,922,961
Total Budget Surplus			\$(3,309,157)

The 2024 General budget operating surplus and Library budget operating surplus is explained in Table 5.

Table 5 – County and Library Levy Budget Surplus

Dept/Division	Description	2024
		\$
CAO Office	Savings in advertising, legal and purchased services	72,700
Clerks	Staff vacancy	47,800
Human Resources	Staff vacancies and lower advertising and consultant fees	76,900
Information Technology	Staffing vacancies. Lower computer software expenses	72,400
Information Services	Staff vacancies	284,400
Provincial Offences Administration	Higher provincial revenues for fine revenues	463,200
General	Property tax - in year supplementary tax	942,600
	Interest income – higher reserve balance – interest revenues allocated to reserves	(335,300)
	Development charge exemptions (excluding library and water and wastewater)	(3,764,600)
	Savings in grants	30,100
Engineering	Position vacancies and development review revenue exceeded budget	514,800
Roads	Savings due to reduced snow control for mild winter (salt and sand and overtime). Improved pricing for line painting contract	751,200
Woodingford Lodge	Savings in salaries and benefits; increase in level of care funding over budget; Savings in building expenses for repairs and maintenance and utilities	1,536,100
Community Services	Higher salaries and benefits due to overlap in roles and extension of contracts. Increase in non-social assistance funeral expenses	(83,500)
Child Care	100% funding for administration expenses	638,600
Paramedic Services	Higher sick time and short-term costs. Increased WSIB costs over budget of \$1.2 million funded by WSIB reserve	(233,500)
General	Budget Salary Gapping – (savings is recognized by division)	(550,000)
Various	Miscellaneous other savings	18,166
County Levy Budget Surplus		\$482,066
Library	Higher interest income and service recovery fees	20,400
	Staff vacancies	190,300
	Savings in book purchases – electronic and hard copy	42,400
	Computer software and advertising savings	22,200
	Other expenses	20,223
Library Levy Budget Surplus		\$295,523
Overall Levy Budget Surplus		\$777,589

Note 1 – The County’s operating budget surplus does not include surplus retained by Oxford Elgin St. Thomas Health Unit. The County’s portion of the surplus as at December 31, 2024 is \$2,269,707 (\$1,584,548 – 2023 restated). The total accumulated operating surplus for Oxford Elgin St. Thomas Health Unit is \$4,035,750 (\$2,817,473– 2023 restated).

There are four water systems and eleven wastewater systems that are self-funded from user fees. Surpluses (or deficits) are allocated to each system’s respective reserves. The year end variances from budget contributions to reserves for each respective system are presented in Table 6.

Table 6 – Water and Wastewater Reserve Contribution Variance

Description		Reserve	2024
Water Systems	\$2.6 million higher in DC exemptions than budget.	Woodstock	\$(1,515,151)
		Tillsonburg	(705,733)
		Ingersoll	(79,268)
		Township	(142,780)
		Total Water	(2,442,932)
Wastewater Systems	\$4.8 million higher in DC exemptions than budget. Higher sewer by-law revenues and savings in service provider costs.	Woodstock	(2,574,604)
		Tillsonburg	(1,515,295)
		Ingersoll	(239,124)
		Norwich	46,086
		Tavistock	686,474
		Plattsville	(10,642)
		Thamesford	152,601
		Drumbo	(97,537)
		Mt Elgin	(12,174)
		Embro	9,021
		Innerkip	(11,581)
		Total Wastewater	(3,566,775)
Total Rates Deficit			\$(6,009,707)

Oxford Elgin St. Thomas Health Unit

On May 1, 2018, Oxford Public Health and Elgin St Thomas Public Health merged to form Oxford Elgin St. Thomas Health Unit, operating as Southwestern Public Health (SWPH). In accordance with the Public Sector Accounting Board (PSAB) standards, the assets, liabilities and operations of SWPH are proportionately consolidated in the financial statements of the County of Oxford. The consolidated County financial statements include 56.3% (56.3% in 2023) proportionate consolidation of SWPH operations from January 1, 2024 to December 31, 2024

(Attachment 3). The County's share of SWPH's Accumulated Surplus is reflected in Note 12 in the County's Consolidated Financial Statements.

Safe Restart Agreement and Provincial COVID-19 Recovery Funding

The County's COVID related costs were fully funded for years 2020 to 2024. The County received \$3.5 million as part of the Federal-Provincial Safe Restart grant, and \$1.2 million as part of the Provincial COVID-19 Recovery Funding for Municipalities in 2021. The County has utilized \$4,063,953 to offset COVID related operating costs from 2020 to 2024. In accordance with direction from the Ministry, since funding exceeded the 2020 to 2024 COVID-19 related costs, the \$0.7 million in residual funding has been allocated to a dedicated reserve for use in 2025.

Table 7 – Safe Restart Agreement Fund and Provincial COVID-19 Recovery Funding Continuity

	Opening Balance	Revenue	Expenses	Closing Balance
2020	\$-	\$3,502,100	\$169,504	\$3,332,596
2021	3,332,596	1,244,656	281,788	4,295,464
2022	4,295,464	-	263,404	4,032,060
2023	4,032,060	-	415,457	3,616,603
2024	3,616,603	-	2,933,800	682,803
		4,746,756	4,063,953	
2025 Forecast	682,803	-	682,803	-
		\$4,746,756	\$4,746,756	

Conclusions

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

Overall the 2024 financial statements, supported by an unqualified Auditor's Reports and stable financial indicators, reaffirms the County's ability to continue to maintain its strong liquidity position with a moderate debt burden – key strengths necessary for financial sustainability.

SIGNATURES

Report Author:

Original signed by

Carolyn King, CPA, CA
 Senior Manager of Financial Services

Departmental Approval:

Original signed by

Lynn S. Buchner, CPA, CGA
Director of Corporate Services

Approved for submission:

Original signed by

Benjamin R. Addley
Chief Administrative Officer

ATTACHMENTS

Attachment 1 – Consolidated Financial Statements – December 31, 2024
Attachment 2 – Woodingford Lodge Resident Trust Fund Statements – December 31, 2024
Attachment 3 – Oxford Elgin St. Thomas Health Unit Financial Statements – December 31, 2024