

Consolidated Financial Statements of

**THE CORPORATION OF THE COUNTY
OF MIDDLESEX**

Year ended December 31, 2008



KPMG LLP
Chartered Accountants
140 Fullarton Street Suite 1400
PO Box 2305
London ON N6A 5P2
Canada

Telephone (519) 672-4880
Fax (519) 672-5684
Internet www.kpmg.ca

AUDITORS' REPORT

To the Shareholder of The Corporation of the County of Middlesex

We have audited the consolidated statement of financial position of The Corporation of the County of Middlesex as at December 31, 2008 and the consolidated statements of financial activities, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the County's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the County as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

London, Canada

June 12, 2009

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Consolidated Financial Position

December 31, 2008, with comparative figures for 2007

	2008	2007
Financial Assets		
Cash	\$ 13,115,549	\$ 6,264,019
Investments (note 4)	16,227,439	15,626,593
Accounts receivable	5,641,732	3,889,342
Loans receivable (note 5)	7,174,702	8,791,223
Total financial assets	42,159,422	34,571,177
Liabilities		
Liabilities:		
Accounts payable and accrued liabilities	7,447,423	6,636,011
Employee future benefits (note 6)	2,986,539	2,094,314
Deferred revenue	1,172,067	1,056,366
Long-term debt (note 7)	15,575,000	16,465,000
Total liabilities	27,181,029	26,251,691
Net financial assets	14,978,393	8,319,486
Non-financial assets:		
Prepaid expenses	193,960	261,490
Inventories held for consumption or use	22,852	-
Net assets	\$ 15,195,205	\$ 8,580,976

Municipal Position

Amounts to be recovered from future revenues (note 9)	\$ (19,075,931)	\$ (19,075,615)
Municipal position:		
Fund balances:		
Current fund	479,792	747,380
Capital fund	2,928,137	42,000
Reserves (Schedule - Reserve and Reserve Fund)	20,071,289	15,013,865
Reserve funds (Schedule - Reserve and Reserve Fund)	10,791,918	11,853,346
Total fund balances	34,271,136	27,656,591
Total municipal position	\$ 15,195,205	\$ 8,580,976

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Consolidated Statement of Financial Activities

Year ended December 31, 2008, with comparative figures for 2007

	Budget 2008	Actual 2008	Actual 2007
	(unaudited)		
Revenues:			
Requisition on local municipalities	\$ 23,762,710	\$ 23,659,141	\$ 23,526,545
User charge	1,283,593	1,708,198	1,532,704
Government grants	36,004,793	42,681,295	33,720,185
Investment income	960,000	826,299	858,582
Lodge resident maintenance	3,120,358	3,155,761	2,939,925
Sale of land, building and equipment	820,500	1,573,223	161,787
Other (note 10)	50,627	57,453	52,645
	66,002,581	73,661,370	62,792,373
Expenditures:			
Current:			
General government	3,553,353	3,269,516	3,470,234
Protection to persons and property	367,571	362,562	337,950
Transportation services	5,659,550	6,072,169	5,956,218
Environmental	59,500	63,146	59,985
Health services	21,990,130	21,830,687	20,344,028
Social and family services	17,618,733	18,253,208	18,477,956
Social housing	3,664,225	3,503,176	3,346,412
Recreation and cultural development	2,437,043	2,400,946	2,456,339
Planning and development	792,888	766,222	769,194
	56,142,993	56,521,632	55,218,316
Capital:			
General government	1,939,236	474,633	723,382
Protection to persons and property	-	-	15,229
Transportation services	7,798,000	9,416,073	9,407,492
Health services	550,000	577,132	614,872
Social and family services	48,600	44,297	129,951
Recreation and cultural development	-	13,375	60,185
	10,335,836	10,525,510	10,951,111
Total expenditures	66,478,829	67,047,142	66,169,427
Net revenues (expenditures)	(476,248)	6,614,228	(3,377,054)
Financing and transfers:			
Increase in amounts to be recovered from future revenues		317	1,153,328
Increase (decrease) in fund balances		6,614,545	(2,223,726)
Fund balances, beginning of year		27,656,591	29,880,317
Fund balances, end of year		\$ 34,271,136	\$ 27,656,591

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Consolidated Statement of Cash Flows

Year ended December 31, 2008, with comparative figures for 2007

	2008	2007
Cash provided by (used in):		
Operating activities:		
Net earnings (loss)	\$ 6,614,228	\$ (3,377,054)
Change in non-cash operating working capital:		
Investments	(600,846)	(504,683)
Accounts receivable	(1,752,390)	(227,471)
Loans receivable	1,616,521	1,703,809
Accounts payable and accrued liabilities	811,412	727,260
Employee future benefit liability	892,226	1,527,027
Prepaid expenses	67,530	(261,490)
Inventories held for consumption or use	(22,852)	-
	7,625,829	(412,602)
Financing activities:		
Long-term debt	(890,000)	(890,000)
Deferred revenue	115,701	-
	(774,299)	(890,000)
Increase (decrease) in cash	6,851,530	(1,302,602)
Cash, beginning of year	6,264,019	7,566,621
Cash, end of year	\$ 13,115,549	\$ 6,264,019

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements

Year ended December 31, 2008

The Corporation of the County of Middlesex (the "County") is an upper-tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. Significant accounting policies:

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

(a) Basis of consolidation:

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of all committees of Council and the Middlesex County Library Board. All interfund assets, liabilities, revenues and expenditures have been eliminated.

(b) Non-consolidated entities:

The Middlesex-London Health Unit has not been consolidated in the County's consolidated financial statements.

(c) Trust funds:

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately.

(d) Basis of presentation:

Revenues and expenditures are recorded on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures 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.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

1. Significant accounting policies (continued):

(e) Investments:

Investments are recorded at amortized cost less any amounts written off to reflect a permanent decline in value. Investments consist of authorized investments pursuant to provisions of the Municipal Act and comprise government and corporate bonds, debentures and short-term instruments of various financial institutions.

Investment income earned on available funds is reported as revenue in the period earned.

(f) Capital assets:

The cost of acquiring capital assets is reported as expenditures on the Consolidated Statement of Financial Activities in the year of acquisition.

(g) Reserve and reserve funds:

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(h) Deferred revenue:

The County receives certain amounts, from the federal government, of which the proceeds may only be used in the conduct of certain programs or completion of specific work. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(i) Pension plan:

The County provides a pension plan for its employees through the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi employer pension plan which operates as the Ontario Municipal Employees Retirement Fund, and provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The fund is a contributory defined benefit pension plan. As this is a multi-employer plan, no liability is recorded on the County's books.

The contributions to a multi-employer, defined benefit plan are expensed when contributions are due.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

1. Significant accounting policies (continued):

(j) Employee future benefits:

The cost of termination benefits and compensated absences are recognized when the event that obligates the County occurs; costs include projected future income payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis.

The costs of other employee benefits are determined using the projected benefits method pro-rated on service and management's best estimate of retirement ages of employees and expected health costs.

Employee future benefit costs are discounted using the County's cost of long-term borrowing. The costs of workplace safety and insurance obligations are actuarially determined and are expensed.

(k) Budget figures:

Budget figures have been provided for comparison purposes. Given differences between the funding model and generally accepted accounting principles for local governments established by PSAB, certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB. The budget figures are unaudited.

(l) Use of estimates:

The preparation of these consolidated financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. These estimates and assumptions, including employee future benefits are based on management's best information and judgment and may differ from future actual results.

2. Contributions to unconsolidated joint boards:

Further to note 1(b), the County made contributions for the year ended December 31, 2008 in the amount of \$1,156,220 (2007 - \$861,082) to the Middlesex-London Health Unit.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

3. Trust funds:

Trust funds administered by the County for the year ended December 31, 2008 amounting to \$98,197 (2007 - \$97,197) have not been included in the consolidated financial statements.

4. Investments:

The total investments of \$16,227,439 (2007 - \$15,626,593) reported on the Consolidated Statement of Financial Position at cost, have a market value of \$16,473,531 (2007 - \$15,734,757). At the end of the year, these investments are comprised of:

	2008	2007
Investments:		
Cash	\$ 241,802	\$ 2,019,934
Fixed income securities	15,506,252	12,970,781
Mutual funds	-	143,256
Foreign securities	479,385	492,622
	<hr/> \$ 16,227,439	<hr/> \$ 15,626,593

5. Loans receivable:

Loans receivable consist of interest free loans to lower tier municipalities. At December 31, 2008 the amount outstanding was \$7,174,702 (2007 - \$8,791,223). The amounts to be received in the next five years and thereafter are as follows:

2009	\$ 1,414,292
2010	1,414,292
2011	1,414,292
2012	1,050,887
2013	1,050,887
Thereafter	830,052
	<hr/> \$ 7,174,702

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

6. Employee future benefits:

(a) Pension:

The County contributed \$708,189 (2007 - \$661,304) to OMERS on behalf of its employees for current service. Contributions are included as an expenditure on the Consolidated Statement of Financial Activities.

(b) Health, dental and life insurance:

The County provides certain employee benefits such as health, dental and life insurance to qualified retirees until they reach 65 years of age that will require funding in future periods.

The most recent actuarial valuation was undertaken as at December 31, 2008.

The benefit obligation continuity is as follows:

Accrued benefit obligation, January 1	\$	1,376,625
Current period benefit cost		65,641
Retirement interest expenditure		67,746
Benefits paid		(109,073)
<hr/>		
Liability for post employment and post retirement benefits	\$	1,400,939
<hr/>		
Post employment and post retirement benefits expense:		
Current period benefit cost	\$	65,641
Retirement interest expenditure		67,746
<hr/>		
Total post employment and post retirement benefit expense	\$	133,387

The significant assumptions used in the actuarial valuation are as follows:

Discount rate	5%
Inflation rate	2%
Rate of compensation increase	3%
Dental cost increases	4%
Healthcare cost increases	7.33% per year until 2010 then reducing by 4% per year until 2020

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

6. Employee future benefits (continued):

(c) Workplace Safety and Insurance Board:

The County has undertaken the risk which would normally be covered by the Workplace Safety and Insurance Board ("WSIB"). The County became self-insured for injured worker benefits with WSIB administering the benefits on behalf of the municipality as a schedule II employer. Payments to WSIB during the year were \$187,313 (2007 - \$134,527).

The estimate of the future benefit costs for WSIB claims of \$1,585,600 (2007 - \$717,689) was provided by WSIB and was determined based on benefits currently in force with provision for benefits not yet awarded as follows:

Accidents prior to 1990 and survivor pensions	9.85%
Accidents from 1990 to 1997 and non-economic loss pensions	15.60%
Accidents after 1997	0.17%
Health care and non-income benefits and ILAs	20.88%

7. Long-term debt:

	2008	2007
Term loan payable, bearing interest at 4.64%, repayable in bi-yearly instalments of \$445,000 of principal plus interest	\$ 15,575,000	\$ 16,465,000

Interest paid on this loan during 2008 was \$753,680 (2007 - \$772,179).

Principal and interest payments to be made in the next five years and thereafter are:

	Principal	Interest
2009	\$ 890,000	\$ 695,357
2010	890,000	650,214
2011	890,000	607,391
2012	890,000	567,792
2013	890,000	526,439
Thereafter	11,125,000	3,099,180
	\$ 15,575,000	\$ 6,146,373

The long-term liabilities issued in the name of the municipality 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.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

8. Compensation for annexed lands:

The City of London, under section 474.18 of the Middlesex Act, 2001, will pay the County of Middlesex, as compensation for the reduction in income due to the dissolution of the London-Middlesex Suburban Roads Commission. Proceeds received in accordance with the prescribed formula within Section 474.18 were \$1,203,267 (2007 - \$1,163,133) and are included in government grants

9. Amounts to be recovered:

	2008	2007
Long-term liabilities	\$ 15,575,000	\$ 16,465,000
Future benefit cost liability	2,986,539	2,094,314
Accrued interest on long-term liabilities	362,330	380,941
Vacation payable	152,062	135,360
	<hr/>	<hr/>
	\$ 19,075,931	\$ 19,075,615

10. Other revenue:

Other revenue from operations is comprised of:

	2008	2007
Fines and lost books	\$ 31,943	\$ 33,444
Donations	17,525	6,316
Fire dispatch service	7,628	7,406
Library fees	-	4,946
Transfer from trust	357	533
	<hr/>	<hr/>
	\$ 57,453	\$ 52,645

11. Fund balances:

	2008	2007
Operating Fund	\$ 376,717	\$ 672,863
Library Fund	103,076	74,517
Capital Fund	2,928,136	42,000
Reserves	20,071,289	15,013,865
Reserve Fund	10,791,918	11,853,346
	<hr/>	<hr/>
	\$ 34,271,136	\$ 27,656,591

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

12. Land ambulance:

The County has estimated its liability for cross border ambulance services for 2001 – 2007. Based on the estimated liability a reserve has been established with funding at an amount deemed adequate to cover the estimated liability. However, the Province of Ontario and other ambulance providers have not finalized this calculation and the actual liability may differ from the estimates provided for in these consolidated financial statements.

13. Financial instruments:

The County's financial instruments include cash, investments, accounts receivable, accounts payable and accrued liabilities, deferred revenue, and other liabilities.

The fair values of these financial instruments approximate their carrying value due to the expected short-term maturity of these instruments.

The long-term debt approximates its fair value as interest rates are equivalent to market rates available to the County.

Unless otherwise noted, it is management's opinion that the County is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

14. Comparative figures:

Certain of the 2007 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

15. Tangible capital assets:

Effective January 1, 2007, the County adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 – "*Tangible Capital Assets of the Public Sector Accounting*" handbook comes into effect on January 1, 2009.

Tangible capital assets are significant economic resources managed by local government and a key component of cost in the delivery of many local government programs and services. Tangible capital assets include such diverse items as roads, bridges, buildings, vehicles, equipment, and computer hardware and software.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

15. Tangible capital assets (continued):

Currently, the County records tangible capital assets as capital expenditures in the Consolidated Statement of Financial Activities.

During 2008, the County continued to work towards compliance with the new recommendations for accounting for tangible capital assets. As of December 31, 2008, the County has completed listings and values for all tangible capital assets.

Under PSAB 3150, assets are valued at historical cost. Certain capital assets for which historical cost information is not available have been recorded at estimated historical cost using current fair market value discounted by a relevant inflation factor. The County will be utilizing straight-line amortization on all asset classes, as the means of calculating and expensing asset costs against the fiscal year over the life of the asset.

As of January 1, 2008, accumulated amortization for the assets classes and sub classes identified in PSG-7 is presented in the notes to the consolidated financial statements. Amortization has not been recorded as an expense within the Consolidated Statement of Financial Activities. The estimated useful lives of the asset classes are as follows:

Asset	Rate
Land improvements	3 – 100 years
Buildings	10 – 75 years
Equipment	3 – 19 years
Vehicles	3 – 18 years
Road network and bridges	10 - 100 years
Library collections	5 – 7 years

Cost and accumulated depreciation for the County's tangible capital assets is as follows:

	2008		2007	
	Cost	Accumulated depreciation	Net book value	Net book value
Land	\$ 1,044,560	\$ -	\$ 1,044,560	\$ 713,169
Land improvements	377,192	250,454	126,738	133,714
Buildings	27,580,935	5,635,399	21,945,536	22,445,067
Equipment	7,079,581	3,375,283	3,704,298	3,451,490
Vehicles	4,428,760	2,188,888	2,239,872	2,139,358
Road network and bridges	88,875,664	38,098,910	50,776,754	47,182,921
Library collections	2,300,750	1,155,119	1,145,631	1,146,025
	\$ 131,687,442	\$ 50,704,053	\$ 80,983,389	\$ 77,211,744

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

16. Segmented information:

In January 2006, PSAB approved Section PS 2700, *Segmented Disclosures*, which is applicable to all governments. The Section is based on the premise that the activities of a government are so broad and encompass so wide a range of different activities, that it is valuable to disclose selected disaggregated financial information about particular segmenteds of a government. This is applicable to fiscal years beginning on or after April 1, 2007.

The County is an upper tier municipality. County services are provided by departments, and the departments have been separately disclosed in the segmented information, along with the services they provide, as follows:

The Council is comprised of the Mayors from the lower-tier municipalities, as well as some Deputy Mayors. Administration is comprised of the CAO, Clerk, Treasury, and Human Resources, providing services to Council and the other departments.

Segmented reporting	Council & Administration		
	2008 Budget	2008 Actual	2007 Actual
Revenue			
Tax Revenue	2,104,506	2,104,506	1,094,214
Ontario Conditional Grants	-	2,092	15,478
Canada Conditional Grants	-	-	2,190
Other Municipalities	500,000	633,539	638,616
Fees & Service Charges	10,000	44,555	-
Other Revenue	1,770,133	1,674,068	1,792,266
Reserves	30,000	42,363	-
<i>Total Revenue</i>	<i>4,414,639</i>	<i>4,501,123</i>	<i>3,542,764</i>
Expenditures			
Salary, Wages & Benefits	1,073,002	1,064,732	1,335,487
Goods & Services	1,982,637	1,912,539	1,540,418
External Transfers	-	225,000	-
Debt Servicing	-	-	-
Transfer to Other Funds	1,359,000	724,719	183,254
<i>Total Expenditures</i>	<i>4,414,639</i>	<i>3,926,990</i>	<i>3,059,159</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

16. Segmented information (continued):

The County Engineer's Office oversees the maintenance and capital works operations of the Highways Department and manages the County of Middlesex's Environmental Services functions. The Highways Department is responsible for the maintenance of roads and bridges throughout the County in accordance with minimum maintenance standards including winter and summer operations. This department also completes detailed design and project management for road rehabilitation and capital work, with the capacity to complete much of these operations using County staff and equipment. Environmental Services is limited to managing inter-municipal waste disposal agreements.

Segmented reporting	Transportation services		
	2008 Budget	2008 Actual	2007 Actual
Revenue			
Tax Revenue	10,928,050	10,928,050	11,557,685
Ontario Conditional Grants	1,082,769	1,216,034	40,294
Canada Conditional Grants	-	-	-
Other Municipalities	1,165,000	4,998	-
Fees & Service Charges	30,000	81,143	1,575
Other Revenue	-	183,216	80,957
Reserves	1,350,000	-	2,492,000
<i>Total Revenue</i>	<i>14,555,819</i>	<i>12,413,441</i>	<i>14,172,511</i>
Expenditures			
Salary, Wages & Benefits	2,700,000	2,798,801	2,795,163
Goods & Services	2,918,050	3,278,626	2,849,910
External Transfers	-	-	-
Debt Servicing	-	-	-
Transfer to Other Funds	8,937,769	7,123,000	8,567,765
<i>Total Expenditures</i>	<i>14,555,819</i>	<i>13,200,427</i>	<i>14,212,838</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

16. Segmented information (continued):

The Emergency Services Department is responsible for the proper provision of land ambulance services for the County of Middlesex and City of London, for emergency planning and preparedness in Middlesex County, for fire safety and fire investigation in Middlesex County, for the fire communication system in Middlesex County, and for administering agreements for 911 communication and fire dispatch in Middlesex County.

Segmented reporting	Emergency Services		
	2008 Budget	2008 Actual	2007 Actual
Revenue			
Tax Revenue	1,985,662	1,985,662	2,019,497
Ontario Conditional Grants	11,261,375	10,747,457	9,752,507
Canada Conditional Grants	8,951	-	-
Other Municipalities	9,082,557	8,663,838	8,714,500
Fees & Service Charges	-	43,944	9,925
Other Revenue	52,500	10,500	-
Reserves	551,645	551,645	551,644
<i>Total Revenue</i>	<i>22,942,690</i>	<i>22,003,046</i>	<i>21,048,073</i>
Expenditures			
Salary, Wages & Benefits	289,648	280,353	270,870
Goods & Services	21,438,042	975,781	19,550,026
External Transfers	-	19,555,894	-
Debt Servicing	-	-	-
Transfer to Other Funds	1,215,000	1,096,655	617,343
<i>Total Expenditures</i>	<i>22,942,690</i>	<i>21,908,683</i>	<i>20,438,239</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

16. Segmented information (continued):

The Social Services department provides various financial and employment supports to eligible County residents. The majority of these would be through the Ontario Works Act, where the mandate is to assist clients to obtain sustainable self reliance. Employment supports are also offered to eligible dependents of ODSP clients. Further supports are provided to non social assistance recipients, under our many municipal initiatives to aid residents in need, from help with unaffordable utility costs, and the payment of overdue rent to prevent homelessness, to the cost of the burial of a person where no financial alternative is available. Middlesex Supports assists with programs designed to help alleviate the depth of child poverty. Our goal in all efforts is to enhance the lives of all of our citizens.

Segmented reporting	Social services		
	2008 Budget	2008 Actual	2007 Actual
Revenue			
Tax Revenue	6,699,105	6,699,105	6,755,025
Ontario Conditional Grants	3,416,795	3,306,976	3,131,652
Canada Conditional Grants	-	-	-
Other Municipalities	-	-	-
Fees & Service Charges	122,350	107,426	57,571
Other Revenue	-	-	-
Reserves	-	-	-
<i>Total Revenue</i>	<i>10,238,250</i>	<i>10,113,507</i>	<i>9,944,248</i>
Expenditures			
Salary, Wages & Benefits	844,364	830,732	683,878
Goods & Services	2,003,207	1,210,093	1,703,585
External Transfers	7,390,679	7,768,970	7,738,798
Debt Servicing	-	-	-
Transfer to Other Funds	-	-	18,417
<i>Total Expenditures</i>	<i>10,238,250</i>	<i>9,809,795</i>	<i>10,144,678</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

16. Segmented information (continued):

Strathmere Lodge is the county owned and operated home providing long term care to 160 residents. It operates under provincial legislation and oversight of the Ministry of Health and Long-Term Care. Continuing the tradition since 1872 of serving the county's seniors, the home now occupies a newly constructed facility in Strathroy.

Segmented reporting	Strathmere Lodge		
	2008 Budget	2008 Actual	2007 Actual
Revenue			
Tax Revenue	1,678,285	1,678,285	1,582,555
Ontario Conditional Grants	5,984,936	6,219,489	5,858,708
Canada Conditional Grants	-	-	-
Other Municipalities	-	-	-
Fees & Service Charges	3,120,359	3,184,086	2,972,594
Other Revenue	24,671	-	-
Reserves	303,516	-	-
<i>Total Revenue</i>	<i>11,111,767</i>	<i>11,081,860</i>	<i>10,413,857</i>
Expenditures			
Salary, Wages & Benefits	7,886,582	7,963,534	7,762,467
Goods & Services	1,551,629	1,535,376	1,412,703
External Transfers	-	-	-
Debt Servicing	734,956	753,680	391,238
Transfer to Other Funds	48,600	42,209	7,708
<i>Total Expenditures</i>	<i>10,221,767</i>	<i>10,294,799</i>	<i>9,574,116</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

16. Segmented information (continued):

The areas of responsibility for the Middlesex County Library Board are:

- Library and Information Services
- Information Technology: Middlesex Connects WAN for county building, libraries, garages, GAIN Centre, Strathmere Lodge: County and Library web sites; network, IT training and desktop support for all county departments
- Employment Resource Centres: GAIN in Strathroy and Dorchester in Thames Centre: core funding Employment Ontario (federal labour market agreement)

Segmented reporting	Library, Gain Centre and Information Technology		
	2008 Budget	2008 Actual	2007 Actual
Revenue			
Tax Revenue	3,134,023	3,134,023	2,586,650
Ontario Conditional Grants	134,047	138,747	348,247
Canada Conditional Grants	588,192	611,191	98,355
Other Municipalities	-	-	15,000
Fees & Service Charges	345,349	353,437	5,479
Other Revenue	45,000	22,837	306,140
Reserves	203,423	61,279	-
<i>Total Revenue</i>	<i>4,450,034</i>	<i>4,321,514</i>	<i>3,359,871</i>
Expenditures			
Salary, Wages & Benefits	2,119,821	2,112,267	1,895,050
Goods & Services	1,686,477	1,056,967	1,683,330
External Transfers	-	506,971	-
Debt Servicing	-	-	-
Transfer to Other Funds	643,736	257,111	100,267
<i>Total Expenditures</i>	<i>4,450,034</i>	<i>3,933,316</i>	<i>3,678,647</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2008

16. Segmented information (continued):

The Planning and Economic Development Department provides upper tier approval authority administration and advice to County Council on plans of subdivision, official plans and amendments and other land use planning authorities under the Ontario Planning Act. The department monitors growth and development within constituent municipalities and maintains the County Official Plan with respect to changes in legislation and County policies. The Economic Development portion of the department provides advice to County Council on all economic development matters occurring within Middlesex County and provides a web-based regional database, which can be accessed by potential investors and the public.

Segmented reporting	Planning & Economic Development		
	2008 Budget	2008 Actual	2007 Actual
Revenue			
Tax Revenue	588,388	603,888	583,750
Ontario Conditional Grants	-	-	-
Canada Conditional Grants	2,500	1,577	-
Other Municipalities	-	-	-
Fees & Service Charges	25,000	23,659	50,223
Other Revenue	107,000	106,177	141,463
Reserves	-	-	-
<i>Total Revenue</i>	<i>722,888</i>	<i>735,301</i>	<i>775,436</i>
Expenditures			
Salary, Wages & Benefits	436,438	435,688	382,312
Goods & Services	216,450	193,097	202,553
External Transfers	-	-	-
Debt Servicing	-	-	-
Transfer to Other Funds	70,000	70,000	143,410
<i>Total Expenditures</i>	<i>722,888</i>	<i>698,785</i>	<i>728,275</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

DRAFT Consolidated Schedule - Reserve and Reserve Funds

Year ended December 31, 2008, with comparative figures for 2007

	2008	Appropriations to (from) reserves	2007
Reserves:			
Working capital	\$ 339,623	\$ -	\$ 339,623
Insurance	765,890	(9,539)	775,429
Acquisition of fixed assets	6,611,088	4,427,196	2,183,892
Ambulatory services	7,499,083	1,054,599	6,444,484
Tax rate stabilization	4,572,185	(353,553)	4,925,738
Woodlands	54,000	-	54,000
Library Literary Fund	200,263	(61,279)	261,542
Tree bank	1,326	-	1,326
Planning studies	27,831	-	27,831
Total reserves	20,071,289	5,057,424	15,013,865
Reserve funds set aside for specific purposes by legislation, regulation or agreement:			
Future road construction	61,483	1,804	59,679
Senior services	579,919	17,014	562,905
Sewer and water capital works	10,027,904	(1,086,259)	11,114,163
Chapel fund (Strathmere Lodge)	6,587	933	5,654
Gifts and donations (Strathmere Lodge)	116,025	5,080	110,945
Total reserve funds	10,791,918	(1,061,428)	11,853,346
Total reserves and reserve funds	\$ 30,863,207	\$ 3,995,996	\$ 26,867,211