

Consolidated Financial Statements of

**THE CORPORATION OF THE COUNTY
OF MIDDLESEX**

Year ended December 31, 2009



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AUDITORS' REPORT

To the Members of the County of Middlesex Council

We have audited the consolidated financial position of The Corporation of the County of Middlesex as at December 31, 2009 and the consolidated statements of operations, changes in net financial assets, 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 consolidated 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, 2009 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 28, 2010

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Consolidated Statement of Financial Position

December 31, 2009, with comparative figures for 2008

	Actual 2009	Actual 2008 (restated - note 2)
Financial Assets		
Cash	\$ 14,689,461	\$ 13,115,549
Investments (note 5)	16,869,256	16,227,439
Accounts receivable	5,958,955	5,641,732
Loans receivable (note 6)	5,760,410	7,174,702
Total financial assets	43,278,082	42,159,422
Liabilities		
Liabilities:		
Accounts payable and accrued liabilities	7,796,576	7,447,423
Employee future benefits (note 7)	2,595,984	2,986,539
Deferred revenue	2,264,259	1,172,067
Long-term debt (note 8)	14,685,000	15,575,000
Total liabilities	27,341,819	27,181,029
Net financial assets	15,936,263	14,978,393
Non-financial assets:		
Tangible capital assets (note 14)	82,758,654	80,800,031
Prepaid expenses	251,712	193,960
Inventories held for consumption or use	37,548	22,852
Non-financial assets	\$ 83,047,914	\$ 81,016,843
Accumulated surplus (note 13)	\$ 98,984,177	\$ 95,995,236

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Consolidated Statement of Operations

Year ended December 31, 2009, with comparative figures for 2008

	Budget 2009	Actual 2009	Actual 2008
	(Unaudited)		(restated - note 2)
Revenues:			
Requisition on local municipalities	\$ 24,426,673	\$ 24,420,139	\$ 23,659,141
User charge	1,400,189	1,707,707	1,708,198
Government grants (note 9)	37,530,926	37,015,564	42,714,227
Investment income	687,500	730,163	793,366
Lodge resident maintenance	3,301,105	3,334,009	3,155,761
Other (note 10)	155,880	110,604	216,916
Gain (loss) on disposal of tangible capital assets	-	(74,091)	1,169,536
	<u>67,502,273</u>	<u>67,244,095</u>	<u>73,417,145</u>
Expenditures:			
General government	3,491,052	3,712,004	3,602,507
Protection to persons and property	346,683	383,848	362,562
Transportation services	10,008,523	10,480,103	11,114,807
Environmental	60,250	49,541	63,146
Health services	23,706,353	23,391,346	22,295,504
Social and family services	19,294,169	19,313,432	18,879,173
Social housing	3,800,005	3,668,385	3,470,772
Recreation and cultural development	2,654,092	2,633,827	2,424,417
Planning and development	726,414	622,668	766,222
	<u>64,087,541</u>	<u>64,255,154</u>	<u>62,979,110</u>
Annual surplus:			
	3,414,732	2,988,941	10,438,035
Accumulated surplus, beginning of year	95,995,236	95,995,236	85,557,201
Accumulated surplus, end of year	<u>\$ 99,409,968</u>	<u>\$ 98,984,177</u>	<u>\$ 95,995,236</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2009, with comparative figures for 2008

	Budget 2009 (Unaudited)	Actual 2009	Actual 2008 (restated - note 2)
Annual surplus	\$ 3,414,732	\$ 2,988,941	\$ 10,438,035
Acquisition of tangible capital assets	(9,464,496)	(8,437,112)	(10,142,220)
Amortization of tangible capital assets	6,080,314	6,304,386	6,010,989
Loss/(gain) on sale of tangible capital assets	-	74,091	(1,169,536)
Proceeds on sale of tangible capital assets	90,000	100,012	1,476,960
Change in inventory	-	(14,696)	(22,852)
Change in prepaid expenses	-	(57,752)	67,531
Change in net financial assets	120,550	957,870	6,658,907
Net Financial Assets			
Beginning of year	14,978,393	14,978,393	8,319,486
End of year	\$ 15,098,943	\$ 15,936,263	\$ 14,978,393

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Consolidated Statement of Cash Flows

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
		(restated - note 2)
Cash provided by (used in):		
Operating activities:		
Annual Surplus	\$ 2,988,941	\$ 10,438,035
Amortization	6,304,386	6,010,989
Loss/(gain) on sale of tangible capital assets	74,091	(1,169,536)
Change in non-cash operating working capital:		
Investments	(641,817)	(600,846)
Accounts receivable	(317,223)	(1,752,390)
Loans receivable	1,414,292	1,616,521
Accounts payable and accrued liabilities	349,153	811,412
Employee future benefit liability	(390,555)	892,225
Prepaid expenses	(57,752)	67,531
Inventories held for consumption or use	(14,696)	(22,852)
	9,708,820	16,291,089
Capital activities		
Acquisition of tangible capital assets	(8,437,112)	(10,142,220)
Proceeds on disposal of tangible capital assets	100,012	1,476,960
	(8,337,100)	(8,665,260)
Financing activities:		
Long-term debt	(890,000)	(890,000)
Deferred revenue	1,092,192	115,701
	202,192	(774,299)
Net increase in cash	1,573,912	6,851,530
Cash, beginning of year	13,115,549	6,264,019
Cash, end of year	\$ 14,689,461	\$ 13,115,549

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

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.

(e) Investments:

Investments are recorded at 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.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

1. Significant accounting policies (continued):

(f) 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.

(g) 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.

(h) 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.

(i) 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.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

1. Significant accounting policies (continued):

(j) 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 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.

(k) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

(i) Tangible Capital Assets

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

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

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

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

1. Significant accounting policies (continued):

(iii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(v) Interest capitalization

The County does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(vi) Leased tangible capital assets

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

(vii) Inventories of supplies

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

(l) Use of estimates:

The preparation of financial statements 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 financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, and in performing actuarial valuations of employee future benefits.

In addition, the County's implementation of the Public Sector Accounting Handbook PS3150 has requirement management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

2. Change in accounting policies:

The County has implemented Public Sector Accounting Board ("PSAB") sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction.

Methods used for determining the cost of each major category of tangible capital assets

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. 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.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

2. Change in accounting policies (continued):

Accumulated Surplus at January 1, 2008:

Operating fund balance	\$	747,380
Capital fund balance		42,000
Reserves balance		15,013,865
Reserve fund balance		11,853,346
Amounts to be recovered		(19,075,615)

Accumulated surplus, as previously reported	\$	8,580,976
Adjustment for net book value of tangible capital assets		76,976,225

Accumulated surplus, as restated	\$	85,557,201
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Annual Surplus for 2008:

Net revenue, as previously reported	\$	6,614,228
Tangible capital assets capitalized but previously expensed		10,142,220
Amortization expenses not previously recorded		(6,010,989)
Gain / (loss) on sale of assets		1,169,536
Proceeds on disposal reported as revenue		(1,476,960)

Annual surplus, as restated		10,438,035
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Accumulated surplus at December 31, 2008	\$	95,995,236
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3. Contributions to unconsolidated joint boards:

Further to note 1(b), the County made contributions for the year ended December 31, 2009 in the amount of \$1,077,679 (2008 - \$1,156,220) to the Middlesex London Health Unit.

4. Trust funds:

Trust funds administered by the County for the year ended December 31, 2009 amounting to \$107,527 (2008 - \$98,197) have not been included in the consolidated financial statements.

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

5. Investments:

The total investments of \$16,869,256 (2008 - \$16,227,439) reported on the Consolidated Statement of Financial Position at cost, have a market value of \$17,450,636 (2008 - \$16,473,531). At the end of the year, these investments are comprised of:

	2009	2008
Investments:		
Cash	\$ 158,119	\$ 241,802
Fixed income securities	16,220,212	15,496,550
Foreign securities	490,925	489,087
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	\$ 16,869,256	\$ 16,227,439

6. Loans receivable:

Loans receivable consist of interest free loans to lower tier municipalities. At December 31, 2009 the amount outstanding was \$5,760,410 (2008 - \$7,174,702). The amounts to be received in the next five years and thereafter are as follows:

2010	\$ 1,414,292
2011	1,414,292
2012	1,050,887
2013	1,050,887
2014	613,387
Thereafter	216,665
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	\$ 5,760,410

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

7. Employee future benefits:

(a) Pension:

The County contributed \$739,437 (2008 - \$708,189) 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:

	2009	2008
Accrued benefit obligation, January 1	\$ 1,400,939	\$ 1,376,625
Current period benefit cost	68,923	65,641
Retirement interest expenditure	68,838	67,746
Benefits paid	(117,254)	(109,073)
	\$ 1,421,446	\$ 1,400,939
Post employment and post retirement benefits expense		
Current period benefit cost	\$ 68,923	\$ 65,641
Retirement interest expenditure	68,838	67,746
	\$ 137,761	\$ 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 0.33% per year until 2020 when the ultimate rate of 4% is reached

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

7. 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 \$271,023 (2008 - \$187,313)

The estimate of the future benefit costs for WSIB claims of \$1,174,538 (2008 - \$1,585,600) were provided by WSIB and were determined based on benefits currently in force with provision for benefits not yet awarded as follows:

Accidents prior to 1990 and survivor pensions	9.07%
Accidents from 1990 to 1997 and non-economic loss pensions	15.27%
Accidents after 1997	0.15%
Health care and non income benefits and ILAs	20.53%

8. Long-term debt:

	2009	2008
Term loan payable, bearing interest at 4.64%, repayable in semi-annual installments of \$445,000 of principal plus interest	\$14,685,000	\$ 15,575,000

Interest paid on this loan during 2009 was \$ 691,736 (2008 - \$735,069).

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

	Principal	Interest
2010	\$ 890,000	\$ 650,214
2011	890,000	607,391
2012	890,000	567,792
2013	890,000	526,439
2014	890,000	485,143
Thereafter	10,235,000	2,614,037
	\$ 14,685,000	\$ 5,451,016

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, 2009

9. 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 the dissolution of the London - Middlesex Suburban Roads Commission. Proceeds received in accordance with the prescribed formula within Section 474.18 were \$1,198,179 (2008 - \$1,203,267) and are included in government grants.

10. Other revenue:

Other revenue from operations is comprised of:

	2009	2008
Fines and lost books	\$ 33,324	\$ 31,943
Donations	63,608	17,525
Fire dispatch service	7,857	7,628
Transfer from trust	65	357
Sale of timber, maps and books	5,750	159,463
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	\$ 110,604	\$ 216,916

11. Land ambulance:

The County has estimated its liability for cross border ambulance services for 2001 – 2009. 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.

12. Financial instruments:

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

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

13. Accumulated surplus

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

	2009	Appropriations to (from) reserves	2008
Reserves:			
Working capital	\$ 339,623	\$ -	\$ 339,623
Insurance	679,252	86,638	765,890
Acquisition of fixed assets	6,834,538	(223,449)	6,611,089
Winter Control	(186,630)	186,630	-
Ambulatory services	7,884,736	(385,653)	7,499,083
Tax rate stabilization	3,211,726	1,360,459	4,572,185
Woodlands	54,000	-	54,000
Library Literary Fund	184,032	16,231	200,263
Tree bank	1,326	-	1,326
Planning studies	27,830	-	27,830
Total reserves	19,030,433	1,040,856	20,071,289
Reserve funds set aside for specific purposes by legislation, regulation or agreement:			
Future road construction	61,822	(339)	61,483
Senior services	583,113	(3,194)	579,919
Sewer and water capital works	10,013,600	14,304	10,027,904
Chapel fund (Strathmere Lodge)	8,416	(1,829)	6,587
Gifts and donations (Strathmere Lodge)	121,140	(5,115)	116,025
Strathroy Branch Fund	10,000	(10,000)	-
Total reserve funds	10,798,091	(6,173)	10,791,918
Surplus:			
Invested in tangible capital assets	82,758,654		80,800,031
Long-term liabilities	<u>(14,685,000)</u>		<u>(15,575,000)</u>
Net investment in tangible capital assets	68,073,654		65,225,031
General Revenue Fund	390,983		479,792
Unexpended Capital	3,828,513		2,928,137
Unfunded			
Future benefit cost liability	(2,595,984)		(2,986,539)
Accrued interest on long-term liabilities	(341,625)		(362,330)
Vacation payable	(199,888)		(152,062)
Total surplus	69,155,653		65,132,029
Accumulated surplus	\$ 98,984,177		\$ 95,995,236

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

14. Tangible capital assets:

2009 Consolidated Schedule of Tangible Capital Assets – by Category

Cost				
Category	Balance Beginning of Year	Additions	Disposals	Balance End of Year
Land & land improvement	\$ 971,015	\$ 145,797	\$ -	\$ 1,116,812
Buildings	25,459,064	91,137	-	25,550,201
Machinery & equipment	5,639,496	767,254	222,553	6,184,197
Vehicles	7,523,863	716,335	566,341	7,673,857
Road network and bridges	89,507,724	6,102,023	1,871,329	93,738,418
Library collections	2,300,750	290,982	125,411	2,466,321
Assets under construction	41,562	323,584	-	365,146
Total	\$ 131,443,474	\$ 8,437,112	\$ 2,785,634	\$137,094,952

Accumulated Amortization				
Land & land improvement	\$ -	\$ -	\$ -	\$ -
Buildings	5,151,471	745,110	-	5,896,581
Machinery & equipment	2,276,573	599,119	219,992	2,655,700
Vehicles	3,714,103	828,953	506,341	4,036,715
Road network and bridges	38,346,178	3,870,291	1,759,787	40,456,682
Library collections	1,155,118	260,913	125,411	1,290,620
Assets under construction	-	-	-	-
Total	\$ 50,643,443	\$ 6,304,386	\$ 2,611,531	\$ 54,336,298

Net Book Value		
Category	Net Book Value December 31, 2008	Net Book Value December 31, 2009
Land & land improvement	\$ 971,015	\$ 1,116,812
Buildings	20,307,593	19,653,620
Machinery & equipment	3,362,923	3,528,497
Vehicles	3,809,760	3,637,142
Road network and bridges	51,161,546	53,281,736
Library collections	1,145,632	1,175,701
Assets under construction	41,562	365,146
Total	\$ 80,800,031	\$ 82,758,654

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

14. Tangible capital assets (continued):

2008 Consolidated Schedule of Tangible Capital Assets – by Category

Cost				
Category	Balance Beginning of Year	Additions	Disposals	Balance End of Year
Land & land improvement	\$ 639,624	\$ 331,391	\$ -	\$ 971,015
Buildings	25,150,637	308,427	-	25,459,064
Machinery & equipment	5,302,410	617,755	(280,669)	5,639,496
Vehicles	7,158,171	1,133,299	(767,607)	7,523,863
Road network and bridges	84,164,682	7,463,669	(2,120,627)	89,507,724
Library collections	2,091,471	246,117	(36,838)	2,300,750
Assets under construction	-	41,562	-	41,562
Total	\$ 124,506,995	\$ 10,142,220	\$ (3,205,741)	\$131,443,474

Accumulated Amortization				
Land & land improvement	\$ -	\$ -	\$ -	\$ -
Buildings	4,413,585	737,886	-	5,151,471
Machinery & equipment	1,997,794	559,363	(280,584)	2,276,573
Vehicles	3,595,381	811,328	(692,606)	3,714,103
Road network and bridges	36,578,565	3,655,901	(1,888,288)	38,346,178
Library collections	945,445	246,511	(36,838)	1,155,118
Assets under construction	-	-	-	-
Total	\$ 47,530,770	\$ 6,010,989	\$ (2,898,316)	\$ 50,643,443

Net Book Value		
Category	Net Book Value December 31, 2007	Net Book Value December 31, 2008
Land & land improvement	\$ 639,624	\$ 971,015
Buildings	20,737,052	20,307,593
Machinery & equipment	3,304,616	3,362,923
Vehicles	3,562,790	3,809,760
Road network and bridges	47,586,117	51,161,546
Library collections	1,146,026	1,145,632
Assets under construction	-	41,562
Total	\$ 76,976,225	\$ 80,800,031

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

15. 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 segmented of a government. This is applicable to fiscal years beginning on or after April 1, 2008.

The County of Middlesex 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.

<i>Segment Reporting</i>	Council & Administration		
	<i>2009 Budget</i>	<i>2009 Actual</i>	<i>2008 Actual</i>
Revenue			
Tax Revenue	1,437,789	1,141,168	1,417,355
Ontario Conditional Grants	-	-	2,092
Canada Conditional Grants	-	-	-
Other Municipalities	-	471,737	633,539
Fees & Service Charges	820,133	1,746,946	13,599
Other Revenue	687,500	-	1,706,600
<i>Total Revenue</i>	<i>2,945,422</i>	<i>3,359,851</i>	<i>3,773,185</i>
Expenditures			
Salary, Wages & Benefits	1,093,962	1,067,882	1,054,258
Goods & Services	747,170	1,046,781	1,833,341
External Transfers	1,034,494	1,034,494	67,141
Debt Servicing	-	-	-
Amortization Expense	173,175	276,825	154,433
<i>Total Expenditures</i>	<i>3,048,801</i>	<i>3,425,982</i>	<i>3,109,173</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

15. 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.

<i>Segment Reporting</i>	Transportation Services		
	<i>2009 Budget</i>	<i>2009 Actual</i>	<i>2008 Actual</i>
Revenue			
Tax Revenue	8,499,972	8,010,773	8,156,323
Ontario Conditional Grants	3,415,538	15,310	5,640,372
Canada Conditional Grants	-	2,165,538	2,165,578
Other Municipalities	-	1,198,179	1,203,267
Fees & Service Charges	40,000	430,271	1,471,594
Other Revenue	-	-	264,359
<i>Total Revenue</i>	<i>11,955,510</i>	<i>11,820,071</i>	<i>18,901,493</i>
Expenditures			
Salary, Wages & Benefits	1,250,933	2,800,880	2,798,801
Goods & Services	4,775,212	2,865,618	3,000,496
External Transfers	-	49,541	21,990
Debt Servicing	-	-	-
Amortization Expense	4,434,905	4,420,829	4,312,502
<i>Total Expenditures</i>	<i>10,461,050</i>	<i>10,136,868</i>	<i>10,133,789</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

15. 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.

<i>Segment Reporting</i>	Emergency Services		
	<i>2009 Budget</i>	<i>2009 Actual</i>	<i>2008 Actual</i>
Revenue			
Tax Revenue	2,040,922	2,220,996	1,985,662
Ontario Conditional Grants	20,978,656	10,815,558	11,229,102
Canada Conditional Grants	-	-	-
Other Municipalities	-	9,447,466	8,671,466
Fees & Service Charges	33,500	47,593	-
Other Revenue	7,780	(74,091)	10,500
<i>Total Revenue</i>	<i>23,060,858</i>	<i>22,457,522</i>	<i>21,896,730</i>
Expenditures			
Salary, Wages & Benefits	160,000	151,825	280,353
Goods & Services	768,994	1,049,899	784,985
External Transfers	20,967,775	20,681,922	19,756,578
Debt Servicing	-	-	-
Amortization Expense	629,573	666,905	612,167
<i>Total Expenditures</i>	<i>22,526,342</i>	<i>22,550,551</i>	<i>21,434,083</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

15. 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.

<i>Segment Reporting</i>	Social Services		
	<i>2009 Budget</i>	<i>2009 Actual</i>	<i>2008 Actual</i>
Revenue			
Tax Revenue	7,027,752	7,029,986	6,699,105
Ontario Conditional Grants	3,810,054	3,925,042	3,306,976
Canada Conditional Grants	-	-	-
Other Municipalities	-	-	-
Fees & Service Charges	65,000	96,059	-
Other Revenue	-	-	107,436
<i>Total Revenue</i>	<i>10,902,806</i>	<i>11,051,087</i>	<i>10,113,517</i>
Expenditures			
Salary, Wages & Benefits	992,757	986,361	1,195,682
Goods & Services	339,088	241,774	235,357
External Transfers	9,573,195	9,920,698	8,988,449
Debt Servicing	-	-	-
Amortization Expense	-	-	-
<i>Total Expenditures</i>	<i>10,905,040</i>	<i>11,148,833</i>	<i>10,419,488</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

15. 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.

<i>Segment Reporting</i>	Strathmere Lodge		
	<i>2009 Budget</i>	<i>2009 Actual</i>	<i>2008 Actual</i>
Revenue			
Tax Revenue	2,150,005	2,794,410	1,678,285
Ontario Conditional Grants	6,077,085	6,322,145	6,385,595
Canada Conditional Grants	-	-	-
Other Municipalities	-	-	-
Fees & Service Charges	25,800	3,362,877	3,184,086
Other Revenue	3,301,105	-	-
<i>Total Revenue</i>	<i>11,553,995</i>	<i>12,479,432</i>	<i>11,247,966</i>
Expenditures			
Salary, Wages & Benefits	8,448,622	8,564,377	7,963,534
Goods & Services	1,573,933	1,659,184	1,535,376
External Transfers	-	-	-
Debt Servicing	-	712,441	753,680
Amortization Expense	621,130	629,259	627,803
<i>Total Expenditures</i>	<i>10,643,685</i>	<i>11,565,261</i>	<i>10,880,393</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

15. 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)

<i>Segment Reporting</i>	Library		
	<i>2009 Budget</i>	<i>2009 Actual</i>	<i>2008 Actual</i>
Revenue			
Tax Revenue	2,669,608	2,621,392	3,134,023
Ontario Conditional Grants	777,093	143,416	1,005,163
Canada Conditional Grants	-	39,678	-
Other Municipalities	-	-	-
Fees & Service Charges	397,756	88,133	100,988
Other Revenue	44,100	100,634	54,779
<i>Total Revenue</i>	<i>3,888,557</i>	<i>2,993,253</i>	<i>4,294,953</i>
Expenditures			
Salary, Wages & Benefits	2,232,185	1,859,753	2,122,740
Goods & Services	1,100,604	696,073	1,156,752
External Transfers	-	-	536,842
Debt Servicing	-	-	-
Amortization Expense	373,409	310,568	373,409
<i>Total Expenditures</i>	<i>3,706,198</i>	<i>2,866,394</i>	<i>4,189,743</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

15. 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.

<i>Segment Reporting</i>	Planning & Economic Development		
	<i>2009 Budget</i>	<i>2009 Actual</i>	<i>2008 Actual</i>
Revenue			
Tax Revenue	600,625	601,414	588,388
Ontario Conditional Grants	3,000	-	-
Canada Conditional Grants	-	1,995	1,577
Other Municipalities	-	-	-
Fees & Service Charges	18,000	-	-
Other Revenue	104,000	9,970	129,836
<i>Total Revenue</i>	<i>725,625</i>	<i>613,379</i>	<i>719,801</i>
Expenditures			
Salary, Wages & Benefits	488,884	433,140	435,688
Goods & Services	237,530	160,446	260,534
External Transfers	-	-	70,000
Debt Servicing	-	-	-
Amortization Expense	-	-	-
<i>Total Expenditures</i>	<i>726,414</i>	<i>593,586</i>	<i>766,222</i>

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

15. Segmented information (continued):

The Other Amounts is made up of Ontario Municipal Partnership Fund and funding to the Middlesex London Health Unit.

<i>Segment Reporting</i>	Non Departmental		
	<i>2009 Budget</i>	<i>2009 Actual</i>	<i>2008 Actual</i>
Revenue			
Tax Revenue	-	-	-
Ontario Conditional Grants	2,469,500	2,469,500	2,469,500
Canada Conditional Grants	-	-	-
Other Municipalities	-	-	-
Fees & Service Charges	-	-	-
Other Revenue	-	-	-
<i>Total Revenue</i>	<i>2,469,500</i>	<i>2,469,500</i>	<i>2,469,500</i>
Expenditures			
Salary, Wages & Benefits	-	-	-
Goods & Services	-	-	-
External Transfers	1,180,011	1,077,679	1,156,219
Debt Servicing	-	-	-
Amortization Expense	-	-	-
<i>Total Expenditures</i>	<i>1,180,011</i>	<i>1,077,679</i>	<i>1,156,219</i>