



## Committee of the Whole

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**Meeting Date:** August 10, 2021  
**Submitted by:** Cindy Howard, General Manager Finance and Community Services/Treasurer  
**SUBJECT:** 2020 CONSOLIDATED FINANCIAL STATEMENTS

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### **BACKGROUND:**

In the agenda package is the 2020 Consolidated Financial Statement for the County of Middlesex.

### **ANALYSIS:**

The 2020 Consolidated Financial Statements consist of four statements and the notes as follows:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Change in Net Financial Assets
- Consolidated Statement of Cash Flows.

### **Consolidated Statement of Change in Net Financial Assets**

The figures for net financial assets (or net debt) are already reported on the Statement of Financial Position. The Statement of Change in Net Financial Assets reports the items that explain the difference between the surplus or deficit from operations and the change in net financial assets (or net debt) for the period. This statement of change provides important accountability information regarding the extent to which the expenditures of the accounting period are met by the revenues recognized in the period.

The Statement of Change in Net Financial Assets (or Net Debt) must report the acquisition of tangible capital assets in the accounting period as well as other significant items that explain the difference between the surplus or deficit for the accounting period and the change in Net Financial Assets (or Net Debt) in the period.

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.

Note 14 shows that the General Revenue Fund balance is \$4,180,583.

Note 16 outlines the details of the sale of 399 Ridout Street and 50 King Street. The sales of these properties were completed on December 18, 2020. The County received approximately \$13 million in cash and a four-year Vendor Take-Back Mortgage in the amount of approximately \$17 million. The mortgage is non-interest bearing until December 2024 and in return the County is able to lease the County Building rent free until December 2024. The Financial Statements include the Present Value of the Mortgage Receivable and the Prepaid Rent.

The effects of COVID-19 are included in Note 18. On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. The County has taken the following activities in relational to the COVID-19 pandemic:

- The closure of a number of facilities to the general public;
- Revisions to the delivery of a number of municipal services in order to contribute toward social distancing and/or provincial public health and workplace safety measures and restrictions;
- The implementation of working from home requirements for certain municipal employees;
- Temporary staff layoffs for some part-time staff in the library branches.

However, there remains uncertainty over future cash flows and this could cause significant changes to the assets or liabilities and may have significant impact on future operations. An estimate of the financial effect is not practicable at this time.

**RECOMMENDATION:**

That the 2020 Consolidated Financial Statements of the Corporation of the County of Middlesex be accepted; and

That the 2020 financial statements be posted on the County’s website.

Attachments

Consolidated Financial Statements

**THE CORPORATION OF THE COUNTY OF MIDDLESEX**

And independent Auditors' Report thereon

Year ended December 31, 2020

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

## Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

|   | 2020                 | 2019                 |
|---|----------------------|----------------------|
| <b>Financial assets:</b>                  |                      |                      |
| Cash                                      | \$31,624,561         | \$16,333,608         |
| Investments (note 4)                      | 22,749,252           | 19,274,512           |
| Accounts receivable                       | 7,966,100            | 7,390,240            |
| Loans receivable (note 5)                 | 1,051,113            | 1,891,730            |
| Accounts receivable – long term           | 94,821               | 148,821              |
| Mortgage receivable – long term (note 16) | 15,693,800           | –                    |
|   | 79,179,647           | 45,038,911           |
| <b>Financial liabilities:</b>             |                      |                      |
| Accounts payable and accrued liabilities  | 13,059,687           | 11,577,330           |
| Employee future benefits (note 7)         | 8,868,600            | 8,250,145            |
| Deferred revenue (note 8)                 | 6,773,241            | 6,225,588            |
| Term loan (note 9)                        | 4,895,000            | 5,785,000            |
| Total liabilities                         | 33,596,528           | 31,838,063           |
| Net financial assets                      | 45,583,119           | 13,200,848           |
| <b>Non-financial assets:</b>              |                      |                      |
| Tangible capital assets (note 15)         | 152,690,321          | 144,721,294          |
| Prepaid expenses                          | 2,768,901            | 1,644,690            |
| Inventories held for consumption or use   | 36,657               | 44,937               |
|   | 155,495,879          | 146,410,921          |
| Contingencies and commitments (note 6)    |                      |                      |
| Effects of COVID-19 (note 18)             |                      |                      |
| <b>Accumulated surplus</b> (note 14)      | <b>\$201,078,998</b> | <b>\$159,611,769</b> |

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

## Consolidated Statement of Operations

Year ended December 31, 2020, with comparative information for 2019

|  | Budget 2020          | 2020                 | 2019                 |
|--|----------------------|----------------------|----------------------|
| <b>Revenues:</b>   |                      |                      |                      |
| Requisition on local municipalities                            | \$44,929,374         | \$44,692,136         | \$41,938,219         |
| Government grants (note 10)                                    | 60,548,345           | 67,599,141           | 61,777,881           |
| Lodge resident maintenance                                     | 4,236,868            | 4,088,936            | 4,134,302            |
| User charges   | 819,403              | 1,650,599            | 1,853,268            |
| Investment income  | 250,000              | 599,251              | 550,166              |
| Other revenue (note 11)  | 38,000               | 54,773               | 58,085               |
| Gain (loss) on disposal of tangible capital Assets – (note 16) | –                    | 28,497,298           | (70,572)             |
|  | 110,821,990          | 147,182,134          | 110,241,349          |
| <b>Expenditures:</b>   |                      |                      |                      |
| General government   | 7,526,546            | 7,434,077            | 6,948,644            |
| Protection to persons and property                             | 493,004              | 560,596              | 689,656              |
| Transportation services  | 16,641,246           | 15,008,712           | 15,752,895           |
| Environmental  | 25,000               | 24,529               | 25,426               |
| Health services  | 42,129,532           | 46,420,645           | 38,616,298           |
| Social and family services                                     | 25,463,643           | 24,394,084           | 27,132,182           |
| Social housing   | 5,358,781            | 4,682,934            | 4,385,154            |
| Recreation and cultural development                            | 5,217,751            | 5,184,419            | 4,903,273            |
| Planning and development                                       | 1,876,145            | 2,004,909            | 1,642,627            |
|  | 104,731,648          | 105,714,905          | 100,096,155          |
| Annual surplus:  | 6,090,342            | 41,467,229           | 10,145,194           |
| Accumulated surplus, beginning of year                         | 159,611,769          | 159,611,769          | 149,466,575          |
| <b>Accumulated surplus, end of year</b>                        | <b>\$165,702,111</b> | <b>\$201,078,998</b> | <b>\$159,611,769</b> |

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

## Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

|   | Budget 2020  | 2020         | 2019         |
|---|--------------|--------------|--------------|
| Annual surplus  | \$6,090,342  | \$41,467,229 | \$10,145,194 |
| Amortization of tangible capital assets                     | 10,771,774   | 10,944,585   | 10,374,950   |
| Acquisition of tangible capital assets                      | (16,930,859) | (17,721,016) | (15,403,290) |
| Asset under construction                                    | –            | (3,013,198)  | 3,547,734    |
| (Gain) loss on sale of tangible capital assets<br>(note 16) | –            | (28,497,298) | 70,572       |
| Proceeds on sale of tangible capital assets<br>(note 16)    | –            | 30,317,900   | 176,959      |
| Change in inventories held for consumption<br>or use        | –            | 8,280        | (8,792)      |
| Change in prepaid expenses                                  | –            | (1,124,211)  | (15,980)     |
| Change in net financial assets (debt)                       | (68,743)     | 32,382,271   | 8,887,347    |
| Net financial assets, beginning of year                     | 13,200,848   | 13,200,848   | 4,313,501    |
| Net financial assets, end of year                           | \$13,132,105 | \$45,583,119 | \$13,200,848 |

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

## Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

|  | 2020         | 2019         |
|--|--------------|--------------|
| Cash provided by (used in):                              |              |              |
| Operating activities:                                    |              |              |
| Annual surplus   | \$41,467,229 | \$10,145,194 |
| Items not involving cash:                                |              |              |
| Amortization   | 10,944,585   | 10,374,950   |
| (Gain) loss on sale of tangible capital assets (note 16) | (28,497,298) | 70,572       |
| Changes in non-cash operating working capital:           |              |              |
| Accounts receivable                                      | (575,860)    | (873,351)    |
| Accounts payable and accrued liabilities                 | 1,482,357    | 2,701,210    |
| Employee future benefits                                 | 618,455      | (877,536)    |
| Deferred revenue   | 547,653      | 3,294,668    |
| Prepaid expenses   | (1,124,211)  | (15,980)     |
| Inventories held for consumption or use                  | 8,280        | (8,792)      |
|  | 24,871,190   | 24,810,935   |
| Investing activities:                                    |              |              |
| Investments  | (3,474,740)  | (5,345,863)  |
| Loans receivable   | 840,617      | 1,450,333    |
| Long-term account receivable                             | 54,000       | 8,000        |
| Long-term mortgage receivable (note 16)                  | (15,693,800) | -            |
| Acquisition of tangible capital assets                   | (17,721,016) | (15,403,290) |
| Assets under construction                                | (3,013,198)  | 3,547,734    |
| Proceeds on sale of tangible capital assets (note 16)    | 30,317,900   | 176,959      |
|  | (8,690,237)  | (15,566,127) |
| Financing activities:                                    |              |              |
| Term loan  | (890,000)    | (890,000)    |
| Increase in cash   | 15,290,953   | 8,354,808    |
| Cash, beginning of year                                  | 16,333,608   | 7,978,800    |
| Cash, end of year  | \$31,624,561 | \$16,333,608 |

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

## Notes to Consolidated Financial Statements

December 31, 2020, with comparative information for 2019

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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 Chartered Professional Accountants of Canada. 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, Middlesex-London Emergency Medical Authority and the Middlesex County Library Board. All inter-fund 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)

December 31, 2020, with comparative information for 2019

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## 1. Significant accounting policies (continued):

### (f) Deferred revenue:

The County receives certain amounts, from the federal and provincial governments and other municipalities, 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) Government transfers:

Government transfers received relate to transportation, health, social services and library programs. 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, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

### (h) 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 that 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 employer's contributions to a multi-employer, defined benefit plan are expensed as the obligations arise.

### (i) 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.

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

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## 1. Significant accounting policies (continued):

### (j) 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.

### (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 and land improvements are amortized on a straight-line basis over their estimated useful lives as follows:

| Asset                    | Rate           |
|--------------------------|----------------|
| Buildings                | 10 – 75 years  |
| Machinery and equipment  | 3 – 20 years   |
| Vehicles                 | 3 – 18 years   |
| Road network and bridges | 10 – 100 years |
| Library collections      | 5 – 15 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)

December 31, 2020, with comparative information for 2019

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## 1. Significant accounting policies (continued):

### (k) Non-financial assets (continued):

#### (iii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the consolidated 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 consolidated 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. Estimates include assumptions used in estimating provisions for mortgage receivable, prepaid rent, 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 required 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)

December 31, 2020, with comparative information for 2019

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## 1. Significant accounting policies (continued):

### (m) Liabilities for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceed an environmental standard.

The County recognizes a liability for remediation of a contaminated site when the site is no longer in productive use or an unexpected event resulting in contamination has occurred and the following criteria are satisfied: contamination exceeds an environmental standard, the County is either directly responsible or has accepted responsibility for remediation, it is expected future economic benefits will be given up and a reasonable estimate of the amount can be made. Future economic benefits are expected to be given up if the County has an external obligation to remediate a site or has commenced remediation on its own accord.

## 2. Contributions to unconsolidated joint boards:

Further to note 1(b), the County made contributions for the year ended December 31, 2020 in the amount of \$1,160,961 (2019 - \$1,106,873) to the Middlesex London Health Unit.

## 3. Trust funds:

Trust funds administered by the County for the year ended December 31, 2020 amounting to \$83,635 (2019 - \$70,911) have not been included in the consolidated financial statements.

## 4. Investments:

Total investments of \$22,749,252 (2019 - \$19,274,512) reported on the Consolidated Statement of Financial Position at cost, have a market value of \$23,574,559 (2019 - \$19,765,580). At the end of the year, these investments are comprised of:

|                           | 2020          | 2019          |
|---------------------------|---------------|---------------|
| Cash and cash equivalents | \$ 83,038     | \$ 3,229,326  |
| Fixed income securities   | 22,666,214    | 16,045,186    |
|                           | \$ 22,749,252 | \$ 19,274,512 |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

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## 5. Loans receivable:

Loans receivable consist of interest free loans to lower tier municipalities. At December 31, 2020 the amount outstanding was \$1,051,113 (2019 - \$1,891,730). The amounts to be received in the next two years are as follows:

|      |                    |
|------|--------------------|
| 2021 | \$709,367          |
| 2022 | 341,746            |
|      | <u>\$1,051,113</u> |

## 6. Contingencies and commitments:

### (a) Contingencies:

Certain actions and legal proceedings arising in the normal course of business, in addition to those otherwise provided for in the consolidated financial statements, are pending against the County of Middlesex. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are indeterminable.

### (b) Commitments:

The County has entered into commitments for rent and leases expiring at various dates prior to 2050. The future minimum annual payments are estimated to be as follows:

|            |                     |
|------------|---------------------|
| 2021       | \$1,977,186         |
| 2022       | 1,931,026           |
| 2023       | 1,779,832           |
| 2024       | 1,727,598           |
| 2025       | 1,888,734           |
| Thereafter | 22,163,510          |
|            | <u>\$31,467,886</u> |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 7. Employee future benefits:

### (a) Pension:

The County contributed \$3,810,073 (2019 - \$3,456,619) to OMERS on behalf of its employees for current service. Contributions are included as an expenditure on the Consolidated Statement of Operations.

### (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, 2019, and it provided projected expense and liability disclosure information for the fiscal periods 2020, 2021 and 2022. The benefit obligation continuity is as follows:

|  | 2020        | 2019        |
|--|-------------|-------------|
| Accrued benefit obligation, January 1        | \$3,007,600 | \$2,341,100 |
| Current period benefit cost                  | 345,700     | 292,600     |
| Post-employment benefit interest expenditure | 93,500      | 98,200      |
| Benefits paid                                | (253,800)   | (241,700)   |
| Actuarial loss and amortization of losses    | -           | 366,100     |
| Plan amendments                              | -           | 151,300     |
| Accrued benefit obligation, December 31      | 3,193,000   | 3,007,600   |
| Unamortized actuarial loss                   | (464,300)   | (544,000)   |
| Liability for benefits                       | \$2,728,700 | \$2,463,600 |

Post retirement and sick leave benefits expenses are as follows:

|  |           |           |
|--|-----------|-----------|
| Current period benefit cost                  | \$345,700 | \$292,600 |
| Amortization of actuarial losses             | 79,700    | 66,700    |
| Post-employment benefit interest expenditure | 93,500    | 98,200    |
| Plan amendments                              | -         | 151,300   |
|  | \$518,900 | \$608,800 |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 7. Employee future benefits (continued):

### (b) Health, dental and life insurance (continued):

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

|  | 2020   | 2019   |
|--|--|--|
| Discount rate  | 2.9%   | 2.9%   |
| Rate of compensation increases                       | 3.0%   | 3.0%   |
| Dental and other Extended Health Care costs increase | 4.0%   | 4.0%   |
| Extended Health Care cost increases                  | 5.72% for 2020 then reducing by 0.13% per year until 2036 when the ultimate rate of 3.66% is reached | 5.85% for 2019 then reducing by 0.13% per year until 2036 when the ultimate rate of 3.66% is reached |

### (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 \$1,635,657 (2019 - \$1,594,838).

An actuarial valuation was undertaken as at December 31, 2020, it provided projected expense and liability disclosure information for the fiscal periods 2021 and 2022. The estimate of the future benefit cost for WSIB claims was \$6,139,900 (2019 - \$5,786,545).

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

|                               | 2020 | 2019  |
|-------------------------------|------|-------|
| Discount rate                 | 2.0% | 4.75% |
| Inflation rate                | 2.0% | 2.0%  |
| Future benefit indexing rate: |      |       |
| Loss of earning benefits      | 2.0% | 2.0%  |
| Other income benefits         | 2.0% | 2.0%  |
| Health benefits               | 4.0% | 4.0%  |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 7. Employee future benefits (continued):

(d) Employee future benefits liability consists of the following:

|   | 2020        | 2019        |
|---|-------------|-------------|
| Health, dental and life insurance benefit obligations | \$2,728,700 | \$2,463,600 |
| WSIB benefit obligations                              | 6,139,900   | 5,786,545   |
|   | \$8,868,600 | \$8,250,145 |

## 8. Deferred revenue:

Deferred revenue on the Consolidated Statement of Financial Position is comprised of:

|   | 2020        | 2019        |
|---|-------------|-------------|
| Federal gas tax                             | \$3,322,264 | \$4,712,433 |
| Subsidy advances from provincial ministries | 3,171,749   | 1,267,235   |
| Subsidy advance from The City of London     | 279,228     | 245,920     |
|   | \$6,773,241 | \$6,225,588 |

## 9. Term loan:

|   | 2020        | 2019        |
|---|-------------|-------------|
| Term loan payable, bearing interest at 4.64%, repayable in semi-annual installments of \$445,000 of principal plus interest | \$4,895,000 | \$5,785,000 |

Interest paid on this loan during 2020 was \$238,272 (2019 - \$278,889).

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

|            | Principal   | Interest  |
|------------|-------------|-----------|
| 2021       | \$890,000   | \$196,071 |
| 2022       | 890,000     | 154,775   |
| 2023       | 890,000     | 113,479   |
| 2024       | 890,000     | 72,409    |
| 2025       | 890,000     | 30,887    |
| Thereafter | 445,000     | -         |
|            | \$4,895,000 | \$567,621 |

The term loan liabilities issued in the name of the County 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)

December 31, 2020, with comparative information for 2019

## 10. 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 \$1,152,164 (2019 - \$1,136,708) and are included in government grants in the Consolidated Statement of Operations.

## 11. Other revenue:

Other revenue from operations is comprised of:

|                                | 2020            | 2019            |
|--------------------------------|-----------------|-----------------|
| Sale of timber, maps and books | \$32,336        | \$24,531        |
| Donations                      | 19,288          | 19,731          |
| Fines and lost books           | 2,918           | 13,377          |
| Transfer from trust            | 231             | 446             |
|                                | <u>\$54,773</u> | <u>\$58,085</u> |

## 12. Land ambulance:

The County has estimated its liability for cross border ambulance services for 2001 – 2020. 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, loans receivable, mortgage receivable, accounts payable and accrued liabilities and term loans.

With the exception of the mortgage receivable & term loan, the fair values of these financial instruments approximate their carrying value due to the expected short-term maturity of these instruments.

The mortgage receivable & term loan approximate their fair values as interest rates are equivalent to market rates available to the County.

The fair value of the loan receivable is not readily determinable due to the related party nature of the instrument.

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)

December 31, 2020, with comparative information for 2019

## 14. Accumulated surplus:

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

|   | 2020                 | 2019                 |
|---|----------------------|----------------------|
| <b>Reserves:</b>  |                      |                      |
| Working capital   | \$730,607            | \$730,607            |
| Insurance   | 916,199              | 832,601              |
| Winter control  | 801,801              | (25,376)             |
| Ambulance services  | 2,589,769            | 3,930,357            |
| Tax rate stabilization  | 7,644,868            | 3,092,023            |
| Woodlands   | 179,708              | 203,723              |
| Tree bank   | 51,498               | 80,998               |
| <b>Total reserves</b>   | <b>12,914,450</b>    | <b>8,844,933</b>     |
| <b>Reserve funds set aside for specific purposes by legislation, regulation or agreement:</b> |                      |                      |
| Future road construction  | 16,065,160           | 12,993,559           |
| Wind farm decommission – fees   | 616,236              | 529,316              |
| Capital works   | 13,247,790           | 10,206,896           |
| County revenue replacement investment   | 6,000,000            | -                    |
| Strathmere Lodge equipment  | 450,707              | 533,856              |
| Gifts and donations (Strathmere Lodge)  | 16,636               | 15,250               |
| Chapel fund (Strathmere Lodge)  | 3,516                | 3,660                |
| IT equipment  | 308,907              | 343,262              |
| Strathroy Library   | 67,922               | 67,416               |
| Murray Elliott  | 69,089               | 68,575               |
| <b>Total reserve funds</b>  | <b>36,845,963</b>    | <b>24,761,790</b>    |
| <b>Surplus:</b>   |                      |                      |
| Invested in tangible capital assets   | 152,690,321          | 144,721,294          |
| Term loan   | (4,895,000)          | (5,785,000)          |
| Financed (unfinanced) capital   | 8,680,950            | (4,963,302)          |
| <b>Net investment in tangible capital assets</b>  | <b>156,476,271</b>   | <b>133,972,992</b>   |
| <b>General Revenue Fund</b>   | <b>4,180,583</b>     | <b>631,163</b>       |
| <b>Unfunded:</b>  |                      |                      |
| Future benefit cost liability   | (8,868,600)          | (8,250,145)          |
| Accrued interest on long-term liabilities   | (113,253)            | (133,844)            |
| Vacation payable  | (356,416)            | (215,120)            |
| <b>Total surplus</b>  | <b>151,318,585</b>   | <b>126,005,046</b>   |
| <b>Accumulated surplus</b>  | <b>\$201,078,998</b> | <b>\$159,611,769</b> |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 15. Tangible capital assets:

(a) 2020 Consolidated Schedule of Tangible Capital Assets – by category:

| Cost                      |                              |                     |                         |                        |
|---------------------------|------------------------------|---------------------|-------------------------|------------------------|
| Category                  | Balance<br>Beginning of Year | Additions           | Disposals/<br>Transfers | Balance<br>End of Year |
| Land                      | \$5,103,431                  | \$ -                | \$(77,502)              | \$5,025,929            |
| Buildings                 | 43,708,578                   | 4,582               | (5,581,521)             | 38,131,639             |
| Machinery and equipment   | 13,902,307                   | 1,906,430           | (1,703,348)             | 14,105,389             |
| Vehicles                  | 13,079,676                   | 2,504,586           | (164,626)               | 15,419,636             |
| Road network and bridges  | 162,616,109                  | 13,119,817          | (3,055,263)             | 172,680,663            |
| Library collections       | 3,623,648                    | 185,601             | (371,169)               | 3,438,080              |
| Assets under construction | 2,785,258                    | 4,939,865           | (1,926,667)             | 5,798,456              |
| <b>Total</b>              | <b>\$244,819,007</b>         | <b>\$22,660,881</b> | <b>\$(12,880,096)</b>   | <b>\$254,599,792</b>   |

  

| Accumulated amortization |                              |                     |                         |                        |
|--------------------------|------------------------------|---------------------|-------------------------|------------------------|
| Category                 | Balance<br>Beginning of Year | Additions           | Disposals/<br>Transfers | Balance<br>End of Year |
| Buildings                | \$14,394,776                 | \$1,243,295         | \$(4,223,180)           | \$11,414,891           |
| Machinery and equipment  | 9,241,365                    | 1,214,788           | (1,427,509)             | 9,028,644              |
| Vehicles                 | 7,264,506                    | 1,545,408           | (150,845)               | 8,659,069              |
| Road network and bridges | 67,495,915                   | 6,560,594           | (2,960,124)             | 71,096,385             |
| Library collections      | 1,701,151                    | 380,500             | (371,169)               | 1,710,482              |
| <b>Total</b>             | <b>\$100,097,713</b>         | <b>\$10,944,585</b> | <b>\$(9,132,827)</b>    | <b>\$101,909,471</b>   |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 15. Tangible capital assets (continued):

(a) 2020 Consolidated Schedule of Tangible Capital Assets – by category (continued):

| Net Book Value            |                                     |                                     |
|---------------------------|-------------------------------------|-------------------------------------|
| Category                  | Net Book Value December 31,<br>2019 | Net Book Value December 31,<br>2020 |
| Land                      | \$5,103,431                         | \$5,025,929                         |
| Buildings                 | 29,313,802                          | 26,716,748                          |
| Machinery and equipment   | 4,660,942                           | 5,076,745                           |
| Vehicles                  | 5,815,170                           | 6,760,567                           |
| Road network and bridges  | 95,120,194                          | 101,584,278                         |
| Library collections       | 1,922,497                           | 1,727,598                           |
| Assets under construction | 2,785,258                           | 5,798,456                           |
| <b>Total</b>              | <b>\$144,721,294</b>                | <b>\$152,690,321</b>                |

(b) 2019 Consolidated Schedule of Tangible Capital Assets – by category:

| Cost                      |                              |                     |                         |                        |
|---------------------------|------------------------------|---------------------|-------------------------|------------------------|
| Category                  | Balance<br>Beginning of Year | Additions           | Disposals/<br>Transfers | Balance<br>End of Year |
| Land                      | \$4,899,482                  | \$203,949           | \$ -                    | \$5,103,431            |
| Buildings                 | 43,569,940                   | 138,638             | -                       | 43,708,578             |
| Machinery and equipment   | 13,641,889                   | 496,694             | (236,276)               | 13,902,307             |
| Vehicles                  | 12,702,180                   | 1,370,938           | (993,442)               | 13,079,676             |
| Road network and bridges  | 153,568,408                  | 12,868,657          | (3,820,956)             | 162,616,109            |
| Library collections       | 3,624,454                    | 324,414             | (325,220)               | 3,623,648              |
| Assets under construction | 6,332,992                    | 840,412             | (4,388,146)             | 2,785,258              |
| <b>Total</b>              | <b>\$238,339,345</b>         | <b>\$16,243,702</b> | <b>\$(9,764,040)</b>    | <b>\$244,819,007</b>   |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 15. Tangible capital assets (continued):

(b) 2019 Consolidated Schedule of Tangible Capital Assets – by category (continued):

| Accumulated amortization |                              |                     |                         |                        |
|--------------------------|------------------------------|---------------------|-------------------------|------------------------|
| Category                 | Balance<br>Beginning of Year | Additions           | Disposals/<br>Transfers | Balance<br>End of Year |
| Buildings                | \$13,106,385                 | \$1,288,391         | \$ -                    | \$14,394,776           |
| Machinery and equipment  | 8,202,238                    | 1,263,606           | (224,479)               | 9,241,365              |
| Vehicles                 | 6,741,880                    | 1,436,603           | (913,977)               | 7,264,506              |
| Road network and bridges | 65,168,901                   | 5,991,701           | (3,664,687)             | 67,495,915             |
| Library collections      | 1,631,722                    | 394,649             | (325,220)               | 1,701,151              |
| <b>Total</b>             | <b>\$94,851,126</b>          | <b>\$10,374,950</b> | <b>\$(5,128,363)</b>    | <b>\$100,097,713</b>   |

| Net Book Value            |                                     |                                     |
|---------------------------|-------------------------------------|-------------------------------------|
| Category                  | Net Book Value December 31,<br>2018 | Net Book Value December 31,<br>2019 |
| Land                      | \$4,899,482                         | \$5,103,431                         |
| Buildings                 | 30,463,555                          | 29,313,802                          |
| Machinery and equipment   | 5,439,651                           | 4,660,942                           |
| Vehicles                  | 5,960,300                           | 5,815,170                           |
| Road network and bridges  | 88,399,507                          | 95,120,194                          |
| Library collections       | 1,992,732                           | 1,922,497                           |
| Assets under construction | 6,332,992                           | 2,785,258                           |
| <b>Total</b>              | <b>\$143,488,219</b>                | <b>\$144,721,294</b>                |

## 16. Sale of Building:

In November 2020, the County entered into an agreement of purchase and sale for the property located at 399 Ridout Street and 50 King Street at a price of \$30,000,000. Upon sale, the County recognized a gain of \$28,351,659 which is included in the statement of operations. The sale of these properties was completed on December 18, 2020 and the terms included the County receiving \$13,012,500 cash and a four-year vendor take-back mortgage in amount of \$16,987,500. The mortgage is non-interest bearing and is due in December 2024. The County also entered into a four-year lease for 399 Ridout Street. There are no rental payments contained in the lease. The financial statements include the present value of the mortgage receivable and the prepaid rent of \$1,256,600.

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 17. 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 segment of a government.

The County of Middlesex is an upper tier municipality. County services are provided by departments, and the departments have been separately disclosed in the segment 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 Chief Administrative Officer, Clerk, Treasury, Human Resources, legal providing services to Council and the other departments.

| <b>Segment Reporting</b>                 | <b>Council &amp; Administration</b> |                     |                    |
|--|-------------------------------------|---------------------|--------------------|
|  | <i>2020 Budget</i>                  | <i>2020 Actual</i>  | <i>2019 Actual</i> |
| <b>Revenues</b>                          |                                     |                     |                    |
| Tax revenue                              | 3,545,748                           | \$4,362,071         | \$4,169,565        |
| Ontario conditional grants               | -                                   | 741,413             | 16,514             |
| Other municipalities                     | 185,833                             | 228,732             | 179,239            |
| Fees and service charges                 | 522,289                             | 408,742             | 1,070,417          |
| Other revenue/gain (loss) sale of assets | 250,000                             | 28,945,655          | 545,436            |
| <i>Total revenues</i>                    | <b>\$4,503,870</b>                  | <b>\$34,686,613</b> | <b>\$5,981,171</b> |
| <b>Expenditures</b>                      |                                     |                     |                    |
| Salary, wages and benefits               | \$2,502,679                         | \$2,336,839         | \$2,087,632        |
| Goods and services                       | 1,181,409                           | 910,556             | 1,041,054          |
| External transfers                       | 1,299,494                           | 1,797,639           | 1,522,168          |
| Amortization expense                     | 744,672                             | 680,301             | 750,680            |
| <i>Total expenditures</i>                | <b>\$5,728,254</b>                  | <b>\$5,725,335</b>  | <b>\$5,401,534</b> |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 17. 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. This department is also responsible for emergency planning and preparedness, fire safety and fire investigation, fire communication system, and for administering agreements for 911 communication and fire dispatch in Middlesex County. Environmental Services is limited to managing inter-municipal waste disposal agreements.

| <b>Segment Reporting</b>                 | <b>Transportation Services</b> |                    |                    |
|--|--------------------------------|--------------------|--------------------|
|  | <i>2020 Budget</i>             | <i>2020 Actual</i> | <i>2019 Actual</i> |
| <b>Revenues</b>                          |                                |                    |                    |
| Tax revenue                              | \$19,542,546                   | \$20,207,024       | \$19,212,139       |
| Ontario conditional grants               | 620,316                        | 704,058            | 600,124            |
| Canada conditional grants                | 2,170,588                      | 3,590,774          | 2,421,320          |
| Other municipalities                     | 1,250,000                      | 1,326,964          | 1,136,707          |
| Fees and service charges                 | 50,000                         | 333,265            | 386,375            |
| Other revenue/gain (loss) sale of assets | -                              | (81,310)           | (50,285)           |
| <i>Total revenues</i>                    | \$23,633,450                   | \$26,080,775       | \$23,706,380       |
| <b>Expenditures</b>                      |                                |                    |                    |
| Salary, wages and benefits               | \$5,083,326                    | \$4,390,651        | \$4,833,319        |
| Goods and services                       | 4,576,466                      | 3,543,357          | 4,577,727          |
| External transfers                       | 291,004                        | 309,277            | 294,042            |
| Debt servicing                           | 25,000                         | 24,529             | 25,426             |
| Amortization expense                     | 7,183,454                      | 7,326,023          | 6,737,463          |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

|                           |              |              |              |
|---------------------------|--------------|--------------|--------------|
| <i>Total expenditures</i> | \$17,159,250 | \$15,593,837 | \$16,467,977 |
|---------------------------|--------------|--------------|--------------|

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 17. Segmented information (continued):

The Emergency Services Department is responsible for the proper provision of land ambulance services for the County of Middlesex and the City of London.

| <b>Segment Reporting</b>                 | <b>Emergency Services</b> |                     |                     |
|--|---------------------------|---------------------|---------------------|
|  | <i>2020 Budget</i>        | <i>2020 Actual</i>  | <i>2019 Actual</i>  |
| <b>Revenues</b>                          |                           |                     |                     |
| Tax revenue                              | \$3,683,927               | \$3,740,882         | \$3,206,139         |
| Ontario conditional grants               | 18,954,677                | 22,668,672          | 19,323,873          |
| Other municipalities                     | 18,942,951                | 18,956,645          | 16,442,979          |
| Fees and service charges                 | -                         | 609,027             | 134,293             |
| Other revenue/gain (loss) sale of assets | -                         | 287,275             | 4,219               |
| <i>Total revenues</i>                    | <b>\$41,581,555</b>       | <b>\$46,262,501</b> | <b>\$39,111,503</b> |
| <b>Expenditures</b>                      |                           |                     |                     |
| Salary, wages and benefits               | \$33,945,335              | \$36,535,142        | \$30,108,959        |
| Goods and services                       | 3,933,246                 | 5,011,542           | 3,926,340           |
| External transfers                       | 1,542,738                 | 2,202,100           | 2,036,659           |
| Amortization expense                     | 1,431,156                 | 1,510,900           | 1,437,467           |
| <i>Total expenditures</i>                | <b>\$40,852,475</b>       | <b>\$45,259,684</b> | <b>\$37,509,425</b> |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 17. 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.

| <b>Segment Reporting</b>   | <b>Social Services</b> |                    |                    |
|----------------------------|------------------------|--------------------|--------------------|
|                            | <i>2020 Budget</i>     | <i>2020 Actual</i> | <i>2019 Actual</i> |
| <b>Revenues</b>            |                        |                    |                    |
| Tax revenue                | \$6,514,694            | \$5,453,074        | \$5,225,216        |
| Ontario conditional grants | 8,820,554              | 7,938,792          | 11,472,862         |
| Fees and service charges   | -                      | -                  | 84                 |
| <i>Total revenues</i>      | \$15,335,248           | \$13,391,866       | \$16,698,162       |
| <b>Expenditures</b>        |                        |                    |                    |
| Salary, wages and benefits | \$1,539,075            | \$1,384,489        | \$1,302,754        |
| Goods and services         | 101,551                | 25,131             | 58,215             |
| External transfers         | 13,599,209             | 11,904,219         | 15,197,591         |
| <i>Total expenditures</i>  | \$15,239,835           | \$13,313,839       | \$16,558,560       |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 17. 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.

| <b>Segment Reporting</b>                 | <b>Strathmere Lodge</b> |                    |                    |
|--|-------------------------|--------------------|--------------------|
|  | <i>2020 Budget</i>      | <i>2020 Actual</i> | <i>2019 Actual</i> |
| <b>Revenues</b>                          |                         |                    |                    |
| Tax revenue                              | \$3,418,606             | \$2,591,088        | \$2,732,043        |
| Ontario conditional grants               | 8,431,329               | 9,597,592          | 8,475,029          |
| Fees and service charges                 | 4,319,482               | 4,203,696          | 4,263,123          |
| Other revenue/gain (loss) sale of assets | -                       | (24,520)           | (8,212)            |
| <i>Total revenues</i>                    | \$16,169,417            | \$16,367,856       | \$15,461,983       |
| <b>Expenditures</b>                      |                         |                    |                    |
| Salary, wages and benefits               | \$12,303,916            | \$12,409,442       | \$11,712,238       |
| Goods and services                       | 1,687,280               | 1,615,752          | 1,509,579          |
| External transfers                       | 599,581                 | 750,249            | 712,231            |
| Debt servicing                           | 238,272                 | 238,273            | 278,890            |
| Amortization expense                     | 753,540                 | 749,463            | 745,838            |
| <i>Total expenditures</i>                | \$15,582,589            | \$15,763,179       | \$14,958,776       |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 17. Segmented information (continued):

The Information Technology department provides Wide Area Network for county building, libraries, garages, Ambulance Stations, Strathmere Lodge: County and Library websites; network, IT training and desktop support for all county departments.

| <b>Segment Reporting</b>   | <b>IT</b>          |                    |                    |
|----------------------------|--------------------|--------------------|--------------------|
|                            | <i>2020 Budget</i> | <i>2020 Actual</i> | <i>2019 Actual</i> |
| <b>Revenues</b>            |                    |                    |                    |
| Tax revenue                | \$1,267,818        | \$1,465,501        | \$1,019,901        |
| Ontario conditional grants | -                  | 29,069             | -                  |
| Other municipalities       | 133,117            | 143,636            | 131,499            |
| Fees and service charges   | 8,000              | 8,415              | 8,431              |
| <i>Total revenues</i>      | \$1,408,935        | \$1,646,621        | \$1,159,831        |
| <b>Expenditures</b>        |                    |                    |                    |
| Salary, wages and benefits | \$1,232,235        | \$1,197,241        | \$1,025,447        |
| Goods and services         | 386,681            | 324,379            | 337,529            |
| Amortization expense       | 179,376            | 187,122            | 184,134            |
| <i>Total expenditures</i>  | \$1,798,292        | \$1,708,742        | \$1,547,110        |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 17. Segmented information (continued):

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

- Library and Information Services
- Comprehensive Libraries: Strathroy, Parkhill, Lucan and Dorchester

| <b>Segment Reporting</b>                 | <b>Library</b>     |                    |                    |
|--|--------------------|--------------------|--------------------|
|  | <i>2020 Budget</i> | <i>2020 Actual</i> | <i>2019 Actual</i> |
| <b>Revenues</b>                          |                    |                    |                    |
| Tax revenue                              | \$4,553,773        | \$4,553,773        | \$4,042,513        |
| Ontario conditional grants               | 484,047            | 975,563            | 870,090            |
| Canada conditional grants                | -                  | -                  | 3,384              |
| Other municipalities                     | -                  | 20,000             | -                  |
| Fees and service charges                 | 106,500            | 99,590             | 65,437             |
| Other revenue/gain (loss) sale of assets | 37,000             | 10,648             | 41,568             |
| <i>Total revenues</i>                    | <i>\$5,181,320</i> | <i>\$5,659,574</i> | <i>\$5,022,992</i> |
| <b>Expenditures</b>                      |                    |                    |                    |
| Salary, wages and benefits               | \$3,149,116        | \$2,481,483        | \$2,891,266        |
| Goods and services                       | 541,824            | 875,839            | 566,108            |
| External transfers                       | 1,050,024          | 1,339,111          | 931,016            |
| Amortization expense                     | 476,787            | 487,986            | 514,883            |
| <i>Total expenditures</i>                | <i>\$5,217,751</i> | <i>\$5,184,419</i> | <i>\$4,903,273</i> |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 17. Segmented information (continued):

The Planning 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.

| <i>Segment Reporting</i>                 | <b>Planning</b>    |                    |                    |
|--|--------------------|--------------------|--------------------|
|  | <i>2020 Budget</i> | <i>2020 Actual</i> | <i>2019 Actual</i> |
| <b>Revenues</b>                          |                    |                    |                    |
| Tax revenue                              | \$1,232,381        | \$1,154,614        | \$1,121,539        |
| Ontario conditional grants               | -                  | 1,952              | -                  |
| Fees and service charges                 | 50,000             | 76,800             | 59,410             |
| Other revenue/gain (loss) sale of assets | 1,000              | 40                 | 194                |
| <i>Total revenues</i>                    | \$1,283,381        | \$1,233,406        | \$1,181,143        |
| <b>Expenditures</b>                      |                    |                    |                    |
| Salary, wages and benefits               | \$1,101,242        | \$1,090,693        | \$1,010,490        |
| Goods and services                       | 148,841            | 136,567            | 131,336            |
| External transfers                       | 25,000             | 75,333             | 17,226             |
| <i>Total expenditures</i>                | \$1,275,083        | \$1,302,593        | \$1,159,052        |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 17. Segmented information (continued):

The Economic Development 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.

| <b>Segment Reporting</b>                 | <b>Economic Development</b> |                    |                    |
|--|-----------------------------|--------------------|--------------------|
|  | <i>2020 Budget</i>          | <i>2020 Actual</i> | <i>2019 Actual</i> |
| <b>Revenues</b>                          |                             |                    |                    |
| Tax revenue                              | \$552,876                   | \$511,748          | \$437,293          |
| Ontario conditional grants               | -                           | 601                | -                  |
| Canada conditional grants                | 46,333                      | 166,078            | 5,631              |
| Other revenue/gain (loss) sale of assets | -                           | 13,534             | 4,759              |
| <i>Total revenues</i>                    | \$599,209                   | \$691,961          | \$447,683          |
| <b>Expenditures</b>                      |                             |                    |                    |
| Salary, wages and benefits               | \$218,659                   | \$268,008          | \$221,472          |
| Goods and services                       | 38,846                      | 124,514            | 91,087             |
| External transfers                       | 340,768                     | 307,005            | 166,531            |
| Amortization expense                     | 2,789                       | 2,789              | 4,485              |
| <i>Total expenditures</i>                | \$601,062                   | \$702,316          | \$483,575          |

# THE CORPORATION OF THE COUNTY OF MIDDLESEX

Notes to Consolidated Financial Statements (continued)

December 31, 2020, with comparative information for 2019

## 17. 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>   | <b>Non Departmental</b> |                    |                    |
|----------------------------|-------------------------|--------------------|--------------------|
|                            | <i>2020 Budget</i>      | <i>2020 Actual</i> | <i>2019 Actual</i> |
| <b>Revenues</b>            |                         |                    |                    |
| Tax revenue                | \$617,005               | \$652,361          | \$771,871          |
| Ontario conditional grants | 508,600                 | 508,600            | 698,630            |
| <i>Total revenues</i>      | \$1,125,605             | \$1,160,961        | \$1,470,501        |
| <b>Expenditures</b>        |                         |                    |                    |
| External transfers         | 1,277,057               | 1,160,961          | 1,106,873          |
| <i>Total expenditures</i>  | \$1,277,057             | \$1,160,961        | \$1,106,873        |

## 18. Effects of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. This has resulted in Governments worldwide enacting emergency measures to combat the spread of the virus. Several measures were put in place which include the implementation of travel bans, self-imposed quarantine periods and social distancing. These measures have caused material disruption to individuals, businesses, and organizations globally which has resulted in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. However, the success of these interventions is not currently determinable.

At the time of approval of these financial statements, the County, which conducts business in communities impacted by COVID-19, has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- The closure of a number of facilities to the general public;
- Revisions to the delivery of a number of municipal services in order to contribute toward social distancing and/or provincial public health and workplace safety measures and restrictions;
- The implementation of working from home requirements for certain municipal employees;
- Temporary staff layoffs for some part-time staff in the library branches;

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.