



# Committee of the Whole

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**Meeting Date:**        **October 24, 2023**

**Submitted by:**      **Cindy Howard, General Manager Finance and Community Services, County Treasurer**

**Subject:**              **2022 Consolidated Financial Statements**

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## **BACKGROUND:**

In the agenda package is the 2022 Consolidated Financial Statement for the County of Middlesex.

## **ANALYSIS:**

The consolidated financial statement have been prepared by management in accordance with the Canadian Generally Accepted Accounting Principles established the Public Sector Account Board of Chartered Professional Accountants of Canada.

The 2022 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.

The following elements of the statements are highlighted for Council's consideration:

### **Consolidated Statement of Operations**

The Consolidated Statement of Operations provides a summary of revenues and expenses throughout the year.

Additional Federal and Provincial funding was received for pandemic related expenditures and/or programs. Both long term care and land ambulance received funding to offset pandemic related expenditures. In March 2022, the Canada-Wide Early Learning and Child Care (CWELCC) system began. The Federal and Provincial governments are focused on enhancing support for child care with a goal to reduce child care fees by at least 50% by the end of 2022 and bring child care fees down to

\$10 a day by 2026. The Province continues to invest in improving services in long-term care. Provincial Social Service Relief Funding was received to support individuals experiencing or at risk of being homeless.

### **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.

Detailed in note 14 is the Accumulated Surplus. The Accumulated Surplus consists of individual fund surplus and reserves and reserve funds. The General Revenue Fund balance (year-end operating surplus) is \$2,571,547.

Note 14 also details the reserves and reserve funds. These funds are a key component of financial management and operations for the Corporation.


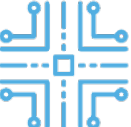


Note 16, outlines the details of the sale of 399 Ridout Street and 50 King Street. The sales of these properties were completed on December 18, 2020. The County received approximately \$13 million in cash and a four-year Vendor Take-Back Mortgage in the amount of approximately \$17 million. The mortgage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

### **FINANCIAL IMPLICATIONS:**

The 2022 Consolidated Financial Statements illustrate the Corporation’s continued commitment to sound financial planning and long-term fiscal sustainability.

## ALIGNMENT WITH STRATEGIC FOCUS:

This report aligns with the following Strategic Focus, Goals, or Objectives:

Strategic Focus	Goals	Objectives
<p>Cultivating Community Vitality</p> 	<p>Advance a diverse, healthy, and engaged community across Middlesex County</p>	<ul style="list-style-type: none"><li>• Promote and support community wellness</li><li>• Innovate social and community services</li><li>• Attract, retain, and engage youth in our community</li><li>• Champion and encourage active transportation and public transit opportunities</li></ul>
<p>Connecting Through Infrastructure</p> 	<p>Ensure communities are built on a sustainable foundation that is connected and thriving</p>	<ul style="list-style-type: none"><li>• Encourage and advocate, through partnerships, the construction of scalable, equitable broadband infrastructure, recognizing our unserved and underserved areas</li><li>• Commit to a sound asset management strategy to maintain and fund critical infrastructure</li><li>• Use County infrastructure in an innovative way to provide a seamless service experience for residents</li></ul>
<p>Strengthening Our Economy</p> 	<p>Encourage a diverse and robust economic base throughout the county</p>	<ul style="list-style-type: none"><li>• Support opportunities to create a stronger and sustainable agricultural sector</li><li>• Create an environment that enables the attraction and retention of businesses, talent, and investments</li><li>• Attract visitors to Middlesex County</li><li>• Support the development and prosperity of downtown core areas in Middlesex County</li></ul>
<p>Promoting Service Excellence</p> 	<p>Innovate and transform municipal service delivery</p>	<ul style="list-style-type: none"><li>• Anticipate and align municipal service delivery to emerging needs and expectations</li><li>• Engage, educate and inform residents, businesses, and visitors of county services and community activities</li><li>• Strengthen our advocacy and lobbying efforts with other government bodies</li><li>• Collaborate with strategic partners to leverage available resources and opportunities</li><li>• Build organizational capacity and capabilities</li></ul>

**RECOMMENDATION:**

THAT the 2022 Consolidated Financial Statements of the Corporation of the County of Middlesex be accepted; and

THAT the 2022 financial statements be posted on the County's website.

*Attachments*