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SCRIMGEOUR & COMPANY
CPA PROFESSIONAL CORPORATION

**MUNICIPALITY OF THAMES CENTRE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

**MUNICIPALITY OF THAMES CENTRE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

-1-	Independent Auditor's Report
-3-	Consolidated Statement of Financial Position
-4-	Consolidated Statement of Operations and Accumulated Surplus
-5-	Consolidated Statement of Cash Flows
-6-	Consolidated Statement of Change in Net Financial Assets
-7-	Notes to the Consolidated Financial Statements
-17-	Schedule 1 - Consolidated Schedule of Tangible Capital Assets
-18-	Schedule 2 - Consolidated Schedule of Segmented Information

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Municipality of Thames Centre

Opinion

We have audited the accompanying consolidated financial statements of Municipality of Thames Centre (the "Municipality"), which comprise the Consolidated Statement of Financial Position as at December 31, 2023, and Consolidated Statements of Operations and Accumulated Surplus, Cash Flows and Change in Net Financial Assets for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Municipality of Thames Centre as at December 31, 2023 and its financial performance and its cash flows and change in net assets for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**October 7, 2024
London, Canada**

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

**MUNICIPALITY OF THAMES CENTRE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

	2023	2022
		Note 2
FINANCIAL ASSETS		
Cash	\$ 30,181,221	\$ 26,985,359
Taxes receivable	1,950,228	1,429,686
Accounts receivable	7,330,470	7,115,393
	39,461,919	35,530,438
LIABILITIES		
Accounts payable and accrued liabilities	7,004,099	5,906,351
Deferred revenue - obligatory reserve funds (note 1.f), (note 7)	9,688,821	9,768,467
Asset retirement obligations (note 1.j)	3,620,305	3,532,005
Net long-term liabilities (note 8)	10,480,114	10,653,474
	30,793,339	29,860,297
NET FINANCIAL ASSETS	8,668,580	5,670,141
NON-FINANCIAL ASSETS		
Tangible capital assets - Schedule 1 (note 1.e)	141,518,961	137,387,499
Capital work in progress	5,429,086	6,513,459
Prepaid supplies	289,373	227,862
	147,237,420	144,128,820
ACCUMULATED SURPLUS (NOTE 9)	\$ 155,906,000	\$ 149,798,961

McMeikan
Mayor

Ely
Director of Finance / Treasurer

The accompanying notes are an integral part of the financial statements

**MUNICIPALITY OF THAMES CENTRE
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budget 2023	Actual 2023	Actual 2022 Note 2
REVENUES			
Property taxation	\$ 11,669,874	\$ 11,792,299	\$ 11,373,459
User charges, rents and leases	7,300,940	7,434,817	7,288,853
Government grants	1,620,566	1,789,353	1,848,104
Investment income	116,307	1,103,675	533,629
Penalty and interest on taxes	195,000	265,644	208,943
Other revenue	1,407,814	655,726	592,171
	22,310,501	23,041,514	21,845,159
EXPENDITURES			
General government	1,795,156	2,007,115	1,670,782
Protection to persons and property	3,461,469	3,535,238	3,521,305
Transportation services	3,778,536	5,755,015	6,042,608
Environmental services	3,665,633	5,319,376	5,039,924
Health services	192,387	197,086	158,492
Recreation and cultural development	3,396,059	4,531,771	4,344,503
Planning and development	559,391	496,529	620,892
	16,848,631	21,842,130	21,398,506
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER	5,461,870	1,199,384	446,653
OTHER			
Government transfers related to capital	656,670	1,467,895	2,129,511
Gain (loss) on disposal of capital assets	-	(545,927)	(118,480)
Developer and other contributions related to capital	1,109,070	3,985,687	5,309,479
	1,765,740	4,907,655	7,320,510
EXCESS OF REVENUE OVER EXPENDITURES	7,227,610	6,107,039	7,767,163
ACCUMULATED SURPLUS, BEGINNING OF YEAR	149,798,961	149,798,961	141,792,224
Adjustment on adoption of the asset retirement obligation standard (note 2)	-	-	239,574
ACCUMULATED SURPLUS, BEGINNING OF YEAR, AS RESTATED	149,798,961	149,798,961	142,031,798
ACCUMULATED SURPLUS, END OF YEAR	\$ 157,026,571	\$ 155,906,000	\$ 149,798,961

The accompanying notes are an integral part of the financial statements

**MUNICIPALITY OF THAMES CENTRE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
		Note 2
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenue over expenditures (page 4)	\$ 6,107,039	\$ 7,767,163
Non-cash changes to operations		
Amortization	5,303,247	5,115,858
Net disposal of tangible capital assets	741,625	216,219
Net change in working capital other than cash (A)	370,783	208,710
	12,522,694	13,307,950
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(10,176,334)	(9,832,516)
Decrease (increase) in capital work in progress	1,084,373	(2,559,385)
Decrease (increase) in prepaid supplies	(61,511)	(41,765)
	(9,153,472)	(12,433,666)
FINANCING ACTIVITIES		
Net change in long-term debt	(173,360)	(1,124,104)
	(173,360)	(1,124,104)
Net change in cash and cash during the year	3,195,862	(249,820)
Cash and cash equivalents, beginning of year	26,985,359	27,235,179
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 30,181,221	\$ 26,985,359

(A) Net change in working capital other than cash includes the net change in taxes receivable, accounts receivable, accounts payable and accrued liabilities, deferred revenue and asset retirement obligation.

The accompanying notes are an integral part of the financial statements

MUNICIPALITY OF THAMES CENTRE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget 2023	Actual 2023	Actual 2022 Note 2
Excess of revenue over expenditures (page 4)	\$ 7,227,610	\$ 6,107,039	\$ 7,767,163
Acquisition of tangible capital assets	(10,850,659)	(10,176,334)	(9,832,516)
Amortization of tangible capital assets	-	5,303,247	5,115,858
Change in prepaid supplies	-	(61,511)	(41,765)
Investment in capital works in progress	-	1,084,373	(2,559,385)
Net disposal of tangible capital assets	-	741,625	216,219
Change in net financial assets	(3,623,049)	2,998,439	665,574
NET FINANCIAL ASSETS, BEGINNING OF YEAR	5,670,141	5,670,141	4,764,993
Adjustment on adoption of the financial instrument standard (note 2)	-	-	239,574
NET FINANCIAL ASSETS, BEGINNING OF YEAR, AS RESTATED	5,670,141	5,670,141	5,004,567
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,047,092	\$ 8,668,580	\$ 5,670,141

The accompanying notes are an integral part of the financial statements

**MUNICIPALITY OF THAMES CENTRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

The Municipality of Thames Centre (the Municipality) is a lower tier municipality in the County of Middlesex 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 Municipality of Thames Centre are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

a. Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, operating revenue and expenditures and accumulated surpluses and changes in investment in tangible capital assets of the Municipality. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and which are owned or controlled by the Municipality. Inter-departmental and inter-organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include the operations of the Dorchester Union Cemetery.

b. Revenue recognition

Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Government grants and transfers are recognized in the consolidated financial statements as revenue 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 determined.

c. Accounting for County and School Board transactions

The Municipality is required to bill, collect and remit provincial education and upper tier taxation in respect of residential and other properties on behalf of the School Boards and upper tier. The Municipality has no jurisdiction or control over the school board or upper tier's operations or their tax rate. The taxation, other revenue, expenditures, assets and liabilities with respect to the operations of the school boards, and the County of Middlesex are not reflected in these consolidated financial statements.

d. Trust fund

The Municipality's trust fund and its related operations administered by the Municipality are not consolidated but are reported separately on the Trust Fund Statements of Operations and Financial Position.

**MUNICIPALITY OF THAMES CENTRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. Significant accounting policies continued

e. 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 revenue over expenditures, provides the consolidated change in financial assets for the year.

The Municipality's non-financial assets consist of tangible capital assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land Improvements	10 to 100 years
Buildings	10 to 100 years
Vehicles and machinery	5 to 20 years
Equipment and furniture	4 to 20 years
Environmental infrastructure	15 to 98 years
Transportation and drainage infrastructure	20 to 80 years

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

f. Deferred revenue

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenditures are incurred, services performed, or the tangible capital assets are acquired.

g. Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

h. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expense as incurred.

**MUNICIPALITY OF THAMES CENTRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. Significant accounting policies continued

i. Financial instruments

Financial instruments of the Municipality consist mainly of cash, accounts receivable and taxes receivable. The carrying values of these financial assets approximate their fair values unless otherwise disclosed.

j. Asset retirement obligations

An asset retirement obligation is recognized when as at the financial reporting date, all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that the future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Retirement obligations related to buildings containing asbestos, are estimated and recognized as a liability and an increase in the cost of the asset at the time of acquisition. The liability is discounted annually over the same useful life as the asset's annual amortization expense, calculated in accordance with the Municipality's amortization policies. The liability is increased due to the passage of time and is recorded as an accretion expense on Schedule 2 under Rents and Financial Expenses.

2. Change in accounting policies

On January 1, 2022, the Municipality adopted accounting policies to conform to new standards issued under Canadian public accounting standards (PS) as follows:

a. PS 3450 - Financial instruments

Under PS 3450, all financial instruments are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Municipality's accounting policy choices (see Note 1 - Significant accounting policies).

b. PS 3280 - Asset retirement obligations (ARO)

This accounting standard addresses reporting legal obligations associated with retirement of certain tangible capital assets such as asbestos removal in buildings when retired and post-closing costs for its gravel pits and landfill site. A modified retrospective basis has been used to record this standard with a cumulative adjustment for previous fiscal years' obligations reflected in the new accumulated surplus balance on January 1, 2022. The expected remaining useful lives of the buildings is 17-20 years, the remaining useful lives of the gravel pits is 12-52 years, and the remaining useful life of the landfill is 30 years. These estimates were evaluated on the adoption of PS 3280.

**MUNICIPALITY OF THAMES CENTRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. Change in accounting policies continued

b. PS 3280 - Asset retirement obligations (ARO) continued

The new accounting standard has replaced Section PS 3270 - Solid Waste Landfill Closure and Post-Closure Liability as it is now consolidated in PS 3280. The prior years' obligations have been recorded using the modified retrospective basis as of January 1, 2022. The closure and post-closure costs are based on presently known obligations that will exist in the estimated year of closure of the sites and for post-closure care. The landfill had an estimated useful life of 75 years when it was first opened in 1978 of which 30 years remain. These costs were discounted to December 31, 2023, using a discount rate of 2.24% per annum.

In accordance with the provisions of these new standards, the Municipality reflected the following adjustments to the opening accumulated surplus on January 1, 2022 as follows:

	2022 beginning of year, as restated	2022 end of year, as restated
Liabilities		
Landfill closure and post-closure liabilities	\$ (2,865,784)	\$ (2,940,784)
Asset retirement obligations	3,445,858	3,532,005
Net financial assets	580,074	591,221
Non financial assets		
Tangible capital asset cost	997,631	997,631
Tangible capital assets accumulated	(177,983)	(184,008)
Tangible capital assets (net)	819,648	813,623
NET CHANGE IN ACCUMULATED SURPLUS	\$ 239,574	\$ 222,402

**MUNICIPALITY OF THAMES CENTRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. Change in accounting policies continued

Statements of Operations and Accumulated Surplus

	2022 end of year, as restated
Expenses	
Increase in landfill post closure liability	\$ (75,000)
Rent and financial expense	86,147
Amortization	6,025
NET CHANGE IN EXCESS REVENUE OVER EXPENDITURES	\$ (17,172)

3. Tax revenue

Property tax billings are prepared by the Municipality based on an assessment roll prepared by the Ontario Property Assessment Corporation. All assessed property values in the Municipality were reviewed and new values established based on a common valuation date which was used by the Municipality in computing the 2023 property tax bills. Property tax revenue and tax receivables are subject to appeals which may not have been heard yet. Any supplementary billing adjustments made necessary by the determination of such appeals will be recognized in the fiscal year they are determined and the effect shared with the County of Middlesex and the appropriate school boards.

4. Trust fund

Trust fund administered by the Municipality amounting to \$594,108 (2022 - \$572,544) has not been included in these consolidated financial statements.

5. Operations of School Boards and the County of Middlesex

Further to note 1.c, the taxation revenue of the School Boards and County of Middlesex are comprised of the following:

	School Boards	County
Taxation and user charges	\$ 5,491,648	\$ 10,798,205
Requisitions	\$ 5,491,648	\$ 10,798,205

**MUNICIPALITY OF THAMES CENTRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

6. Pension agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of services and rates of pay.

The amount contributed to OMERS for 2023 was \$390,253 (2022 - \$366,648) for current service and is included as an expenditure on the Consolidated Statement of Operations and Accumulated Surplus. The Municipality has no obligation, as of December 31, 2023, under the past service provisions. The OMERS funding ratio for 2023 is 97.0% (2022 - 95.0%).

7. Deferred revenue - obligatory reserve funds

A requirement of the public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Municipality are summarized as follows:

	2023	2022
Development charges and contributions	\$ 4,639,890	\$ 4,587,013
CCBF	1,589,298	1,390,282
Grants - Provincial	1,076,096	1,140,654
Donations	1,353,771	1,824,106
Grants - Other	895,885	656,679
Prepaid user charges	133,881	169,733
	\$ 9,688,821	\$ 9,768,467

**MUNICIPALITY OF THAMES CENTRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

8. Long-term liabilities

a. Composition of long-term liabilities

The balance of long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

	2023	2022
Debtenture payable, maturing on September 17 in the years 2017 through 2027 bearing varying rates of interest between 5.03% to 5.22%, payable semi-annually on March 15 and September 15	\$ 32,076	\$ 39,114
Debentures payable, bearing interest rate of 2.21% to 4.56%, maturing in 2017 to 2027, recoverable from ratepayers	296,805	369,767
Debentures payable, maturing on July 3, 2032, bearing interest at a rate of 3.51%, payable semi-annually on July 1 and January 1	2,269,639	2,489,306
Debentures payable, maturing December 16, 2049, bearing interest at a rate of 2.71%, payable semi-annually on June 16 and December 16	1,027,645	1,054,575
Debentures payable, maturing December 16, 2039, bearing interest at a rate of 2.62%, payable semi-annually on June 16 and December 16	240,367	252,322
Debentures payable, maturing March 1, 2031, bearing interest at a rate of 1.57%, payable semi-annually on March 1 and September 1	5,733,485	6,448,390
Debentures payable, maturing August 1, 2043 bearing interest at a rate of 4.47%, payable semi-annually on February 1 and August 1	880,097	-
	\$ 10,480,114	\$ 10,653,474

**MUNICIPALITY OF THAMES CENTRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

8. Long-term liabilities continued

b. Debt retirement

Debt to be retired over the next five years:

	Recovered from Ratepayers	Recovered from Taxation
2024	\$ 857,787	\$ 231,884
2025	\$ 849,214	\$ 253,883
2026	\$ 843,883	\$ 262,509
2027	\$ 858,693	\$ 271,435
2028	\$ 864,690	\$ 280,671

c. Approval

Approval of the Ontario Municipal Board has been obtained for those pending issues of long-term liabilities and commitments to be financed by revenue beyond the term of Council and approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The principal and interest payments required to service these pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs.

d. Interest expense

The interest expense on long-term liabilities for the year was \$226,983 (2022 - \$246,676).

MUNICIPALITY OF THAMES CENTRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

9. Accumulated Surplus

The accumulated surplus on the Consolidated Statement of Financial Position at the end of the year is comprised of the following:

	2023	2022
		Note 2
General surplus	\$ NIL	\$ NIL
Investment in tangible capital assets	137,895,640	134,150,793
Asset retirement obligation	(2,492,862)	(2,404,562)
Reserves set aside for a specific purpose	20,306,217	17,860,135
Reserve funds set aside for a specific purpose	197,005	192,595
ACCUMULATED SURPLUS	\$ 155,906,000	\$ 149,798,961

The Municipality has raised through taxation \$1,127,443 in costs to meet its asset retirement obligation as of December 31, 2021. Therefore, the amount to be raised in future years has been reduced by this amount.

10. Budget figures

The Municipality's Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2023 is reflected on the Consolidated Statement of Operations and Accumulated Surplus.

11. Commitments

The Municipality has entered into an agreement with the Ontario Provincial Police for the provision of police services. The total cost incurred for the year ended December 31, 2023 was \$1,822,395 (2022 - \$1,882,476).

The Municipality has contracted with a third party to operate its wastewater system. The ten-year contract began in 2013. There is a provision for two renewable terms of five years each. The contracted amount for 2023 was \$55,389. In addition, the contract has provisions for additional costs. The wastewater system is owned by and registered in the name of the Municipality.

The Municipality contracted in 2019 with a third party to provide solid waste and recycling collection commencing in September 2020 for \$849,160 per year. The contract has provisions for additional costs for other services.

**MUNICIPALITY OF THAMES CENTRE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

12. Public sector salary disclosure

There were eight employees paid a salary, as defined in the Public Sector Disclosure Act, 1996 of \$100,000 or more.

13. Segmented Information

Segmented information is presented on Schedule 2. The Municipality of Thames Centre is a diversified municipality and provides a wide range of services to its citizens including police, fire, transportation, recreational and environmental. For management reporting purposes the Municipality's operations and activities are organized and reported by department. The general government segment includes such functions as finance and information services, council and administrative offices. Protection services includes policing through contracted services, fire protection, conservation authority, protective inspection and control, and emergency measures. Transportation services provide the winter and summer maintenance, repairs and construction of the municipal roads system including bridges and culverts. Environmental services includes water, wastewater, waste disposal, storm management and the maintenance of Thames Centre landfill site. Recreation includes facilities, parks, leisure programs, and the library. Planning manages rural development and facilitates economic development.

14. Comparative balances

Certain of the comparative balances have been reclassified to conform with the current year's financial statement presentation as per note 2.

**MUNICIPALITY OF THAMES CENTRE
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Land	Land Improvements	Buildings and Fixtures	Machinery and Equipment	Automotive	Infrastructure	2023 Total	2022 Total
COST								
Balance, beginning of year	\$ 5,886,371	\$ 9,511,182	\$ 54,694,106	\$ 1,783,068	\$ 9,536,494	\$ 139,187,336	\$ 220,598,557	\$ 211,483,532
Asset retirement obligations, restated (note 2)	-	-	-	-	-	-	-	997,631
Add:								
Additions during the year	-	335,276	155,707	274,308	951,633	8,459,410	10,176,334	9,013,348
Less:								
Disposals during the year	-	-	-	-	(539,361)	(1,219,525)	(1,758,886)	(895,954)
Balance, end of year	5,886,371	9,846,458	54,849,813	2,057,376	9,948,766	146,427,221	229,016,005	220,598,557
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	2,464,797	16,704,524	839,426	4,836,487	58,365,824	83,211,058	78,596,472
Asset retirement obligations, restated (note 2)	-	-	-	-	-	-	-	177,983
Add:								
Amortization during the year	-	493,811	1,398,147	229,767	731,251	2,450,271	5,303,247	5,115,858
Less:								
Disposals during the year	-	3,886	17,204	-	(498,228)	(540,123)	(1,017,261)	(679,255)
Balance, end of year	-	2,962,494	18,119,875	1,069,193	5,069,510	60,275,972	87,497,044	83,211,058
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 5,886,371	\$ 6,883,964	\$ 36,729,938	\$ 988,183	\$ 4,879,256	\$ 86,151,249	\$ 141,518,961	\$ 137,387,499

This schedule is provided for information purposes only.

MUNICIPALITY OF THAMES CENTRE
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Government	Protective Services	Transportation	Environmental	Health	Recreation and Culture	Planning and Agriculture	Total
REVENUE								
Taxation	\$ 11,792,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,792,299
User fees	30,206	421,240	31,984	4,990,182	147,702	1,614,461	199,042	7,434,817
Government grants - operating	975,440	50,264	333,503	290,648	-	77,960	61,538	1,789,353
Investment income	1,070,567	-	-	-	32,329	-	779	1,103,675
Penalty and interest on taxes	265,644	-	-	-	-	-	-	265,644
Other	3,250	250	-	-	50	652,176	-	655,726
	14,137,406	471,754	365,487	5,280,830	180,081	2,344,597	261,359	23,041,514
EXPENDITURES								
Salaries and benefits	1,264,075	978,984	1,074,254	893,283	135,846	1,856,380	383,422	6,586,244
Materials, goods and services	657,640	2,462,528	2,173,367	2,646,441	58,123	1,527,008	106,846	9,631,953
Rents and financial expenses	6,971	6,533	4,268	185,395	-	112,254	5,265	320,686
Amortization	78,429	87,193	2,503,126	1,594,257	3,117	1,036,129	996	5,303,247
	2,007,115	3,535,238	5,755,015	5,319,376	197,086	4,531,771	496,529	21,842,130
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) BEFORE OTHER	12,130,291	(3,063,484)	(5,389,528)	(38,546)	(17,005)	(2,187,174)	(235,170)	1,199,384
OTHER								
Government transfers related to capital	-	-	1,325	1,466,570	-	-	-	1,467,895
Gain (loss) on disposal	-	-	(177,126)	(368,801)	-	-	-	(545,927)
Developer contributions related to capital	-	48,113	665,670	2,839,385	-	432,519	-	3,985,687
	-	48,113	489,869	3,937,154	-	432,519	-	4,907,655
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	\$ 12,130,291	\$ (3,015,371)	\$ (4,899,659)	\$ 3,898,608	\$ (17,005)	\$ (1,754,655)	\$ (235,170)	\$ 6,107,039

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