

**MUNICIPALITY OF THAMES CENTRE**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**MUNICIPALITY OF THAMES CENTRE  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

---

<b>-1-</b>	Independent Auditor's Report
<b>-3-</b>	Consolidated Statement of Financial Position
<b>-4-</b>	Consolidated Statement of Operations and Accumulated Surplus
<b>-5-</b>	Consolidated Statement of Cash Flows
<b>-6-</b>	Consolidated Statement of Change in Net Financial Assets
<b>-7-</b>	Notes to the Consolidated Financial Statements
<b>-15-</b>	Schedule 1 - Consolidated Schedule of Tangible Capital Assets
<b>-16-</b>	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, 2022, 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, 2022 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.

**June 12, 2023**  
**London, Canada**

*Scrimgeour & Company*  
**LICENSED PUBLIC ACCOUNTANT**

**MUNICIPALITY OF THAMES CENTRE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2022**

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash	\$ 26,985,359	\$ 27,235,179
Taxes receivable	1,429,686	1,237,603
Accounts receivable	7,115,393	6,610,053
	<b>35,530,438</b>	<b>35,082,835</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	5,906,351	5,231,246
Deferred revenue - obligatory reserve funds (note 1.f), (note 6)	9,768,467	10,443,234
Net long-term liabilities (note 7)	10,653,474	11,777,578
Landfill closure and post-closure liability (note 1.j), (note 8)	2,940,784	2,865,784
	<b>29,269,076</b>	<b>30,317,842</b>
<b>NET FINANCIAL ASSETS</b>	<b>6,261,362</b>	<b>4,764,993</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - Schedule 1 (note 1.e)	136,573,876	132,887,060
Capital work in progress	6,513,459	3,954,074
Prepaid supplies	227,862	186,097
	<b>143,315,197</b>	<b>137,027,231</b>
<b>ACCUMULATED SURPLUS (NOTE 9)</b>	<b>\$ 149,576,559</b>	<b>\$ 141,792,224</b>

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, 2022**

	Budget 2022	Actual 2022	Actual 2021
<b>REVENUES</b>			
Property taxation	\$ 11,243,269	\$ 11,373,459	\$ 11,028,210
User charges, rents and leases	6,509,324	7,288,853	6,394,279
Government grants (note 16)	1,587,091	1,848,104	2,062,589
Investment income	117,040	533,629	134,849
Penalty and interest on taxes	195,000	208,943	196,564
Other revenue	317,145	592,171	133,342
	<b>19,968,869</b>	<b>21,845,159</b>	<b>19,949,833</b>
<b>EXPENDITURES</b>			
General government	1,864,328	1,669,175	1,618,061
Protection to persons and property	3,447,425	3,521,305	3,319,856
Transportation services	3,685,386	6,038,444	5,518,055
Environmental services	3,691,554	4,974,558	4,608,250
Health services	192,201	158,492	167,341
Recreation and cultural development	3,137,422	4,323,468	3,647,751
Planning and development	614,842	620,892	476,518
	<b>16,633,158</b>	<b>21,306,334</b>	<b>19,355,832</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER</b>	<b>3,335,711</b>	<b>538,825</b>	<b>594,001</b>
<b>OTHER</b>			
Government transfers related to capital	946,805	2,129,511	564,953
Gain (loss) on disposal of capital assets	40,000	(118,480)	590,004
Developer and other contributions related to capital	6,241,088	5,309,479	4,709,905
Increase in landfill post closure liability (note 8)	(75,000)	(75,000)	(75,000)
	<b>7,152,893</b>	<b>7,245,510</b>	<b>5,789,862</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>10,488,604</b>	<b>7,784,335</b>	<b>6,383,863</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>141,792,224</b>	<b>141,792,224</b>	<b>135,408,361</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 152,280,828</b>	<b>\$ 149,576,559</b>	<b>\$ 141,792,224</b>

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, 2022**

	2022	2021
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures (page 4)	\$ 7,784,335	\$ 6,383,863
Non-cash changes to operations		
Amortization	5,109,833	4,772,678
Net disposal of tangible capital assets	216,699	15,643
Net change in working capital other than cash (A)	(622,085)	8,544,319
	<b>12,488,782</b>	<b>19,716,503</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of tangible capital assets	(9,013,348)	(20,503,069)
Decrease (increase) in capital work in progress	(2,559,385)	12,595,209
Decrease (increase) in prepaid supplies	(41,765)	(20,539)
	<b>(11,614,498)</b>	<b>(7,928,399)</b>
<b>FINANCING ACTIVITIES</b>		
Net change in long-term debt	(1,124,104)	(851,517)
	<b>(1,124,104)</b>	<b>(851,517)</b>
Net change in cash and cash during the year	(249,820)	10,936,587
Cash and cash equivalents, beginning of year	27,235,179	16,298,592
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 26,985,359</b>	<b>\$ 27,235,179</b>

(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 landfill closure liability.

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, 2022**

	<b>Budget 2022</b>	<b>Actual 2022</b>	Actual 2021
Excess of revenue over expenditures (page 4)	\$ 10,488,604	\$ 7,784,335	\$ 6,383,863
Acquisition of tangible capital assets	(11,802,577)	(9,013,348)	(20,503,069)
Amortization of tangible capital assets	-	5,109,833	4,772,678
Change in prepaid supplies	-	(41,765)	(20,539)
Investment in capital works in progress	-	(2,559,385)	12,595,209
Net disposal of tangible capital assets	40,000	216,699	15,643
Increase in net financial assets	(1,273,973)	1,496,369	3,243,785
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>4,764,993</b>	<b>4,764,993</b>	1,521,208
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 3,491,020</b>	<b>\$ 6,261,362</b>	\$ 4,764,993

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, 2022**

---

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, 2022**

---

**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, 2022**

---

**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. Landfill closure and post-closure liability**

In accordance with the requirements of Public Sector Accounting Standard 3270, the Municipality accrues landfill closure and post-closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions using the best information available to management.

Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

**2. 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 2022 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.

**3. Trust fund**

Trust fund administered by the Municipality amounting to \$572,544 (2021 - \$549,410) has not been included in these consolidated financial statements.

**4. 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:

---

	<b>School Boards</b>	<b>County</b>
Taxation and user charges	\$ 5,353,284	\$ 9,704,685
Requisitions	\$ 5,353,284	\$ 9,704,685

---

**MUNICIPALITY OF THAMES CENTRE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

---

**5. 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 2022 was \$366,648 (2021 - \$347,175) 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, 2022, under the past service provisions. The OMERS funding ratio for 2022 is 95.0% (2021 - 97.0%).

**6. 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:

---

	<b>2022</b>	2021
Development charges and contributions	<b>\$ 4,587,013</b>	\$ 5,897,966
Federal gas tax	<b>1,390,282</b>	1,284,654
Grants - Provincial	<b>1,140,654</b>	893,669
Donations	<b>1,824,106</b>	1,620,815
Grants - Other	<b>656,679</b>	605,181
Prepaid user charges	<b>169,733</b>	140,949
	<b>\$ 9,768,467</b>	\$ 10,443,234

---

**MUNICIPALITY OF THAMES CENTRE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**7. 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:

	<b>2022</b>	2021
Debenture 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	<b>\$ 39,114</b>	\$ 45,799
Debentures payable, bearing interest rate of 2.21% to 4.56%, maturing in 2017 to 2027, recoverable from ratepayers	<b>369,767</b>	378,576
Debentures payable, maturing on July 3, 2032, bearing interest at a rate of 3.51%, payable semi-annually on July 1 and January 1	<b>2,489,306</b>	2,701,994
Debentures payable, maturing December 16, 2049, bearing interest at a rate of 2.71%, payable semi-annually on June 16 and December 16	<b>1,054,575</b>	1,080,790
Debentures payable, maturing December 16, 2039, bearing interest at a rate of 2.62%, payable semi-annually on June 16 and December 16	<b>252,322</b>	263,970
Debentures payable, maturing March 1, 2031, bearing interest at a rate of 1.57%, payable semi-annually on March 1 and September 1	<b>6,448,390</b>	7,152,201
Non-interest bearing loan payable to the Corporation of the County of Middlesex	-	154,248
	<b>\$ 10,653,474</b>	\$ 11,777,578

**MUNICIPALITY OF THAMES CENTRE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**7. Long-term liabilities continued**

**b. Debt retirement**

Debt to be retired over the next five years:

	Recovered from Ratepayers	Recovered from Taxation
2023	\$ 842,403	\$ 211,053
2024	\$ 857,787	\$ 217,914
2025	\$ 849,214	\$ 255,002
2026	\$ 843,883	\$ 232,322
2027	\$ 858,693	\$ 239,883

**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 \$246,676 (2021 - \$204,652).

**8. Landfill closure and post-closure liability**

The Municipality received a third party estimate of its closure and post-closure costs of the Thames Centre Landfill in 2019. As a result of this estimate, the Municipality has adjusted its accrual based on the estimated closure date of 2045. Based on the Scenario presented that is based on the Ontario Ministry of the Environment, Conservation and Parks Financial Assurance Guideline (2011), the estimated liability for closure and post closure costs discounted is \$2,940,784 (2021 - \$2,865,784).

To date the Municipality has raised \$1,127,443 (2021 - \$1,052,443) through taxation towards this future liability. The remaining \$1,813,341 will be raised in future years. The estimate is based on the assumption of an inflation rate of 2.03% and a discount rate of 2.77%.

**MUNICIPALITY OF THAMES CENTRE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**9. Accumulated Surplus**

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

	2022	2021
General surplus	\$ NIL	\$ NIL
Investment in tangible capital assets	133,337,170	126,008,135
Landfill post-closure liability (note 8)	(1,813,341)	(1,813,341)
Reserves set aside for a specific purpose	17,860,135	17,413,036
Reserve funds set aside for a specific purpose	192,595	184,394
<b>ACCUMULATED SURPLUS</b>	<b>\$ 149,576,559</b>	<b>\$ 141,792,224</b>

**10. Budget figures**

The Municipality's Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2022 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, 2022 was \$1,882,476 (2021 - \$1,886,808).

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 2022 was \$245,993. 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.

**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.

**MUNICIPALITY OF THAMES CENTRE  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

---

**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. Contaminated sites**

The Canadian public sector accounting standard 3510 requires municipalities to evaluate sites owned by the municipality for potential contamination. This standard requires the Municipality to disclose the liability, if any, related to remediation of such sites. The Municipality does not believe it owns properties that would require such an accrual.

**15. Comparative balances**

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

**16. Significant event**

In March 2020, the Province of Ontario declared a state of emergency in response to the COVID-19 virus. The Municipality has followed the Provincial orders regarding essential services and as a result, has closed some of its services during 2021 and 2020. During 2022, the Municipality recognized \$43,705 (2021 - \$412,970) of Provincial Safe Restart funding which has been reflected in government grants. It is unclear the total financial impact the COVID-19 virus will have on the Municipality. Council and management continue to monitor the situation.

---



**MUNICIPALITY OF THAMES CENTRE**  
**SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Land	Land Improvements	Buildings and Fixtures	Machinery and Equipment	Automotive	Infrastructure	2022 Total	2021 Total
<b>COST</b>								
Balance, beginning of year	\$ 5,148,445	\$ 5,497,933	\$ 53,960,319	\$ 1,694,809	\$ 8,870,676	\$ 136,311,350	\$ 211,483,532	\$ 191,733,339
Add:								
Additions during the year	167,124	4,013,249	389,084	306,474	1,076,747	3,060,670	9,013,348	20,503,069
Less:								
Disposals during the year	-	-	(46,713)	(218,215)	(410,929)	(220,097)	(895,954)	(752,876)
Balance, end of year	5,315,569	9,511,182	54,302,690	1,783,068	9,536,494	139,151,923	219,600,926	211,483,532
<b>ACCUMULATED AMORTIZATION</b>								
Balance, beginning of year	-	1,973,154	15,198,190	848,556	4,452,983	56,123,589	78,596,472	74,561,027
Add:								
Amortization during the year	-	491,643	1,392,647	209,085	674,537	2,341,921	5,109,833	4,772,678
Less:								
Disposals during the year	-	-	(46,713)	(218,215)	(291,033)	(123,294)	(679,255)	(737,233)
Balance, end of year	-	2,464,797	16,544,124	839,426	4,836,487	58,342,216	83,027,050	78,596,472
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 5,315,569</b>	<b>\$ 7,046,385</b>	<b>\$ 37,758,566</b>	<b>\$ 943,642</b>	<b>\$ 4,700,007</b>	<b>\$ 80,809,707</b>	<b>\$ 136,573,876</b>	<b>\$ 132,887,060</b>

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, 2022**

	General Government	Protective Services	Transportation	Environmental	Health	Recreation and Culture	Planning and Agriculture	Total
<b>REVENUE</b>								
Taxation	\$ 11,373,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,373,459
User fees	31,882	515,797	10,042	5,082,827	124,854	1,371,790	151,661	7,288,853
Government grants - operating	983,578	68,797	381,624	214,346	-	101,468	98,291	1,848,104
Investment income	513,880	-	-	-	12,507	-	7,242	533,629
Penalty and interest on taxes	208,943	-	-	-	-	-	-	208,943
Other	1,300	-	-	-	-	590,871	-	592,171
	<b>13,113,042</b>	<b>584,594</b>	<b>391,666</b>	<b>5,297,173</b>	<b>137,361</b>	<b>2,064,129</b>	<b>257,194</b>	<b>21,845,159</b>
<b>EXPENDITURES</b>								
Salaries and benefits	1,095,358	947,308	1,101,950	734,341	106,672	1,632,210	387,880	6,005,719
Materials, goods and services	495,466	2,486,804	2,542,830	2,711,927	49,439	1,672,300	232,016	10,190,782
Amortization	78,351	87,193	2,393,664	1,528,290	2,381	1,018,958	996	5,109,833
	<b>1,669,175</b>	<b>3,521,305</b>	<b>6,038,444</b>	<b>4,974,558</b>	<b>158,492</b>	<b>4,323,468</b>	<b>620,892</b>	<b>21,306,334</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) BEFORE OTHER</b>	<b>11,443,867</b>	<b>(2,936,711)</b>	<b>(5,646,778)</b>	<b>322,615</b>	<b>(21,131)</b>	<b>(2,259,339)</b>	<b>(363,698)</b>	<b>538,825</b>
<b>OTHER</b>								
Government transfers related to capital	-	-	74,964	2,045,702	-	8,845	-	2,129,511
Gain (loss) on disposal	-	-	(118,480)	-	-	-	-	(118,480)
Increase in landfill liability	-	-	-	(75,000)	-	-	-	(75,000)
Developer contributions related to capital	-	-	415,208	1,481,728	-	3,412,543	-	5,309,479
	-	-	<b>371,692</b>	<b>3,452,430</b>	-	<b>3,421,388</b>	-	<b>7,245,510</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)</b>	<b>\$ 11,443,867</b>	<b>\$ (2,936,711)</b>	<b>\$ (5,275,086)</b>	<b>\$ 3,775,045</b>	<b>\$ (21,131)</b>	<b>\$ 1,162,049</b>	<b>\$ (363,698)</b>	<b>\$ 7,784,335</b>

This schedule is provided for information purposes only.