

MUNICIPALITY OF MIDDLESEX CENTRE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

**MUNICIPALITY OF MIDDLESEX CENTRE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Municipality of Middlesex Centre (the "Municipality"), which comprise the Statement of Financial Position as at December 31, 2024, and Statements of Operations and Accumulated Surplus, Cash Flows and Change in Net Financial Assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Municipality of Middlesex Centre as at December 31, 2024 and its financial performance and its cash flows and change in net financial 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 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 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 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 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 financial statements, including the disclosures, and whether the 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 18, 2025
London, Canada

LICENSED PUBLIC ACCOUNTANT

**MUNICIPALITY OF MIDDLESEX CENTRE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

	2024	2023
FINANCIAL ASSETS		
Cash (note 2)	\$ 77,353,610	\$ 68,522,317
Taxes receivable	2,505,760	2,112,120
Accounts receivable	5,118,860	6,586,989
Land held for resale	610,439	120,000
	85,588,669	77,341,426
LIABILITIES		
Accounts payable and accrued liabilities	7,511,842	5,681,784
Other current liabilities	1,693,766	1,252,325
Deferred revenue - obligatory reserve funds (note 7)	2,354,573	(2,883,676)
Employee benefits payable (note 13)	683,118	691,868
Long-term debt (note 8.a)	14,955,293	15,940,691
Asset retirement obligation (note 1.m)	717,080	699,590
	27,915,672	21,382,582
NET FINANCIAL ASSETS (page 6)	57,672,997	55,958,844
NON-FINANCIAL ASSETS (note 1.e)		
Tangible capital assets - Schedule 1 (note 1.f)	231,280,659	230,954,837
Capital work in progress	10,699,060	4,608,357
Prepaid expenditures	766,266	687,371
	242,745,985	236,250,565
ACCUMULATED SURPLUS (page 4) (note 9)	\$ 300,418,982	\$ 292,209,409

Approved by:

Approved by:

The accompanying notes are an integral part of the financial statements

**MUNICIPALITY OF MIDDLESEX CENTRE
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget 2024	Actual 2024	Actual 2023
REVENUE			
Property taxation	\$ 24,403,555	\$ 24,695,289	\$ 23,713,399
User charges	13,642,879	14,340,383	14,788,054
Government grants	2,036,777	2,124,983	2,002,088
Investment income	1,712,761	4,054,069	3,647,032
Penalty and interest on taxes	265,000	389,659	303,119
Other revenue	18,600	41,300	99,502
	42,079,572	45,645,683	44,553,194
EXPENDITURES			
General government	3,524,879	3,408,456	3,319,506
Protection to persons and property	6,134,015	6,584,803	6,214,277
Transportation services	6,232,240	10,134,505	10,684,921
Environmental services	6,457,240	8,191,670	9,278,305
Health Services	16,800	26,036	15,236
Recreation and cultural development	4,589,748	6,070,559	5,594,523
Planning and development	4,009,801	5,765,950	658,707
	30,964,723	40,181,979	35,765,475
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER	11,114,849	5,463,704	8,787,719
OTHER			
Developer, government and user contributions related to capital	8,333,821	3,137,962	7,428,351
Gain (loss) on disposal of tangible capital assets	76,300	(400,843)	(3,105,267)
Change in employee benefits payable (note 13)	-	8,750	11,901
	8,410,121	2,745,869	4,334,985
EXCESS OF REVENUE OVER EXPENDITURES	19,524,970	8,209,573	13,122,704
ACCUMULATED SURPLUS, BEGINNING OF YEAR	292,209,409	292,209,409	279,086,705
ACCUMULATED SURPLUS, END OF YEAR	\$ 311,734,379	\$ 300,418,982	\$ 292,209,409

The accompanying notes are an integral part of the financial statements

**MUNICIPALITY OF MIDDLESEX CENTRE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	2024	2023
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenue over expenditures (page 4)	\$ 8,209,573	\$ 13,122,704
Non-cash changes to operations		
Amortization	8,858,637	8,460,821
Net change in working capital related to operations (A)	8,102,538	(3,908,188)
	25,170,748	17,675,337
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	(9,717,981)	(16,501,442)
Decrease (increase) in capital work in progress	(6,090,703)	6,558,623
Net disposal of tangible capital assets	533,522	3,245,633
Decrease (increase) in prepaid expenditures	(78,895)	(180,001)
	(15,354,057)	(6,877,187)
FINANCING ACTIVITIES		
Advances (repayments) in long-term debt	(985,398)	(1,272,599)
	(985,398)	(1,272,599)
Net change in cash and cash equivalents during the year	8,831,293	9,525,551
Cash and cash equivalents, beginning of year	68,522,317	58,996,766
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 77,353,610	\$ 68,522,317

(A) Net change in non-cash working capital includes the net change in taxes receivable, accounts receivable, land held for resale, accounts payable and accrued liabilities, other current liabilities, deferred revenue, employee benefits payable and asset retirement obligations.

The accompanying notes are an integral part of the financial statements

**MUNICIPALITY OF MIDDLESEX CENTRE
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budget 2024	Actual 2024	Actual 2023
Excess of revenue over expenditures (page 4)	\$ 19,524,970	\$ 8,209,573	\$ 13,122,704
Amortization of tangible capital assets	-	8,858,637	8,460,821
Acquisition of tangible capital assets	(30,677,236)	(9,717,981)	(16,501,442)
Net disposal of tangible capital assets	76,300	533,522	3,245,633
Investment in capital works in progress	-	(6,090,703)	6,558,623
Decrease (increase) in prepaid expenditures	-	(78,895)	(180,001)
Change in net financial assets	(11,075,966)	1,714,153	14,706,338
NET FINANCIAL ASSETS, BEGINNING OF YEAR	55,958,844	55,958,844	41,252,506
NET FINANCIAL ASSETS, END OF YEAR	\$ 44,882,878	\$ 57,672,997	\$ 55,958,844

The accompanying notes are an integral part of the financial statements

**MUNICIPALITY OF MIDDLESEX CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The Municipality of Middlesex Centre (the "Municipality") is a lower-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 financial statements of the Municipality of Middlesex Centre are the representation of management prepared in accordance with Canadian public sector accounting standards (PS).

The focus of these financial statements is on the financial position of the Municipality and changes thereto. The Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Net financial assets represents the financial position of the Municipality and is the difference between financial assets and liabilities. This information explains the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

Significant aspects of the accounting policies adopted by the Municipality are as follows:

a. Reporting entity

These financial statements reflect the financial assets, liabilities, operating revenue and expenditures and accumulated surpluses/deficits and changes in investment in tangible capital assets of the Municipality and all committees of Council.

All interfund assets and liabilities and revenue and expenditures have been eliminated.

There are no local boards, joint local boards, municipal enterprises or utilities.

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 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 School Boards and County of Middlesex 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 financial statements.

d. Trust funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Fund Financial Statements.

**MUNICIPALITY OF MIDDLESEX CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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 Change in Net Financial Assets for the year.

f. 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	15 years
Buildings and fixtures	10 to 75 years
Vehicles	8 to 20 years
Machinery and equipment	5 to 10 years
Water and waste	
- Underground networks	50 to 80 years
- Wastewater facilities	50 to 75 years
- Water utility facilities	50 to 75 years
- Water utility infrastructure	50 to 75 years
Transportation	
- Roads	8 to 40 years
- Bridges and culverts	25 to 75 years

Amortization is charged for half a year in the year of acquisition and in the year of disposal.

The Municipality has a capitalization threshold of \$5,000 for vehicles and \$35,000 for the remaining capital assets, excluding land, which is always capitalized, so that individual assets of lesser value are expensed unless they are pooled because collectively they have a significant value. The capitalization threshold for pooled assets is \$35,000.

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.

g. Deferred revenue

Government grants/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.

**MUNICIPALITY OF MIDDLESEX CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

1. Significant accounting policies continued

h. Use of estimates

The preparation of 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.

i. 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.

j. Financial instruments

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

k. Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for servicing.

l. Short term investments

Short term investments are recorded at cost. Market value approximates cost.

m. 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.

Certain 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. In addition, a liability for the post closure costs of two gravel pits owned by the Municipality has been estimated as of January 1, 2022. The liability is increased each year, due to the passage of time, and is recorded as an accretion expense on Schedule 2 under Rent and Financial Expenses.

**MUNICIPALITY OF MIDDLESEX CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

2. Short term investment

The Municipality's investment activities are governed by the Municipal Act and the Municipality's investment policy. The short term investments of \$40,760,109 (2023 - \$20,315,616) are recorded at cost plus accrued interest. The investments have a market value of \$40,760,109 (2023 - \$20,315,616). the market value represents the realizable value of the investments if they were sold on December 31, 2024. Accordingly, only realized gains and losses are recognized in the Consolidated Statement of Operations and Accumulated Surplus. The short term investments are Guaranteed Investment Certificates that earn interest at rates of 4.35% to 5.35% and mature by October 10, 2025. The short term investments are included in the cash balance on the Consolidated Statement of Financial Position due to the short term nature of the maturity dates.

3. Tax revenue

Property tax billings are prepared by the Municipality based on an assessment roll prepared by the Municipal 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 2024 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 funds

Trust funds administered by the Municipality amounting to \$69,347 (2023 - \$62,927) have not been included in these 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	\$ 7,797,668	\$ 16,384,718
Requisitions	\$ 7,797,668	\$ 16,384,718

**MUNICIPALITY OF MIDDLESEX CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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 2024 was \$717,940 (2023 - \$653,532) for current service and is included as an expenditure on the Statement of Operations and Accumulated Surplus. The Municipality has no obligation, as of December 31, 2024, under the past service provisions. The OMERS funding ratio for 2024 is 98.0% (2023 - 97.0%).

7. Deferred revenue - obligatory reserve funds

A requirement of the Canadian 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:

	2024	2023
Development charges	\$ (754,159)	\$ (4,962,352)
Canada Community-Building Fund	883,159	506,838
Ontario Community Infrastructure Fund	1,618,510	1,273,582
Parkland	607,063	298,256
	\$ 2,354,573	\$ (2,883,676)

The development charges are maintained as required by the Development Charges Act, 1997 (DCA) and spent as described by the DCA on defined capital assets. The Municipality has borrowed money from future development charges to fund certain qualifying capital assets in advance of receiving the development charges as allowed under the DCA and these amounts are paid back, including the prescribed rate of interest.

**MUNICIPALITY OF MIDDLESEX CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

8. Long-term debt

a. Composition of long-term debt

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

	2024	2023
Long-term debt issued by the Municipality at various rates of interest ranging from 0% to 4% with maturity dates ranging from 2021 to 2034	\$ 1,177,836	\$ 888,831
Long-term debt issued to Infrastructure Ontario at various rates of interest ranging from 3.36% to 3.72% with maturity dates ranging from 2031 to 2042	12,245,456	13,316,250
Long-term debt issued to the Federation of Canadian Municipalities at 4% interest with maturity in 2038	1,740,285	1,831,458
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for tile drain loans have been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	(208,284)	(95,848)
	\$ 14,955,293	\$ 15,940,691

b. Debt retirement

Debt to be retired over the next five years:

	Recovered from user rates	Recovered from taxation
2025	\$ 719,739	\$ 596,318
2026	\$ 702,423	\$ 600,058
2027	\$ 699,773	\$ 604,045
2028	\$ 701,977	\$ 608,189
2029	\$ 633,260	\$ 612,584

**MUNICIPALITY OF MIDDLESEX CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

8. Long-term debt continued

c. Approval

Approval of the Ontario Municipal Board has been obtained for those pending issues of long-term debt 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. Contingent liability

The Municipality is contingently liable for long-term debt with respect to tile drainage loans, and for those for which the principal and interest had been assumed by other municipalities, school board and local boards, municipal enterprises, and utilities. The total amount outstanding as at December 31, 2024 is \$208,284 (2023 - \$95,848) is not recorded on the Statement of Financial Position.

e. Interest

Interest paid on long-term liabilities for 2024 was \$580,055 (2023 - \$624,574).

9. Accumulated surplus

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

	2024	2023
Investment in non-financial assets (net of debt)	\$ 231,429,257	\$ 223,453,533
Employee benefits payable (note 13)	(683,118)	(691,868)
Asset retirement obligation	(717,080)	(699,590)
Reserves set aside for specific purpose	2,088,979	2,088,979
Reserve funds set aside for specific purpose	68,300,944	68,058,355
ACCUMULATED SURPLUS	\$ 300,418,982	\$ 292,209,409

**MUNICIPALITY OF MIDDLESEX CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

10. Budget figures

The Municipality's Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2024 is reflected on the Statement of Operations and Accumulated Surplus.

11. Commitments

a. Water Supply System

On July 13, 1998, The Corporation of the City of London received a Notice of Transfer for the Lake Huron Primary Water System (the "System"). The final transfer order was effective September 15, 2000. Under the transfer order, the works, properties and all assets, liabilities, rights and obligations of the system are conveyed, assigned and transferred to the City of London as Trustee. The Municipality of Middlesex Centre is a member of the Lake Huron Water Supply System and represents approximately 1.87% of the total System. This percentage is based on the annual flows during 2024. As long as the municipality is serviced by the System, it has a beneficial ownership interest in the System. The System is governed by a joint board of management of which one of the eleven representatives is from the Municipality. The Municipality's share of the System's accumulated surplus is \$3,616,860. These balances are based on the System's financial statements and have not been reflected in these financial statements.

b. Policing

The Municipality contracts with the Ontario Provincial Police to provide policing services under Section 10 of the Police Services Act. The cost of this contract, net of adjustments, for 2024 was \$2,310,682 (2023 - \$2,287,428).

12. Contingent liability

a. Landfill post-closure costs

The Municipality has closed the one landfill site they own and expense any post-closure costs in the year they occur. The Municipality has determined there is no Asset Retirement Obligation for this landfill.

b. Development agreement

The Municipality is currently working with a developer on a cost sharing agreement for services required for the development to be completed. The costs of these services have been estimated by the Municipality's staff and are reflected in these financial statements. The Municipality has not received documentation of actual costs which may vary significantly from these estimates.

**MUNICIPALITY OF MIDDLESEX CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

13. Employee benefits payable

The total employee benefits payable on the Statement of Financial Position at the end of the year is comprised of the following:

	2024	2023
Workplace Safety and Insurance (WSIB)	\$ 616,217	\$ 632,028
Post-retirement benefits	66,901	59,840
	\$ 683,118	\$ 691,868

a. Workplace Safety and Insurance (WSIB)

The Municipality transferred from Schedule 2 to Schedule 1 classification under the Workplace Safety and Insurance Act effective January 1, 2013. The Municipality contracted with an independent third party to provide a valuation of this liability based on the Municipality's specific circumstances. This valuation estimated the Municipality's actuarial obligation as at December 31, 2024 at \$616,217 (2023 - \$632,028). This amount will be recovered from future taxation as payments are made against this obligation.

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

Municipality's borrowing rate	4.00%
Inflation rate	1.75%
Discount rate	2.25%
Weighted average of WSIB benefits	1.01%
Administration fees charged by WSIB	30.0%

b. Post-retirement benefits

The Municipality contracted with an independent third party to provide a valuation of post-retirement benefits for eligible employees. Eligibility requires the employee to be full-time, permanent employees who retire on an OMERS pension with at least 10 years of service with the Municipality. Benefits are provided to the earlier of age 65 or death. The actuarial estimate of this amount as of December 31, 2024 is \$66,901 (2023 - \$59,840).

14. Public sector salary disclosure

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

**MUNICIPALITY OF MIDDLESEX CENTRE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

15. Segmented information

Segmented information is presented on Schedule 2. The Municipality of Middlesex Centre is a diversified municipality and provides a wide range of services to its citizens including fire, police through a contracted service described in note 11, transportation, water, wastewater, waste disposal and community services, including recreation and planning. The general government segment includes such functions as finance, council and administrative services.

16. Comparative balances

Certain comparative balances have been reclassified to conform with the current year's financial statement presentation. The opening cost and accumulated amortization balances within Land and Land Improvements, Building, Equipment and Infrastructure Roads, Storm Sewers, Wastewater and Water have been reclassified within Schedule 1 - Consolidated Schedule of Tangible Capital Assets.

**MUNICIPALITY OF MIDDLESEX CENTRE
SCHEDULE 1 - SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Land and Land Improvements	Buildings	Fleet	Equipment	Infrastructure Roads	Storm Sewers	Wastewater	Water	2024 Total	2023 Total
COST										
Balance, beginning of year (note 16)	\$ 10,274,526	\$ 87,271,934	\$ 17,892,225	\$ 5,229,769	\$ 140,527,970	\$ 32,689,615	\$ 26,890,597	\$ 47,348,874	\$ 368,125,510	\$ 357,627,922
Add:										
Additions during the year	340,890	1,069,155	1,451,848	1,079,093	5,676,877	-	100,118	-	9,717,981	16,501,442
Less:										
Disposals during the year	-	(196,225)	(445,513)	-	(5,540,573)	-	-	-	(6,182,311)	(6,003,854)
Balance, end of year	10,615,416	88,144,864	18,898,560	6,308,862	140,664,274	32,689,615	26,990,715	47,348,874	371,661,180	368,125,510
ACCUMULATED AMORTIZATION										
Balance, beginning of year (note 16)	279,872	24,437,833	7,352,179	3,090,119	76,165,782	7,748,020	7,257,331	10,839,537	137,170,673	131,468,073
Add:										
Amortization during the year	95,883	1,787,958	1,424,392	444,838	3,583,712	409,459	495,168	617,227	8,858,637	8,460,821
Less:										
Disposals during the year	-	-	(402,825)	-	(5,245,964)	-	-	-	(5,648,789)	(2,758,221)
Balance, end of year	375,755	26,225,791	8,373,746	3,534,957	74,503,530	8,157,479	7,752,499	11,456,764	140,380,521	137,170,673
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	10,239,661	61,919,073	\$ 10,524,814	\$ 2,773,905	\$ 66,160,744	\$ 24,532,136	\$ 19,238,216	\$ 35,892,110	\$ 231,280,659	\$ 230,954,837

This schedule is provided for information purposes only.

**MUNICIPALITY OF MIDDLESEX CENTRE
SCHEDULE 2 - SCHEDULE OF SEGMENTED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General Government	Protective Services	Transportation	Environmental	Health	Recreation and Culture	Planning and Development	Total
REVENUE								
Taxation	\$24,695,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$24,695,289
User fees	693,455	613,069	196,026	9,893,958	7,700	2,468,233	467,942	14,340,383
Government grants	1,291,477	649,785	24,450	-	-	235,974	41,709	2,243,395
Investment income	4,051,804	-	-	-	2,265	-	-	4,054,069
Penalty and interest on taxes	389,659	-	-	-	-	-	-	389,659
Other	78,861	71,045	1,610,384	803,251	-	105,216	-	2,668,757
	31,200,545	1,333,899	1,830,860	10,697,209	9,965	2,809,423	509,651	48,391,552
EXPENDITURES								
Salaries and benefits	1,827,171	2,478,618	2,574,733	1,108,779	2,146	2,371,732	441,887	10,805,066
Goods and services	1,520,587	3,487,334	2,710,134	4,421,108	23,890	2,437,074	5,302,755	19,902,882
Rents and financial expense	6,250	73,606	113,822	272,134	-	128,274	21,308	615,394
Amortization	54,448	545,245	4,735,816	2,389,649	-	1,133,479	-	8,858,637
	3,408,456	6,584,803	10,134,505	8,191,670	26,036	6,070,559	5,765,950	40,181,979
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	\$27,792,089	\$ (5,250,904)	\$ (8,303,645)	\$ 2,505,539	\$ (16,071)	\$ (3,261,136)	\$ (5,256,299)	\$ 8,209,573

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