

The Corporation of the Municipality of Leamington

**Financial Statements
December 31, 2024**

The Corporation of the Municipality of Leamington

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INDEPENDENT AUDITOR'S REPORT

**To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of Leamington**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Corporation of the Municipality of Leamington, which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of financial operations for the year then ended
- the consolidated statement of changes in net financial surplus for the year then ended
- the consolidated statement of cash flow for the year then ended
- and notes to the consolidated financial statements including summary of accounting policies.

Hereinafter referred to as the "consolidated financial statements".

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of The Corporation of the Municipality of Leamington as at December 31, 2024, and its consolidated results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for 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 consolidated Financial Statements* section of our report. We are independent of The Corporation of the Municipality of Leamington in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our 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.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 controls as management determines is necessary to enable the preparation of the 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 Corporation of the Municipality of Leamington's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate The Corporation of the Municipality of Leamington or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated 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 controls.

- Obtain an understanding of internal controls 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 Corporation of the Municipality of Leamington's internal controls.
- 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 Corporation of the Municipality of Leamington'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 Corporation of the Municipality of Leamington 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 controls that we identify during our audit.

**HICKS MacPHERSON, IATONNA
& DRIEDGER LLP**

*Hicks, MacPherson, Iatonna
& Driedger LLP*

Chartered Professional Accountants
Licensed Public Accountants

Leamington, Ontario
February 24, 2026

MANAGEMENT'S REPORT

**To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of Leamington**

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Municipality of Leamington are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls and is ultimately responsible for reviewing and approving the consolidated financial statements.

Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Hicks, MacPherson, Iatonna & Driedger LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of The Corporation of the Municipality of Leamington and meet when required.

On behalf of The Corporation of the Municipality of Leamington:

Name
Title

Name
Title

The Corporation of the Municipality of Leamington

Consolidated Statement of Financial Position as at December 31

	2024	2023
Assets		
Financial Assets		
Cash (note 2)	\$ 147,844,637	\$ 129,255,655
Taxes receivable	6,874,783	7,348,309
Accounts receivable	13,668,179	11,006,619
Drainage accounts receivable	584,441	780,635
Investment in Essex Power Corporation (note 3)	13,426,889	13,434,449
Investment in UWSS Inc. (note 5)	41,083,083	-
Investment in Union Water Supply System	-	12,648,296
Other current assets	13,836	20,336
	223,495,848	174,494,299
Physical Assets		
Inventories for resale	1,759,610	1,763,199
	225,255,458	176,257,498
Liabilities		
Accounts payable and accrued liabilities	11,126,842	8,296,552
Deferred revenue (note 6)	24,024,316	17,678,482
Security deposits and unearned revenue	18,852,543	15,748,959
Long-term debt (note 10)	6,422,859	12,081,350
Post-employment benefits (note 12)	22,384,700	22,266,200
Sick leave liability (note 8)	536,000	482,700
Asset retirement obligation (note 24)	1,963,449	2,794,281
	85,310,709	79,348,524
Net Financial Surplus	139,944,749	96,908,974
Non-Financial Assets		
Inventory	522,897	503,606
Prepaid expenses	836,824	119,065
Tangible capital assets (note 1) and (Schedule 1)	304,586,081	321,847,781
Net Non-Financial Assets	305,945,802	322,470,452
Accumulated Surplus (note 19)	\$ 445,890,551	\$ 419,379,426

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington

Consolidated Statement of Financial Operations for the years ended December 31

	2024 Budget (note 14)	2024 Actual	2023 Actual
Revenues			
Taxation (note 21)	\$ 65,057,332	\$ 66,584,748	\$ 62,551,465
User fees	26,683,052	23,688,792	37,473,697
Grants	13,302,242	5,995,412	6,050,754
Investment income (note 17)	1,486,011	6,630,725	6,920,925
Licences and permits	1,264,350	1,256,992	1,415,440
Penalties and interest	633,000	1,194,755	1,090,792
Gain on sale of physical assets	-	23,366	38,246
Essex Power Corporation	-	(7,560)	25,530
Dividend income	450,000	466,816	460,043
Rents and concessions	146,363	215,079	193,679
Deferred revenue (note 6)	8,667,269	2,394,349	1,022,387
Union Water Supply System	-	3,029,907	-
Other income (note 18)	2,172,100	572,330	744,581
	119,861,719	112,045,711	117,987,539
Deduct: County of Essex purposes	(16,949,085)	(16,949,085)	(15,673,213)
School purposes	(7,406,094)	(7,406,094)	(7,248,758)
	95,506,540	87,690,532	95,065,568
Expenses			
General government	11,197,360	10,901,395	11,343,128
Protective services	11,257,020	11,288,707	11,422,612
Transportation services	9,157,556	9,555,517	8,580,052
Environmental services	15,674,939	15,867,946	28,895,057
Health services	141,083	137,854	132,591
Recreation and cultural services	8,110,785	8,422,221	8,075,300
Planning and development	2,336,861	1,887,131	1,742,476
Municipal drainage act	5,403,517	3,118,636	1,951,211
	63,279,121	61,179,407	72,142,427
Annual Surplus	32,227,419	26,511,125	22,923,141
Accumulated Surplus, Beginning of Year	419,379,426	419,379,426	396,456,285
Accumulated Surplus, End of Year	\$ 451,606,845	\$ 445,890,551	\$ 419,379,426

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington
Consolidated Statement of Changes in Net Financial Surplus
for the years ended December 31

	2024 Budget (note 14)	2024 Actual	2023 Actual
Annual Surplus	\$ 32,227,419	\$ 26,511,125	\$ 22,923,141
Acquisition of tangible capital assets	(40,422,791)	(24,161,465)	(19,360,533)
Amortization of tangible capital assets	11,556,791	11,556,987	11,446,497
Use of tangible capital assets and WIP	-	505,815	1,011,544
(Acquisition) use of prepaid expenses	-	(717,761)	54,766
(Acquisition) Disposal of inventories	-	(19,291)	(42,700)
Write down of tangible capital assets and ARO related to UWSS Inc. Investment	-	29,360,365	-
Increase in Net Financial Surplus	3,361,419	43,035,775	16,032,715
Net Financial Surplus, Beginning of Year	96,908,974	96,908,974	80,876,259
Net Financial Surplus, End of Year	\$ 100,270,393	\$ 139,944,749	\$ 96,908,974

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington

Consolidated Statement of Cash Flow for the years ended December 31

	2024	2023
Annual Surplus	\$ 26,511,125	\$ 22,923,141
Operations Transactions		
Items not involving cash:		
Post employee benefits	118,500	866,300
Sick leave liability	53,300	61,500
Amortization of tangible capital assets	11,556,987	11,446,497
Accretion and settlement of asset retirement obligation	(192,853)	(174,127)
Loss on sale of tangible capital assets	505,815	1,011,544
Gain on sale of physical assets	(23,366)	(38,246)
Taxes receivable	473,526	(1,789,869)
Accounts receivable	(2,661,559)	2,281,095
Drainage accounts receivable	196,194	649,589
Other current assets	6,500	6,500
Proceeds on sale of physical assets	23,366	38,246
Inventories	3,590	23,638
Prepaid expenses	(717,761)	54,766
Inventory non-resalable	(19,291)	(42,700)
Accounts payable and accrued liabilities	2,830,290	(926,840)
Deferred revenue	6,345,834	3,500,829
Security deposits and unearned revenue	3,103,584	951,961
Cash provided by operating transactions	21,602,656	17,920,683
Investing Transactions		
Investment in Essex Power Corporation	7,560	(25,530)
Investment in UWSS Inc.	(3,029,911)	(2,890,690)
Cash used by investing transactions	(3,022,351)	(2,916,220)
Capital Transactions		
Acquisition of tangible capital assets	(24,161,466)	(19,360,533)
Cash used by capital transactions	(24,161,466)	(19,360,533)
Financing Transactions		
Debt repayment (principal only) (note 9)	(2,340,982)	(3,152,884)
Cash used by financing transactions	(2,340,982)	(3,152,884)
Increase in Cash	18,588,982	15,414,187
Cash, Beginning of Year	129,255,655	113,841,468
Cash, End of Year	\$147,844,637	\$129,255,655

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington

Notes to the Consolidated Financial Statements for the year ended December 31, 2024

1. Summary of Significant Accounting Policies

The consolidated financial statements of the The Corporation of the Municipality of Leamington are the representation of management prepared in accordance with accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB). The preparation of financial statements requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ as future additional information becomes available.

(a) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, operating revenues, expenses, changes in reserves, reserve fund balances, investment in tangible capital assets and changes in financial position of the Municipality and include the activities of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Municipality and that are owned or controlled by the Municipality. Consolidated entities include:

Uptown Business Improvement Area
Joint Animal Control Facility

Inter-departmental and inter-organizational transactions and balances have been eliminated with the exception of loans or advances between reserve funds and other funds of the Municipality and the resulting interest income and expenditure.

The Municipality's interests in the Essex Power Corporation and UWSS Inc. are accounted for on a modified equity basis, consistent with generally accepted accounting principles for government business enterprises and government units.

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the School Boards, and the County of Essex are not reflected in the municipal fund balances of these financial statements. Taxation raised by the Municipality on their behalf is reflected as a deduction from total taxation on the Consolidated Statement of Financial Operations.

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

(b) Basis of Accounting

Sources of financing and expenses are reported on the accrual basis of accounting, which are charged against operations in the periods in which they are paid. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized, as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

1. Summary of Significant Accounting Policies (Cont'd)

b) Basis of Accounting (Cont'd)

Liabilities on the Consolidated Statement of Financial Position represent the outstanding principal portion of long-term liabilities, liabilities not yet due and other future expenses not yet raised by rates on the users.

The Consolidated Statement of Financial Position reflects all of the financial assets and liabilities of the Municipality. Financial assets are those that could provide resources to discharge liabilities or finance future operations. Net financial surplus represents the financial position of the Municipality, and is the difference between its assets and liabilities. It provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

c) Tangible Capital Assets

i) 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 revenues over expenses, provides the change in net financial assets for the year.

ii) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful life as follows:

Land	Infinite
Land Improvements	5 years to infinite
Buildings	5 to 50 years
Machinery and Equipment	3 to 40 years
Vehicles	7 to 10 years
Linear Assets	10 to 90 years

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

1. Summary of Significant of Accounting Policies (Cont'd)

c) *Tangible Capital Assets (Cont'd)*

ii) *Tangible capital assets (Cont'd)*

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

iii) *Contributions of Tangible Capital Assets*

Tangible capital assets received as contributions are recorded at their fair value using the half year rule as though they have been received July 1.

iv) *Leases of Tangible Capital Assets*

Leases are classified as capital or operating leases. Leases which transfer substantially all 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 expenses as incurred.

v) *Works of Art and Historical Treasures*

In accordance with the financial recording requirements PSAB 3150.42(e) indicates "the nature of the works of art and historical treasures held by government" are to be disclosed. They do not form part of the tangible asset inventory.

vi) *Inventories*

Inventories consist of work-in-progress of tangible capital assets.

d) *Taxes Receivable and Related Revenues*

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established annually by the Municipality, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect to education taxes and the County of Essex in respect of upper tier taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and issues supplementary tax notices. Taxation revenues are recorded at the time tax billings are issued; however, assessment and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded based upon management's estimate of the outcome taking into consideration historical trends. The Municipality is entitled to collect interest and penalties on overdue taxes and related revenues are recorded in the period the interest and penalties are levied. Taxes receivable are reported net of any expense and allowance for doubtful accounts.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

1. Summary of Significant Accounting Policies (Cont'd)

e) Future Accounting Changes

Effective for fiscal periods beginning on or after April 1, 2026, all governments will be required to adopt PSAB Section 1202 Financial Statement Presentation and The Conceptual Framework for Financial Reporting in the Public Sector. These standards provide guidance on how to account for and present financial information.

Management is currently in the process of evaluating the potential impact of adopting this standard.

f) Financial Instruments

The Municipality's financial instruments include cash, accounts receivable, taxes receivable, drainage accounts revenue, accounts payable and accrued liabilities, asset retirement obligations, and long term debt. All financial assets instruments are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement remeasurement. The measurement basis for cash, accounts receivable, taxes receivable, drainage accounts revenue, accounts payable and accrued liabilities, asset retirement obligations is cost. The measurement basis for long term debt is amortized cost. All of the financial instruments are measured at cost or amortized cost, there have been no re-measurement gains or losses and the statement of remeasurment has been exluded.

g) Use of Estimates

The preparation of financial statements in accordance with local government accounting standards established by PSAB requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Significant items subject to such estimates and assumptions include the valuation of accounts and taxes receivable, carrying value of tangible capital assets, deferred revenue, accrued liabilities, asset retirement obligations, and the actuarial estimate of post-employment benefits and sick leave liability. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

1. Summary of Significant Accounting Policies (Cont'd)

h) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

- 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 future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The liability includes costs for the removal of asbestos in buildings owned by the Municipality of Leamington and landfill closure costs. The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities. The resulting costs have been capitalized and are being amortized on the same basis as the related tangible capital asset. The carrying value of the liability is reviewed annually with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the liability and related tangible capital asset.

2. Cash

This represents a consolidation from the operating fund and the reserve funds (including those funds set aside in respect of deferred revenue detailed in note 6). The composition is:

	2024	2023
Cash		
Operating Funds	\$ 116,011,536	\$ 106,422,342
Reserve Funds	3,930,259	12,982,101
Deferred Revenue	27,902,842	9,851,212
	<u>\$ 147,844,637</u>	<u>\$ 129,255,655</u>

3. Investment in Essex Power Corporation

	2024	2023
Shareholder loan receivable	\$ 2,150,296	\$ 2,150,296
Common shares - Class A voting	2,678,179	2,678,179
Common shares - Class B non-voting	2,215,644	2,215,644
Equity in accumulated earnings	6,382,770	6,390,330
	<u>\$ 13,426,889</u>	<u>\$ 13,434,449</u>

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

3. Investment in Essex Power Corporation (Cont'd)

The Ontario Electricity Competition Act required the restructuring of municipal electric utilities by November 1, 2000. As part of the restructuring plan of the Leamington Hydro Electric Commission, the Municipality enacted bylaw 156-00, which transferred on June 1, 2000 specific assets, liabilities, obligations, and operations to the Essex Power Corporation, a duly incorporated entity under the Ontario Business Corporations Act. The Municipality holds 25% of the Class A shares issued and 27.45% of the Class B shares issued, for a weighted equity of 26.05%. The shareholder loan carries an interest rate of 4.0% per annum (agreement term January 1, 2023 to December 31, 2027).

The following table provides condensed supplementary information for Essex Power Corporation as at December 31 (in '000s).

	2024	2023
Financial Position		
Current assets	\$ 22,821	\$ 23,320
Property, plant and equipment	90,126	85,190
Other assets	11,879	11,549
Regulatory balances	8,200	8,814
Total Assets and Regulatory Balances	133,026	128,873
Current liabilities	25,083	21,316
Non-current liabilities	58,822	59,837
Regulatory balances	4,952	3,522
Total Liabilities and Regulatory Balances	88,857	84,675
Net Assets and Regulatory Balances	\$ 44,169	\$ 44,198
Result from Operations		
Gross margin on service revenue	17,245	18,698
Other revenue	13,376	15,297
Operating expenses	(18,352)	(19,561)
Depreciation and amortization	(6,434)	(6,275)
Income from Operations	5,835	8,159
Other income and taxes	(3,695)	(5,919)
Net Income for the Year	\$ 2,140	\$ 2,240

4. Trust Funds

Cemetery trust funds administered by the Municipality amounting to \$295,227 (2023 - \$292,537) have not been included in the Municipality's Consolidated Statement of Financial Position nor have their operations been included in the Municipality's Consolidated Statement of Financial Activities.

The balance sheet and statement of continuity for the Cemetery trust funds included on page 24 and 25 are provided for informational purposes only.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

5. Investment in UWSS Inc.

On February 24, 2023 UWSS Inc. was created as a Municipal Service Corporation under Ontario Regulation 599/06 of the Municipal Act, 2001. Effective January 1, 2024, the Municipality entered into a Water Service Agreement with UWSS Inc. for water treatment services. All assets previously associated with the UWSS partnership were transferred to UWSS Inc. on April 22, 2024. No monetary or share-based consideration was provided for the asset transfer. The Municipality's equity in UWSS Inc. is recorded at the net book value of the transferred assets. The Municipality currently owns 53% of UWSS Inc. The investment is accounted for using the modified equity method, as the Municipality has significant influence over the strategic operating, investing, and financing policies of the enterprise.

	2024	2023
Equity in operations	\$ 41,083,030	\$ -
Shares in UWSS Inc.	53	-
	\$ 41,083,083	\$ -

The following table provides condensed supplementary information for UWSS Inc. as at December 31 (in '000s).

	2024	2023
Statement of Financial Position		
Current assets	\$ 23,802	\$ -
Tangible capital assets - net	59,184	-
Total Assets	82,986	-
Current liabilities	4,238	-
Asset retirement obligation	1,233	-
Total liabilities	5,471	-
Equity	\$ 77,515	\$ -

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

5. Investment in UWSS Inc. (Cont'd)

	2024	2023
Statement of Financial Activities		
Wholesale billings	\$ 15,185	\$ -
Tangible capital assets - net	1,283	-
	16,468	-
Operating expenses	3,779	-
OCWA operating contract	4,119	-
Long-term interest expense	759	-
Amortization	2,065	-
Accretion/amortization of AROs	29	-
	10,751	-
Annual surplus	\$ 5,717	\$ -

6. Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. Revenue recognition will occur in the year in which it is used for the specified purpose.

	2024 Opening	Deferred Revenue and Receipts	Investment Income	Recognized Revenue	2024 Ending
Obligatory Reserve Funds					
Canada Community					
Building Fund	\$ 7,329,206	\$ 1,515,101	\$ 444,392	\$ (203,782)	\$ 9,084,917
Ontario transit gas tax	1,053,480	299,128	67,281	(230,365)	1,189,524
Recreational lands	862,167	104,259	52,121	-	1,018,547
M.T.O. commitments	166,679	-	9,420	-	176,099
Development charges	8,266,950	5,945,204	737,424	(2,394,349)	12,555,229
	\$ 17,678,482	\$ 7,863,692	\$ 1,310,638	\$ (2,828,496)	\$ 24,024,316

7. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its full-time staff and part-time fire services staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on their length of service and rates of pay. Contribution rates for employees earning below the year's maximum pensionable earnings is 9.0% and 14.6% on earnings above the year's maximum pensionable earnings. The amount contributed to OMERS for 2024 was \$1,526,851 (2023 - \$1,469,151) for current service and is included as an expenditure on the consolidated statement of operations. The Municipality has no further obligations after the annual contributions are made.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

8. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused annual sick leave can be accumulated for future use. No employees are entitled to a cash payment at the end of their employment with the Municipality. For 2024, the non-cash future expense is estimated to be \$536,000 (2023 - \$482,700).

9. Charges for Long-Term Debt

Total charges for long-term debt as reported on the Consolidated Statement of Cash Flow are as follows:

	2024	2023
Debenture Principal Payments		
Municipality obligations	\$ 2,340,982	\$ 2,278,653
Union Water Supply System obligations	-	874,231
	<u>\$ 2,340,982</u>	<u>\$ 3,152,884</u>

10. Long-Term Debt

The balance of long-term debt reported on the Consolidated Statement of Financial Position is:

	2024	2023
Outstanding principal at the end of the year for:		
General fund debentures	\$ 2,323,211	\$ 3,424,270
Tile/shoreline debentures	6,409	12,455
Sanitary sewer debentures	319,797	623,471
Union Water Supply System obligations	-	3,317,509
Waste water treatment	3,773,442	4,703,645
Long-Term Debt at End of Year	<u>\$ 6,422,859</u>	<u>\$ 12,081,350</u>

Interest rates range from 2% to 5% (2023 - 2% to 5%). Total interest charges reported on the Consolidated Statement of Financial Operations is \$278,304 (2023 - \$767,453) with \$0 (2023 - \$402,504) being the Municipality's share of Union Water System's interest. The debentures have various repayment schedules and will be repaid between 2026 and 2032. The annual payment required to service these liabilities are within the annual debt payment limits prescribed by the Ministry of Municipal Affairs.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

10. Long-Term Debt (Cont'd)

Of the long-term debt reported above, the future principal payments are as follows:

	Total
2025	\$ 1,940,328
2026	2,003,199
2027	440,310
2028	455,506
2029	471,300
2030 and onwards	1,112,216
	<hr/> <hr/> \$ 6,422,859 <hr/> <hr/>

11. Contingent Liabilities

a) *Loan guarantees*

The Municipality is contingently liable for loans advanced by the Province of Ontario under the Tile Drainage Act to benefiting landowners. Those individuals have assumed responsibility for the annual repayments. The total amount outstanding as at December 31, 2024 is \$6,409 (2023 - \$12,455).

b) *Litigation*

The Municipality has been named as a defendant in certain legal actions in which damages have been sought. With respect to claims at December 31, 2024, management believes the Municipality has valued defences and appropriate insurance in place. In the event any claims are successful, management believes such claims are not expected to have a material effect on the Municipality's financial position.

12. Post-Employment Benefits

Post-employment benefits are future obligations of the Municipality to its employees and retirees for benefits earned but not yet taken. Retiring full time non-unionized employees hired prior to August 1, 2011 and retiring full time unionized Teamsters employees hired prior to May 1, 2011 continue to receive paid health and dental benefits and life insurance coverage. All coverage continues for the lifetime of the retiree and spouse. In accordance with public sector accounting standards, the projected unit credit actuarial cost method has been used to determine the future cost of these benefits at the end of the year. The most recent actuarial valuation was dated April 2, 2024 and is effective December 31, 2023. Assumptions used are as follows:

- a) a discount factor of 4.30% (2023 - 4.30%) was used;
- b) a rate of 8.0% for health in 2024 (2023 - 8.175%), linearly decreased to an ultimate rate of 4.5% in 2044, and a rate of 7.0% for dental benefits in 2024 (2023 - 7.125%), linearly decreased to an ultimate rate of 4.5% in 2044 was used;
- c) an employee will retire when they meet the criteria for an unreduced pension from OMERS, but not later than age 65; and
- d) all employees will remain employed by the Municipality until retirement.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

12. Post-Employment Benefits (Cont'd)

The liability, based on the above assumptions, at year-end is \$22,384,700 (2023 - \$22,266,200). An additional expense of \$118,500 (2023 - \$866,300) is reported in the Consolidated Statement of Financial Operations and is reflected throughout the various operating departments.

Effective August 15, 2023, permanent full-time salaried Municipal staff hired after August 1, 2011, who serve a minimum of ten years and who retire with the Municipality will be eligible for an annual health care spending account for retirees and dependants for an additional ten years post-retirement.

Unamortized Net Actuarial Gains/Losses

	2024	2023
Unrecognized Actuarial (Gain)Loss - Beginning of Year	\$ (6,152,800)	\$ 2,444,000
Actuarial (Gain)Loss in Year	-	(8,467,500)
Amount Amortized in Year	412,400	(129,300)
Unrecognized Actuarial (Gain) Loss - End of Year	\$ (5,740,400)	\$ (6,152,800)

13. Commitments

The Municipality has a service agreement with Essex-Windsor Solid Waste Authority for garbage pickup.

The Ontario Provincial Police (OPP) provide police services for the Municipality under a purchase of service agreement and in accordance with section 10 of the Police Services Act (PSA). The current service agreement dated April 28, 2022 commenced on July 12, 2022 with the OPP for a three year term expiring in December 2025 or the date that the Community Safety and Policing Act, 2019 comes into force.

14. Budget Figures

The 2024 Financial Plan (adopted budget) adopted by Council on December 14, 2023 was prepared on a modified accrual basis, while Public Sector Accounting Standards require the budget to be restated ("restated budget") and reported on a full accrual basis in relation to actual results in the financial statements.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

14. Budget Figures (Cont'd)

The following summary reflects adjustments made to the adopted budget (modified accrual basis) to derive the restated budget (full accrual basis) as presented in the financial statements:

	2024
Financial Plan (Budget) By-law surplus for the year	\$ -
Add:	
Accumulated surplus, beginning of the year	419,379,426
Budgeted transfers to capital	12,434,733
Principal payments on debt	2,340,982
Capital revenue for tangible capital assets	27,988,058
Landfill post-closure costs	260,322
Less:	
Budgeted transfers to reserve and reserve funds	4,507,646
Amortization on tangible capital assets	(11,556,791)
Capital expenses that are operating	(3,629,031)
Post-employment benefit costs	(118,500)
Budget Surplus per Consolidated Statement of Financial Operations	\$ 451,606,845

15. Expenses by Object

	2024	2023
Salaries, wages and benefits	\$ 22,592,709	\$ 21,819,855
Materials and supplies	13,215,073	11,614,704
Contracted services	12,220,678	24,571,516
Long term debt interest charge	278,304	767,453
Rents and financial expenses	859,949	1,447,678
External transfers	455,707	484,710
Amortization	11,556,987	11,436,511
	\$ 61,179,407	\$ 72,142,427

16. Contributed Tangible Capital Assets

Developers contributed subdivisions to the Municipality. These contributed tangible capital assets are categorized as infrastructure and have been recognized at fair market value at the date of transfer.

17. Investment Income

	2024	2023
Bank and investment interest income	\$ 6,544,713	\$ 6,178,416
Increase in equity of owned companies	86,012	741,685
Interest earned on debentures	-	824
	\$ 6,630,725	\$ 6,920,925

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

18. Other Income

	2024	2023
Sponsorship income	\$ 175,000	\$ 180,000
Uptown Business Improvement Area levy	140,602	146,347
Donations	25,536	125,664
Royalties	71,785	106,982
Fines	38,585	50,222
Lottery licensing	115,168	135,366
Easement sales	5,654	-
	\$ 572,330	\$ 744,581

19. Accumulated Surplus

	2024	2023
Reserves and Reserve Funds		
Reserves (Schedule 2)	\$ 106,170,611	\$ 98,055,361
Reserve funds (Schedule 2)	4,964,725	11,588,606
Equity in Union Water Inc.	41,083,083	-
Equity in Essex Power	13,426,889	13,434,449
	165,645,308	123,078,416
Operating fund	8,638,641	13,750,231
Capital fund	(1,672,471)	(1,672,471)
Tangible capital assets (Schedule 1)	304,586,081	321,847,781
Asset Retirement Obligation (net)	(1,963,449)	(2,794,281)
	309,588,802	331,131,260
Unfunded Liability		
Debt	(6,422,859)	(12,081,350)
Sick leave liability	(536,000)	(482,700)
Post-employment benefit	(22,384,700)	(22,266,200)
	(29,343,559)	(34,830,250)
Accumulated Surplus	\$ 445,890,551	\$ 419,379,426

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

20. Change in Accounting Policies

On January 1, 2024 the Municipality of Leamington adopted Canadian public sector accounting standard PS 3400 Revenues which provides guidance for the recognition, measurement, presentation and disclosure of revenue from transactions with performance obligations, referred to as exchange transactions, and transactions without performance obligations, referred to as non-exchange transactions. Public Sector Guideline PSG 8 Purchased Intangibles which provides guidance on the accounting and reporting of purchased intangible assets acquired through non-arm's length exchange transactions between knowledgeable, willing parties under no compulsion to act. PS 3160 Public Private Partnerships which provides guidance on accounting and reporting for public private partnerships between public and private sector entities. The standards were adopted prospectively from the date of adoption with no restatement of prior period comparative amounts. These standards have no significant impact on the presentation of the financial statements.

21. Taxation Revenue

Total tax revenue recognized in the period for each major category of tax is outlined as follows:

	2024	2023
Residential	\$ 43,623,337	\$ 42,002,998
Farmland	4,813,153	4,121,376
Commercial	8,510,368	8,226,775
Industrial	3,075,830	2,752,536
Supplementary and pipelines	3,570,923	2,739,730
	63,593,611	59,843,415
Added Recoveries	2,991,137	2,708,050
Total Taxation Revenue	\$ 66,584,748	\$ 62,551,465

22. Segmented Information

The Municipality of Leamington is a lower tier municipality that provides a wide range of services to its citizens. These services are provided by departments of the Municipality and their activities are reported in Schedule 3 to these statements.

For each reportable segment, the Municipality has reported expenses that represent both amounts that are directly attributable and amounts that are allocated based on Schedule 40 of the Financial Information Return submitted to the Ministry of Municipal Affairs. Revenues have not been presented by segment based on their nature and instead are shown by object.

The Municipality's reportable segments and their associated activities are as follows:

(a) General government:

General government includes levy revenue, council, legal services, legislative services, finance and business services, human resources, information technology services, community services, engineering and emergency services.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2024

22.Segmented Information (Cont'd)

(b) Protective services:

Protective services includes fire, police, conservation authorities, building, by-law, and animal control. It also includes emergency measures such as services related to shoreline flooding.

(c) Transportation services

Transportation services includes public works, transit, parking, streetlights, traffic signals, and resurfacing roads.

(d) Environmental services

Environmental services includes water, urban sanitary and storm sewers, waste water treatment and garbage collection and disposal.

(e) Health services

Health services includes cemetery operations.

(f) Recreation and cultural services

Recreation and cultural services includes the Leamington Marina, other municipal parks, Nature Fresh Farms Recreation Centre and Library.

(g) Planning and development

Planning and development includes the operations of the planning department, which facilitates the orderly growth of the Municipality, economic development, tourism and the Leamington BIA (business improvement area).

(h) Municipal drainage act

Municipal drainage act includes the drainage operations.

23.Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

24.Asset Retirement Obligation

Liabilities exist for the removal and disposal of asbestos within buildings owned by the Municipality of Leamington and the annual landfill closure costs required. The timing of future settlement is unknown.

	2024	2023
Asset Retirement Obligation, beginning of year	\$ 2,794,281	\$ 2,968,407
Amoritzation expense	(193,704)	(189,906)
Accretion expense	36,114	15,780
Removal of UWSS Inc.	(673,242)	-
Asset Retirement Obligation, end of year	\$ 1,963,449	\$ 2,794,281

The Corporation of the Municipality of Leamington

Trust Funds Under Administration

Balance Sheet

(Unaudited)

as at December 31, 2024

	Albuna Cemetery	Bayview Cemetery	Lakeview Cemetery	Fairview Cemetery	2024 Total	2023 Total
Assets						
Cash	\$ 1,002	\$ 5,117	\$ 131,405	\$ 76,915	\$ 214,439	\$ 212,132
Cash - held in trust	80,298	-	-	-	80,298	80,405
Due from general fund	-	100	100	290	490	-
	\$ 81,300	\$ 5,217	\$ 131,505	\$ 77,205	\$ 295,227	\$ 292,537
Liabilities						
Due to general fund	\$ 300	\$ 19	\$ 492	\$ 283	\$ 1,094	\$ 1,474
Trust balance	81,000	5,198	131,013	76,922	294,133	291,063
	\$ 81,300	\$ 5,217	\$ 131,505	\$ 77,205	\$ 295,227	\$ 292,537

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington

Trust Funds Under Administration

Statement of Continuity

(Unaudited)

as at December 31, 2024

	Albuna Cemetery	Bayview Cemetery	Lakeview Cemetery	Fairview Cemetery	2024 Total	2023 Total
Balance at Beginning of Year	\$ 80,500	\$ 5,098	\$ 130,413	\$ 75,052	\$ 291,063	\$ 289,463
Revenues						
Perpetual care fees	-	-	-	870	870	800
Marker maintenance fees	500	100	600	1,000	2,200	800
Bank interest income	28	283	7,248	4,171	11,730	11,953
Interest income - bequest	4,424	-	-	-	4,424	4,562
	4,952	383	7,848	6,041	19,224	18,115
Expenditures						
Administration fee	4,452	283	7,248	4,171	16,154	16,515
Balance at End of Year	\$ 81,000	\$ 5,198	\$ 131,013	\$ 76,922	\$ 294,133	\$ 291,063

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington
Consolidated Schedule of Tangible Capital Assets - Schedule 1
Categorized by Asset Type
as at December 31, 2024

Cost	Balance at December 31, 2023	Additions	Disposals	Adjustments	Balance at December 31, 2024
Land	\$ 21,453,005	\$ 1,974,215	\$ -	\$ (258,312)	\$ 23,168,908
Land improvements	16,518,569	666,361	(17,637)	(126,730)	17,040,563
Buildings	96,833,963	1,918,087	(16,910)	(18,264,298)	80,470,842
Machinery and equipment	51,113,315	11,705,986	(967,315)	(12,730,283)	49,121,703
Vehicles	10,708,516	1,435,953	(705,198)	-	11,439,271
Linear assets	295,127,168	3,936,360	(64,247)	(14,551,527)	284,447,754
Assets under construction	15,966,158	2,524,504	-	(293,890)	18,196,772
Total	507,720,694	24,161,466	(1,771,307)	(46,225,040)	483,885,813

Accumulated Amortization	Balance at December 31, 2023	Amortization Expense	Amortization Disposal	Adjustments	Balance at December 31, 2024
Land	-	-	-	-	-
Land improvements	4,638,011	419,476	-	(24,735)	5,032,752
Buildings	37,948,382	1,921,964	(10,345)	(7,309,990)	32,550,011
Machinery and equipment	21,171,743	2,132,350	(655,085)	(3,709,161)	18,939,847
Vehicles	5,476,175	733,730	(574,551)	-	5,635,354
Linear assets	116,638,602	6,349,467	(25,511)	(5,820,790)	117,141,768
Assets under construction	-	-	-	-	-
Total	185,872,913	11,556,987	(1,265,492)	(16,864,676)	179,299,732

Net Book Value	Balance at December 31, 2023	Balance at December 31, 2024
Land	21,453,005	23,168,908
Land improvement	11,880,558	12,007,811
Buildings	58,885,581	47,920,831
Machinery and equipment	29,941,572	30,181,856
Vehicles	5,232,341	5,803,917
Linear assets	178,488,566	167,305,986
Assets under construction	15,966,158	18,196,772
Total	\$321,847,781	\$304,586,081

The Corporation of the Municipality of Leamington holds various historical treasures and works of art, located in municipal buildings within the Municipality. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington
Consolidated Schedule of Tangible Capital Assets - Schedule 1
Categorized by Functional Class
as at December 31, 2024

Cost	Balance at December 31, 2023	Additions	Disposals	Adjustments	Balance at December 31, 2024
General government	\$ 15,014,154	\$ 1,104,461	\$ (107,185)	\$ -	\$ 16,011,430
Protective services	8,809,058	272,605	(210,667)	-	8,870,996
Transportation services	112,955,526	3,180,226	(647,468)	(5,177,288)	110,310,996
Environmental services	304,062,764	13,515,312	(707,748)	(41,027,315)	275,843,013
Health services	268,295	18,451	-	-	286,746
Recreation and cultural services	66,542,269	6,070,411	(98,239)	(20,437)	72,494,004
Planning and development	68,628	-	-	-	68,628
Total	507,720,694	24,161,466	(1,771,307)	(46,225,040)	483,885,813

Accumulated Amortization	Balance at December 31, 2023	Amortization Expense	Amortization Disposal	Adjustments	Balance at December 31, 2024
General government	3,815,368	481,132	(107,182)	-	4,189,318
Protective services	5,060,644	399,216	(208,839)	-	5,251,021
Transportation services	41,864,517	3,674,992	(497,462)	(3,415,181)	41,626,866
Environmental services	112,243,785	5,339,796	(391,851)	(13,448,723)	103,743,007
Health services	190,810	7,924	-	-	198,734
Recreation and cultural services	22,655,795	1,648,009	(60,158)	(772)	24,242,874
Planning and development	41,994	5,918	-	-	47,912
Total	185,872,913	11,556,987	(1,265,492)	(16,864,676)	179,299,732

Net Book Value	Balance at December 31, 2023	Balance at December 31, 2024
General government	11,198,786	11,822,112
Protective services	3,748,414	3,619,975
Transportation services	71,091,009	68,684,130
Environmental services	191,818,979	172,100,006
Health services	77,485	88,012
Recreation and cultural services	43,886,474	48,251,130
Planning and development	26,634	20,716
Total	\$321,847,781	\$304,586,081

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington
Schedule of Reserves and Reserve Funds Balances - Schedule 2
for the year ended December 31, 2024

	2024 Budget	2024 Actual	2023 Actual
Revenue			
Interest income	\$ -	\$ 210,303	\$ 207,818
Transfers From (To) Other Funds			
Net Transfers from operating fund	4,507,646	14,743,886	17,065,008
Net transfers to capital	(21,239,788)	(13,462,820)	(9,361,552)
	(16,732,142)	1,281,066	7,703,456
Change in Fund Balance	(16,732,142)	1,491,369	7,911,274
Opening Fund Balance	109,643,967	109,643,967	101,732,693
Ending Fund Balance	\$ 92,911,825	\$ 111,135,336	\$ 109,643,967

Analyzed as follows:

Reserves Set Aside by Council

Working capital	\$ 3,382,349	\$ 4,141,825	\$ 3,712,732
Contingencies	7,416,339	10,134,603	8,104,688
Equipment replacement	9,893,102	10,047,004	9,808,843
Parking operations	(67,592)	(32,977)	(17,464)
Waste water treatment	19,278,447	20,559,303	19,614,338
Water system renewals	21,626,326	22,479,196	21,014,202
Capital financing	19,671,189	38,624,678	35,592,488
Tree planting	225,534	216,979	225,534
	81,425,694	106,170,611	98,055,361

**Reserve Funds Set Aside by Council,
Legislation, Regulation or Agreement**

Capital financing	270,077	272,172	234,677
Building services	3,711,515	4,089,116	3,699,188
Working funds	243,086	342,187	393,288
Impost and lot levy fees	211,021	219,391	211,021
Library and cultural purposes	39,621	41,859	39,621
Union Water Supply System	7,010,811	-	7,010,811
	11,486,131	4,964,725	11,588,606
	\$ 92,911,825	\$ 111,135,336	\$ 109,643,967

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington

**Schedule of Segment Disclosures - Schedule 3
as at December 31, 2024**

	General Government	Protective Services	Transporta- tion Services	Environ- mental Services	Health Services	Recreation and Cultural Services	Planning and Development	Drainage	Consolidated
Revenues									
Taxation - municipal only	\$ 42,229,569	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,229,569
User charges	493,675	166,384	336,105	18,652,038	44,599	2,654,176	397,530	944,285	23,688,792
Grants	1,532,298	211,780	1,743,197	2,031,085	-	-	-	477,052	5,995,412
Investment income	6,463,940	166,785	-	-	-	-	-	-	6,630,725
Licences and permits	63,402	1,154,948	38,642	-	-	-	-	-	1,256,992
Penalties and interest	1,135,453	-	-	59,302	-	-	-	-	1,194,755
Gain on sale of physical assets	23,366	-	-	-	-	-	-	-	23,366
Government Business Enterprise	3,022,347	-	-	-	-	-	-	-	3,022,347
Dividend income	466,816	-	-	-	-	-	-	-	466,816
Sponsorship income	130,000	45,000	-	-	-	-	-	-	175,000
Uptown business improvement area levy	140,602	-	-	-	-	-	-	-	140,602
Donations	65	100	-	-	-	25,371	-	-	25,536
Rents and concessions	8,900	19,635	1,200	-	-	185,344	-	-	215,079
Land Easement Rights	5,654	-	-	-	-	-	-	-	5,654
Royalties	5,875	-	65,910	-	-	-	-	-	71,785
Fines	-	24,529	14,056	-	-	-	-	-	38,585
Lottery licensing	115,168	-	-	-	-	-	-	-	115,168
Deferred revenue	59,022	-	245,398	357,736	-	1,732,193	-	-	2,394,349
	55,896,152	1,789,161	2,444,508	21,100,161	44,599	4,597,084	397,530	1,421,337	87,690,532
Expenses									
Salaries, wages and benefits	6,770,232	3,942,680	2,523,023	3,639,982	48,457	4,165,299	1,149,149	353,887	22,592,709
Materials and supplies	1,432,368	412,234	2,025,406	4,189,302	41,423	2,156,948	326,167	2,631,225	13,215,073
Contracted services	1,674,209	6,194,436	1,327,618	2,331,582	40,050	254,237	164,331	234,215	12,220,678
Long term debt interest charge	41,087	8,722	-	169,872	-	58,208	-	415	278,304
Rents and financial expenses	441,957	4,745	7,459	18,797	-	139,507	247,484	-	859,949
External transfers	175,540	280,167	-	-	-	-	-	-	455,707
Inter-functional adjustments	(115,323)	46,507	(2,925)	178,614	-	155	-	(107,028)	-
Amortization	481,325	399,216	3,674,936	5,339,797	7,924	1,647,867	-	5,922	11,556,987
	10,901,395	11,288,707	9,555,517	15,867,946	137,854	8,422,221	1,887,131	3,118,636	61,179,407
Annual Surplus (Deficit)	\$ 44,994,757	\$ (9,499,546)	\$ (7,111,009)	\$ 5,232,215	\$ (93,255)	\$ (3,825,137)	\$ (1,489,601)	\$ (1,697,299)	\$ 26,511,125

See accompanying notes to financial statements