

The Corporation of the Municipality of Leamington

**Financial Statements
December 31, 2023**

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, 2023
- 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, 2023, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within The Corporation of the Municipality of Leamington to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of The Corporation of the Municipality of Leamington's 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
August 12, 2025

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.

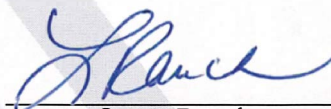
Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated 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 Katie McLean
Title Deputy Treasurer



Name Laura Rauch
Title Treasurer

The Corporation of the Municipality of Leamington

Consolidated Statement of Financial Position as at December 31

	2023	2022 Restated (Note 25)
Assets		
Financial Assets		
Cash and short-term investments (note 2)	\$ 129,255,655	\$ 113,841,468
Taxes receivable	7,348,309	5,558,441
Accounts receivable	11,006,619	13,287,714
Drainage accounts receivable	780,635	1,430,224
Investment in Essex Power Corporation (note 3)	13,434,449	13,408,919
Investment in Union Water Supply System (note 5)	12,648,296	9,757,606
Other current assets	20,336	26,836
	174,494,299	157,311,208
Physical Assets		
Inventories for resale	1,763,199	1,786,836
	176,257,498	159,098,044
Liabilities		
Accounts payable and accrued liabilities	8,296,552	9,223,392
Deferred revenue (note 6)	17,678,482	14,177,653
Security deposits and unearned revenue	15,748,959	14,796,998
Long-term debt (note 10)	12,081,350	15,234,234
Landfill closure cost liabilities (note 15)	2,121,009	2,310,916
Post-employment benefits (note 12)	22,266,200	21,399,900
Sick leave liability (note 8)	482,700	421,200
Asset retirement obligation (note 24)	673,272	657,492
	79,348,524	78,221,785
Net Financial Surplus	96,908,974	80,876,259
Non-Financial Assets		
Inventory	503,606	460,906
Prepaid expenses	119,065	173,831
Tangible capital assets (note 1) and (Schedule 1)	321,493,633	314,581,155
Asset retirement obligation assets (note 1)	354,148	364,134
Net Non-Financial Assets	322,470,452	315,580,026
Accumulated Surplus (note 20)	\$ 419,379,426	\$ 396,456,285

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

	2023 Budget (note 14)	2023 Actual	2022 Actual Restated (Note 25)
Revenues			
Taxation	\$ 61,630,880	\$ 62,551,465	\$ 60,268,474
User fees	35,842,272	37,473,697	36,454,028
Grants	9,131,740	6,050,754	7,856,195
Investment income (note 18)	1,336,011	6,920,925	3,730,497
Licences and permits	1,143,650	1,415,440	1,423,271
Penalties and interest	558,000	1,090,792	629,373
Gain on sale of physical assets	-	38,246	7,762
Essex Power Corporation	-	25,530	159,690
Dividend income	450,000	460,043	453,282
Contributed tangible capital assets (note 17)	-	-	29,024
Rents and concessions	116,700	193,679	141,122
Deferred revenue (note 6)	-	1,022,387	1,293,120
Other income (note 19)	397,054	744,581	655,234
	110,606,307	117,987,539	113,101,072
Deduct: County of Essex purposes	(15,673,213)	(15,673,213)	(15,028,294)
School purposes	(7,215,738)	(7,248,758)	(7,215,738)
	87,717,356	95,065,568	90,857,040
Expenses			
General government	11,001,683	11,343,128	9,050,386
Protective services	11,359,362	11,422,612	11,575,401
Transportation services	8,786,321	8,580,052	8,813,168
Environmental services	23,772,439	28,895,057	34,623,356
Health services	145,476	132,591	104,409
Recreation and cultural services	7,797,623	8,075,300	7,137,052
Planning and development	2,427,139	1,742,476	1,850,045
Municipal drainage act	6,546,253	1,951,211	2,676,770
	71,836,296	72,142,427	75,830,587
Annual Surplus	15,881,060	22,923,141	15,026,453
Accumulated Surplus, Beginning of Year	396,456,285	396,456,285	381,429,832
Accumulated Surplus, End of Year	\$ 412,337,345	\$ 419,379,426	\$ 396,456,285

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

	2023 Budget (note 14)	2023 Actual	2022 Actual Restated (Note 25)
Annual Surplus	\$ 15,881,060	\$ 22,923,141	\$ 15,026,453
Acquisition of tangible capital assets	(28,888,724)	(19,360,533)	(19,965,042)
Amortization of tangible capital assets	11,154,349	11,436,511	10,995,871
Amortization of asset retirement obligation	-	9,986	9,986
Loss on sale of tangible capital assets and WIP	-	1,011,544	66,294
Contributed tangible capital assets	-	-	(29,024)
Proceeds on disposal of tangible capital assets	-	-	199,140
(Acquisition) Use of prepaid expenses	-	54,766	(33,795)
Acquisition of inventories	-	(42,700)	(26,140)
Increase in Net Financial Surplus	(1,853,315)	16,032,715	6,243,743
Net Financial Surplus, Beginning of Year	80,876,259	80,876,259	74,632,516
Net Financial Surplus, End of Year	\$ 79,022,944	\$ 96,908,974	\$ 80,876,259

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

	2023	2022 Restated (Note 25)
Annual Surplus	\$ 22,923,141	\$ 15,026,453
Operations Transactions		
Items not involving cash:		
Landfill closure cost liability	(189,907)	(186,182)
Post employee benefits	866,300	892,200
Sick leave liability	61,500	56,000
Amortization of tangible capital assets	11,436,511	10,995,871
Accretion and amortization of asset retirement obligation	25,766	25,396
Loss on sale of tangible capital assets	1,011,544	66,294
Donations of tangible capital assets	-	(29,024)
Gain on sale of physical assets	(38,246)	(7,762)
Taxes receivable	(1,789,869)	(2,497,624)
Accounts receivable	2,281,095	1,967,669
Drainage accounts receivable	649,589	211,253
Other current assets	6,500	6,500
Proceeds on sale of physical assets	38,246	7,762
Inventories	23,637	(92,531)
Prepaid expenses	54,766	(33,795)
Inventory non-resalable	(42,700)	(26,140)
Accounts payable and accrued liabilities	(926,839)	(1,328,777)
Deferred revenue	3,500,829	7,312,490
Security deposits and unearned revenue	951,961	2,897,343
Cash provided by operating transactions	17,920,683	20,236,943
Investing Transactions		
Investment in Essex Power Corporation	(25,530)	(159,690)
Investment in Union Water Supply System	(2,890,690)	789,202
Cash provided by investing transactions	(2,916,220)	629,512
Capital Transactions		
Proceeds on sale of tangible capital assets	-	199,140
Acquisition of tangible capital assets	(19,360,533)	(19,965,042)
Cash used by capital transactions	(19,360,533)	(19,765,902)
Financing Transactions		
Debt repayment (principal only) (note 9)	(3,152,884)	(2,972,837)
Cash used by financing transactions	(3,152,884)	(2,972,837)
Increase in Cash and Short-Term Investments	15,414,187	13,154,169
Cash and Short-Term Investments, Beginning of Year	113,841,468	100,687,299
Cash and Short-Term Investments, End of Year	\$129,255,655	\$113,841,468

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, 2023

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 interest in the Essex Power Corporation is accounted for on a modified equity basis and its interest in the Union Water Supply System Board of Management is accounted for on a proportionate consolidation method, 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, 2023

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, 2023

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, 2023

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

e) Future Accounting Changes

Effective for fiscal periods beginning on or after April 1, 2023, all governments will be required to adopt PSAB Section 3400 Revenue. This standard provides guidance on how to account for and present new categories of revenue.

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

f) 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, asset retirement obligation assets, deferred revenue, accrued liabilities, the actuarial estimate of post-employment benefits and sick leave liability and the present value of the landfill closure costs. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

g) 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. 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.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2023

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:

	2023	2022
Cash		
Operating Funds	\$ 106,422,342	\$ 93,750,620
Reserve Funds	3,732,057	3,601,232
Deferred Revenue	19,101,256	16,489,616
	<u>\$ 129,255,655</u>	<u>\$ 113,841,468</u>

3. Investment in Essex Power Corporation

	2023	2022
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	6,390,330	6,364,800
	<u>\$ 13,434,449</u>	<u>\$ 13,408,919</u>

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 Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2023

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

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

	2023	2022
Financial Position		
Current assets	\$ 23,320	\$ 21,035
Property, plant and equipment	85,190	79,593
Other assets	11,549	11,291
Regulatory balances	8,814	11,605
Total Assets and Regulatory Balances	128,873	123,524
Current liabilities	21,316	23,434
Non-current liabilities	59,837	53,551
Regulatory balances	3,522	2,439
Total Liabilities and Regulatory Balances	84,675	79,424
Net Assets and Regulatory Balances	\$ 44,198	\$ 44,100
Result from Operations		
Gross margin on service revenue	18,698	16,295
Other revenue	15,297	14,029
Operating expenses	(19,561)	(18,127)
Depreciation and amortization	(6,275)	(5,814)
Income from Operations	8,159	6,383
Other income and taxes	(5,919)	(3,322)
Net Income for the Year	\$ 2,240	\$ 3,061

4. Trust Funds

Cemetery trust funds administered by the Municipality amounting to \$292,537 (2022 - \$290,484) 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.

Fairview Cemetery was transferred to the Municipality in 2022. Contributed capital is included in the statement of continuity.

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, 2023

5. Investment in Union Water Supply System

	2023	2022
Equity in reserve funds	\$ 7,010,811	\$ 6,612,844
Equity in operations	5,637,432	3,144,762
Shares in Union Water Inc.	53	-
	\$ 12,648,296	\$ 9,757,606

Effective January 8, 2001, the assets, liabilities, rights and obligations of the Union Water Supply System were transferred from the Ontario Clean Water Agency to the joint ownership of the system's participating municipalities pursuant to an order issued by the Minister of the Environment under the Municipal Water and Sewage Transfer Act, 1997.

The order provides for the establishment of a Board of Management to govern the system. The Municipality of Leamington can appoint representatives to the board based on the formula outlined in the Transfer Order:

- one representative, plus
- one additional representative for every ten percent of the total water consumption of the Union Water Supply System apportioned to the Municipality in the previous year.
- The Municipality has six of twelve total board members (2022 - six of twelve).

The equity interest of each municipality shall be determined according to their proportional water consumption from the system. The Municipality of Leamington's equity in the system is 53% (2022 - 53%).

The following table provides condensed supplementary information for Union Water Supply System as at December 31 (in '000s).

	2023	2022
Statement of Financial Position		
Current financial assets	\$ 26,162	\$ 21,805
Current liabilities	2,298	3,394
Long-term Debt	6,259	7,909
Asset retirement obligation	1,204	1,176
Total liabilities	9,761	12,479
Net asset	16,401	9,326
Inventories	555	89
Tangible capital assets	54,187	55,175
Asset retirement obligation assets	655	674
Non-financial assets	55,397	55,938
Accumulated surplus	\$ 71,798	\$ 65,264

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2023

5. Investment in Union Water Supply System (Cont'd)

	2023	2022
Statement of Financial Activities		
Wholesale billings	\$ 15,103	\$ 14,627
Other income	1,383	810
	16,486	15,437
Operating expenses	3,164	2,887
OCWA operating contract	3,977	3,672
Long-term interest expense	759	923
Amortization	1,986	1,802
Accretion/amortization of AROs	47	46
Loss on sale of tangible capital assets	18	1
	9,951	9,331
Annual surplus	\$ 6,535	\$ 6,106

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.

	2023 Opening	Deferred Revenue and Receipts	Investment Income	Recognized Revenue	2023 Ending
Obligatory Reserve Funds					
Canada Community					
Building Fund	\$ 5,791,935	\$ 1,467,631	\$ 372,227	\$ (302,587)	\$ 7,329,206
Ontario transit gas tax	831,266	299,128	60,178	(137,092)	1,053,480
Recreational lands	751,990	64,934	45,243	-	862,167
M.T.O. commitments	157,481	-	9,198	-	166,679
Development charges	6,644,981	2,176,058	468,297	(1,022,386)	8,266,950
	\$ 14,177,653	\$ 4,007,751	\$ 955,143	\$ (1,462,065)	\$ 17,678,482

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.

For 2023, the amount contributed to OMERS was \$1,469,151 (2022 - \$1,313,289).

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2023

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 2023, the non-cash future expense is estimated to be \$482,700 (2022 - \$421,200).

9. Charges for Long-Term Debt

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

	2023	2022
Debenture Principal Payments		
Municipality obligations	\$ 2,278,653	\$ 2,195,417
Union Water Supply System obligations	874,231	777,420
	<u>\$ 3,152,884</u>	<u>\$ 2,972,837</u>

10. Long-Term Debt

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

	2023	2022
Outstanding principal at the end of the year for:		
General fund debentures	\$ 3,424,269	\$ 4,486,840
Tile/shoreline debentures	12,455	24,568
Sanitary sewer debentures	623,471	931,713
Union Water Supply System obligations	3,317,510	4,191,740
Waste water treatment	4,703,645	5,599,373
Long-Term Debt at End of Year	<u>\$ 12,081,350</u>	<u>\$ 15,234,234</u>

Interest rates range from 2% to 5% (2022 - 2% to 5%). Total interest charges reported on the Consolidated Statement of Financial Operations is \$767,453 (2022 - \$937,664) with \$402,504 (2022 - \$489,066) being the Municipality's share of Union Water System's interest. The debentures have various repayment schedules and will be repaid between 2024 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, 2023

10. Long-Term Debt (Cont'd)

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

	Total
2024	\$ 3,322,809
2025	3,041,729
2026	3,237,480
2027	440,310
2028	455,506
2029 and onwards	1,583,516
	<hr/> <hr/> \$ 12,081,350

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, 2023 is \$12,455 (2022 - \$24,568).

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, 2023, 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% (2022 - 2.40%) was used;
- b) an increase of 8.175% for health in 2023 (2022 - 6.3%), linearly decreased to an ultimate rate of 4.5% in 2044, and an annual increase of 7.125% for dental benefits in 2023 (2022 - 4.0%), 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, 2023

12. Post-Employment Benefits (Cont'd)

The liability, based on the above assumptions, at year-end is \$22,266,200 (2022 - \$21,399,900). An additional expense of \$866,300 (2022 - \$892,200) is reported in the Consolidated Statement of Financial Operations and is reflected throughout the various operating departments.

Effective August 1, 2011 new Municipal staff hires are eligible for post-retirement benefits to age 65 and after age 65 post-retirement benefits will cease.

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 2023 Financial Plan (adopted budget) adopted by Council on February 28, 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 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:

	2023
Financial Plan (Budget) By-law surplus for the year	\$ -
Add:	
Accumulated surplus, beginning of the year	396,456,285
Budgeted transfers to capital	12,832,941
Principal payments on debt	2,278,653
Capital revenue for tangible capital assets	16,055,783
Landfill post-closure costs	247,926
Less:	
Budgeted transfers to reserve and reserve funds	1,694,174
Amortization on tangible capital assets	(11,154,349)
Capital expenses that are operating	(5,218,072)
Post-employment benefit costs	(855,996)
Budget Surplus per Consolidated Statement of Financial Operations	\$ 412,337,345

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2023

15. Landfill Closure Costs Liability

Landfill #2 was closed in 1993 and requires care consisting of hauling and treating leachate for an estimated period of 40 years. The liability was calculated assuming a 7% discount rate and a 2% rate of inflation using current annual contributions. Payments are made on a bi-monthly basis. The liability calculated using the above assumptions amounted to \$2,121,009 (2022 - \$2,310,916). This liability will be funded from operations.

The landfill is located outside of the Municipality of Leamington. The liability shown is the Municipality's share of costs.

16. Expenses by Object

	2023	2022
Salaries, wages and benefits	\$ 21,819,855	\$ 20,433,382
Materials and supplies	11,614,704	19,140,771
Contracted services	24,571,516	23,371,951
Long term debt interest charge	767,453	937,664
Rents and financial expenses	1,447,678	490,320
External transfers	484,710	459,624
Amortization	11,436,511	10,995,871
Asset retirement accretion and expense	-	1,004
	\$ 72,142,427	\$ 75,830,587

17. 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.

18. Investment Income

	2023	2022
Bank and investment interest income	\$ 6,178,416	\$ 3,302,964
Increase in equity of owned companies	741,685	425,923
Interest earned on debentures	824	1,610
	\$ 6,920,925	\$ 3,730,497

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2023

19. Other Income

	2023	2022
Sponsorship income	\$ 180,000	\$ 220,000
Uptown Business Improvement Area levy	146,347	131,746
Donations	125,664	29,887
Royalties	106,982	89,799
Fines	50,222	98,046
Lottery licensing	135,366	85,756
	\$ 744,581	\$ 655,234

20. Accumulated Surplus

	2023	2022
Reserves and Reserve Funds		
Reserves (Schedule 2)	\$ 98,055,361	\$ 91,145,832
Reserve funds (Schedule 2)	11,588,606	10,586,861
Equity in Essex Power	13,434,449	13,408,919
	123,078,416	115,141,612
Operating fund	13,750,231	7,815,576
Capital fund	(1,672,471)	(1,422,450)
Tangible capital assets (Schedule 1)	321,493,633	314,581,155
Asset Retirement Obligation (net)	(319,124)	(293,358)
	333,252,269	320,680,923
Unfunded Liability		
Debt	(12,081,350)	(15,234,234)
Landfill closure cost liability	(2,121,009)	(2,310,916)
Sick leave liability	(482,700)	(421,200)
Post-employment benefit	(22,266,200)	(21,399,900)
	(36,951,259)	(39,366,250)
Accumulated Surplus	\$ 419,379,426	\$ 396,456,285

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2023

21. 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.

(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 the COVID-19 pandemic and 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.

22. Comparative Figures

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

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2023

23. Subsequent Event

On February 24, 2023, Union Water Supply Inc. was incorporated. The Board of Management will be disbanded and replaced by a Board of Directors, consisting of a maximum of 15 directors. Each shareholder of this new corporation shall be a municipality. Shareholders of the Class A special voting shares are entitled to receive dividends declared by the Board of Directors. Operations to begin on January 1, 2024.

24. Asset Retirement Obligation

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

	2023	2022 (Restated - Note 25)
Asset Retirement Obligation, beginning of year	\$ 657,492	\$ 642,082
Settlements during the year	-	-
Accretion expense	15,780	15,410
Asset Retirement Obligation, end of year	\$ 673,272	\$ 657,492

25. Prior Period Adjustments- Change in Accounting Policy

On January 1, 2023 the Municipality of Leamington adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal and disposal within buildings, that will undergo renovation, replacement, or decommissioning in the future (see note 24). This standard was adopted using the modified retroactive approach.

The impact of the prior period adjustment on the December 31, 2022 comparative amounts is as follows:

	Increase (Decrease)
ARO Asset – Cost	\$ 474,497
ARO Asset – Accumulated Amortization	(100,377)
Asset Retirement Obligation (liability)	(642,082)
Accumulated Surplus, January 1, 2022	(267,962)
Amortization/Accretion Expense	(25,396)
Annual Surplus for the year ending December 31, 2022	(25,396)
Accumulated Surplus, December 31, 2022	\$ (293,358)

The Corporation of the Municipality of Leamington

Trust Funds Under Administration

Balance Sheet

(Unaudited)

as at December 31, 2023

	Albuna Cemetery	Bayview Cemetery	Lakeview Cemetery	Fairview Cemetery	2023 Total	2022 Total
Assets						
Cash	\$ 503	\$ 5,124	\$ 131,078	\$ 75,427	\$ 212,132	\$ 208,632
Cash - held in trust	80,405	-	-	-	80,405	80,345
Due from general fund	-	-	-	-	-	1,507
	<u>\$ 80,908</u>	<u>\$ 5,124</u>	<u>\$ 131,078</u>	<u>\$ 75,427</u>	<u>\$ 292,537</u>	<u>\$ 290,484</u>
Liabilities						
Due to general fund	\$ 408	\$ 26	\$ 665	\$ 375	\$ 1,474	\$ 1,021
Trust balance	80,500	5,098	130,413	75,052	291,063	289,463
	<u>\$ 80,908</u>	<u>\$ 5,124</u>	<u>\$ 131,078</u>	<u>\$ 75,427</u>	<u>\$ 292,537</u>	<u>\$ 290,484</u>

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, 2023

	Albuna Cemetery	Bayview Cemetery	Lakeview Cemetery	Fairview Cemetery	2023 Total	2022 Total
Balance at Beginning of Year	\$ 80,500	\$ 5,098	\$ 130,313	\$ 73,552	\$ 289,463	\$ 214,161
Revenues						
Contributed capital	-	-	-	-	-	72,352
Perpetual care fees	-	-	-	800	800	-
Marker maintenance fees	-	-	100	700	800	2,950
Bank interest income	29	291	7,436	4,197	11,953	4,753
Interest income - bequest	4,562	-	-	-	4,562	2,517
	4,591	291	7,536	5,697	18,115	82,572
Expenditures						
Administration fee	4,591	291	7,436	4,197	16,515	7,270
Balance at End of Year	\$ 80,500	\$ 5,098	\$ 130,413	\$ 75,052	\$ 291,063	\$ 289,463

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, 2023

Cost	Balance at December 31, 2022	Additions	Disposals	Adjustments	Balance at December 31, 2023
Land	\$ 21,395,181	\$ 57,824	\$ -	\$ -	\$ 21,453,005
Land improvements	16,036,257	489,510	(7,198)	-	16,518,569
Buildings	95,842,945	774,452	(527,577)	269,646	96,359,466
Machinery and equipment	47,643,563	4,569,379	(829,981)	(269,646)	51,113,315
Vehicles	10,240,592	509,064	(41,140)	-	10,708,516
Linear assets	280,877,563	14,543,685	(294,080)	-	295,127,168
Assets under construction	17,885,155	(1,583,381)	(335,616)	-	15,966,158
Total	489,921,256	19,360,533	(2,035,592)	-	507,246,197

Accumulated Amortization	Balance at December 31, 2022	Amortization Expense	Amortization Disposal	Adjustments	Balance at December 31, 2023
Land	-	-	-	-	-
Land improvements	4,238,963	404,669	(5,621)	-	4,638,011
Buildings	35,815,216	2,238,797	(344,624)	118,644	37,828,033
Machinery and equipment	19,496,084	2,213,094	(418,791)	(118,644)	21,171,743
Vehicles	4,857,821	659,494	(41,140)	-	5,476,175
Linear assets	110,932,017	5,920,457	(213,872)	-	116,638,602
Assets under construction	-	-	-	-	-
Total	175,340,101	11,436,511	(1,024,048)	-	185,752,564

Net Book Value	Balance at December 31, 2022	Balance at December 31, 2023
Land	21,395,181	21,453,005
Land improvement	11,797,294	11,880,558
Buildings	60,027,729	58,531,433
Machinery and equipment	28,147,479	29,941,572
Vehicles	5,382,771	5,232,341
Linear assets	169,945,546	178,488,566
Assets under construction	17,885,155	15,966,158
Total	\$314,581,155	\$321,493,633

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, 2023

Cost	Balance at December 31, 2022	Additions	Disposals	Adjustments	Balance at December 31, 2023
General government	\$ 14,158,554	\$ 956,340	\$ (100,740)	\$ -	\$ 15,014,154
Protective services	8,395,363	471,411	(57,716)	-	8,809,058
Transportation services	109,722,449	3,577,242	(347,352)	-	112,952,339
Environmental services	295,745,629	8,760,270	(903,359)	-	303,602,540
Health services	268,295	-	-	-	268,295
Recreation and cultural services	61,562,338	5,595,270	(626,425)	-	66,531,183
Planning and development	68,628	-	-	-	68,628
Total	489,921,256	19,360,533	(2,035,592)	-	507,246,197

Accumulated Amortization	Balance at December 31, 2022	Amortization Expense	Amortization Disposal	Adjustments	Balance at December 31, 2023
General government	3,458,732	448,095	(91,459)	-	3,815,368
Protective services	4,770,072	382,851	(92,279)	-	5,060,644
Transportation services	38,889,397	3,125,760	(153,530)	-	41,861,627
Environmental services	106,554,712	5,897,504	(321,271)	-	112,130,945
Health services	183,347	7,463	-	-	190,810
Recreation and cultural services	21,447,765	1,568,920	(365,509)	-	22,651,176
Planning and development	36,076	5,918	-	-	41,994
Total	175,340,101	11,436,511	(1,024,048)	-	185,752,564

Net Book Value	Balance at December 31, 2022	Balance at December 31, 2023
General government	10,699,822	11,198,786
Protective services	3,625,291	3,748,414
Transportation services	70,833,052	71,090,712
Environmental services	189,190,917	191,471,595
Health services	84,948	77,485
Recreation and cultural services	40,114,573	43,880,007
Planning and development	32,552	26,634
Total	\$314,581,155	\$321,493,633

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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Interest income	\$ -	\$ 207,818	\$ 380,587
Transfers From (To) Other Funds			
Net Transfers from operating fund	1,694,174	17,065,008	8,843,983
Net transfers to capital	(15,468,553)	(9,361,552)	(8,095,566)
	(13,774,379)	7,703,456	748,417
Change in Fund Balance	(13,774,379)	7,911,274	1,129,004
Opening Fund Balance	101,732,693	101,732,693	100,603,689
Ending Fund Balance	\$ 87,958,314	\$ 109,643,967	\$ 101,732,693

Analyzed as follows:

Reserves Set Aside by Council

Working capital	\$ 3,182,928	\$ 3,712,732	\$ 3,270,369
Contingencies	7,934,274	8,104,688	9,132,624
Equipment replacement	9,113,126	9,808,843	9,309,884
Parking operations	15,947	(17,464)	126,288
Waste water treatment	15,677,369	19,614,338	17,444,300
Water system renewals	19,975,547	21,014,202	18,126,022
Capital financing	21,804,739	35,592,488	33,669,463
Tree planting	76,882	225,534	66,882
	77,780,812	98,055,361	91,145,832

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

Capital financing	225,597	234,677	190,197
Building services	3,072,240	3,699,188	3,149,999
Working funds	26,543	393,288	393,543
Impost and lot levy fees	202,847	211,021	202,847
Library and cultural purposes	37,434	39,621	37,434
Union Water Supply System	6,612,841	7,010,811	6,612,841
	10,177,502	11,588,606	10,586,861
	\$ 87,958,314	\$ 109,643,967	\$ 101,732,693

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington

**Schedule of Segment Disclosures - Schedule 3
as at December 31, 2023**

	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	\$ 39,629,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,629,494
User charges	393,810	185,171	295,128	33,355,428	34,395	2,461,816	269,604	478,345	37,473,697
Grants	2,093,601	118,397	3,295,942	229,866	-	4,340	-	308,608	6,050,754
Investment income	6,101,792	163,460	-	655,673	-	-	-	-	6,920,925
Licences and permits	73,106	1,334,084	8,250	-	-	-	-	-	1,415,440
Penalties and interest	1,031,123	-	-	59,669	-	-	-	-	1,090,792
Gain on sale of physical assets	38,246	-	-	-	-	-	-	-	38,246
Essex Power Corporation	25,530	-	-	-	-	-	-	-	25,530
Dividend income	460,043	-	-	-	-	-	-	-	460,043
Sponsorship income	135,000	45,000	-	-	-	-	-	-	180,000
Uptown business improvement area levy	146,347	-	-	-	-	-	-	-	146,347
Donations	2,060	-	50	-	-	123,554	-	-	125,664
Rents and concessions	19,064	19,635	200	-	-	154,780	-	-	193,679
Royalties	7,305	-	99,677	-	-	-	-	-	106,982
Fines	-	27,771	22,451	-	-	-	-	-	50,222
Lottery licensing	135,366	-	-	-	-	-	-	-	135,366
Deferred revenue	59,022	-	205,609	344,979	-	412,777	-	-	1,022,387
	50,350,909	1,893,518	3,927,307	34,645,615	34,395	3,157,267	269,604	786,953	95,065,568
Expenses									
Salaries, wages and benefits	6,506,611	3,885,435	2,355,486	3,610,123	55,176	3,917,633	1,160,453	328,938	21,819,855
Materials and supplies	1,443,639	518,606	1,732,726	3,916,097	30,802	2,182,160	193,754	1,596,920	11,614,704
Contracted services	1,761,701	6,296,041	1,363,748	14,617,023	39,150	212,428	151,327	130,098	24,571,516
Long term debt interest charge	55,806	11,847	-	619,899	-	79,061	-	840	767,453
Rents and financial expenses	1,027,662	9,848	5,709	55,165	-	112,352	236,942	-	1,447,678
External transfers	213,189	271,521	-	-	-	-	-	-	484,710
Inter-functional adjustments	(113,575)	46,463	(3,376)	179,245	-	2,746	-	(111,503)	-
Amortization	448,095	382,851	3,125,759	5,897,505	7,463	1,568,920	-	5,918	11,436,511
	11,343,128	11,422,612	8,580,052	28,895,057	132,591	8,075,300	1,742,476	1,951,211	72,142,427
Annual Surplus (Deficit)	\$ 39,007,781	\$ (9,529,094)	\$ (4,652,745)	\$ 5,750,558	\$ (98,196)	\$ (4,918,033)	\$ (1,472,872)	\$ (1,164,258)	\$ 22,923,141

See accompanying notes to financial statements