

Consolidated Financial Statements

**THE CORPORATION OF THE
TOWN OF ESSEX**

And Independent Auditor's Report thereon

Year ended December 31, 2024

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Town of Essex (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

Name

Title

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Rate Payers of the Corporation of the Town of Essex

We have audited the consolidated financial statements of The Corporation of the Town of Essex (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statements of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024, and its consolidated results of operations and its consolidated cash flows 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 Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue

as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada
(date)

THE CORPORATION OF THE TOWN OF ESSEX

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Year ended December 31, 2024

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THE CORPORATION OF THE TOWN OF ESSEX

Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 80,558,319	\$ 78,124,380
Taxes receivable	1,569,224	1,021,687
Accounts receivable	5,100,948	7,515,964
Water and sewer receivables	1,005,097	-
Investment in E.L.K. Energy Inc. (note 2)	11,865,391	12,785,277
Investment in Union Water System (note 3)	3,813,756	-
Long-term receivable	2,446,975	2,551,975
	<u>106,359,710</u>	<u>101,999,283</u>
Financial liabilities		
Accounts payable and accrued liabilities	10,094,579	10,362,551
Other current liabilities	903,729	1,232,147
Accrued interest payable on long-term debt	261,201	297,225
Employee future benefits (note 9)	4,471,456	4,528,254
Deferred revenue (note 8)	1,473,465	3,218,895
Asset retirement obligations	228,183	275,849
Long-term debt (note 5)	19,208,804	17,950,943
	<u>36,641,417</u>	<u>37,865,864</u>
Net financial assets	69,718,293	64,133,419
Non-financial assets		
Tangible capital assets (note 14 and schedule 1)	214,685,635	207,295,934
Prepaid expenses and inventories of supplies	496,194	512,203
	<u>215,181,829</u>	<u>207,808,137</u>
Contingent liabilities (note 10)		
Accumulated surplus (note 7)	\$ 284,900,122	\$ 271,941,556

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of Council:

_____ Mayor

_____ Chief Administrative Officer

THE CORPORATION OF THE TOWN OF ESSEX

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 13)	2024 Actual	2023 Actual
Revenue:			
Taxation	\$ 22,121,088	\$ 22,810,240	\$ 20,956,188
User charges	4,120,073	4,308,783	3,721,224
Grants	12,301,432	9,672,479	8,348,248
Interest and penalties	532,964	4,821,340	4,562,177
Landfill compensation	3,323,139	3,672,416	3,994,909
Share of loss from E.L.K. Energy Inc. (note 2)	-	(828,904)	(1,052,034)
Share of income from Union Water Systems (note 3)	-	281,272	-
Commutated payments	-	142,711	229,655
Development contributions	1,093,308	802,040	1,262,280
Sewer and water charges	7,141,600	7,512,740	8,198,936
Other	2,100,902	1,308,105	2,109,945
Loss on disposal of tangible capital assets	-	(307,450)	(4,056)
Recovered drain billings	-	1,030,019	1,030,726
Total revenue	52,734,506	55,225,791	53,358,198
Expenses:			
General government	6,001,624	6,126,228	5,053,351
Protection services	6,940,214	7,416,036	6,470,194
Transportation services	9,248,588	9,459,094	8,319,486
Environmental services	8,846,581	8,564,506	10,098,809
Health services	334,214	334,092	290,750
Recreational and cultural services	8,504,126	8,858,292	8,276,272
Planning and development	1,498,963	1,508,977	2,989,955
Total expenses	41,374,310	42,267,225	41,498,817
Annual surplus	11,360,196	12,958,566	11,859,381
Accumulated surplus, beginning of year	271,941,556	271,941,556	260,082,175
Accumulated surplus, end of year	\$ 283,301,752	\$ 284,900,122	\$ 271,941,556

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWN OF ESSEX

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 12)	2024 Actual	2023 Actual
Annual surplus	\$ 11,360,196	\$ 12,958,566	\$ 11,859,381
Acquisition of tangible capital assets	-	(16,115,126)	(12,912,319)
Change in tangible capital assets work-in-progress	-	(1,448,298)	(2,610,702)
Reduction of UWSS tangible capital assets	-	2,722,785	-
Amortization of tangible capital assets	-	7,098,395	7,201,809
Loss on sale of tangible capital assets	-	307,450	4,056
Proceeds on sale of tangible capital assets	-	45,093	64,500
	11,360,196	5,568,865	3,606,725
Use of inventory and prepaid expenses	-	16,009	(145,926)
Change in net financial assets	11,360,196	5,584,874	3,460,799
Net financial assets, beginning of year	64,133,419	64,133,419	60,672,620
Net financial assets, end of year	\$ 75,493,615	\$ 69,718,293	\$ 64,133,419

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWN OF ESSEX

Consolidated Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 12,958,566	\$ 11,859,381
Items not involving cash:		
Amortization of tangible capital assets	7,098,395	7,201,809
Loss on sale of tangible capital assets	307,450	4,056
(Decrease) increase in asset retirement obligations	(47,666)	5,377
Increase in taxes receivable	(547,537)	(275,809)
Increase in water and sewer receivables	(1,005,097)	-
Decrease in accounts receivable	2,415,016	251,365
Decrease in deferred revenue	(1,745,430)	(1,248,655)
(Decrease) increase in accounts payable and accrued liabilities	(267,972)	3,516,151
(Decrease) increase in other current liabilities	(328,418)	440,708
Decrease in accrued interest payable on long-term debt	(36,024)	(8,948)
Changes in employee future benefits	(56,798)	(5,576)
Decrease (increase) in prepaid expenses and inventories of supplies	16,009	(145,926)
Net change in cash from operating activities	18,760,494	21,593,933
Capital activities:		
Acquisition of tangible capital assets	(16,115,126)	(12,912,319)
Change in tangible capital assets work-in-progress	(1,448,298)	(2,610,702)
Reduction in UWSS tangible capital assets	2,722,785	-
Proceeds on disposition of tangible capital assets	45,093	64,500
Net change in cash from capital activities	(14,795,546)	(15,458,521)
Investing activities:		
Decrease in investment in E.L.K. Energy Inc.	919,886	1,143,016
Decrease in long-term receivable	105,000	948,025
Increase in investment in UWSS	(3,813,756)	-
Net change in cash from investing activities	(2,788,870)	2,091,041
Financing activities:		
Net long-term debt issued	4,243,823	2,273,299
Long-term debt repaid	(2,985,962)	(2,332,574)
Net change in cash from financing activities	1,257,861	(59,275)
Net change in cash	2,433,939	8,167,178
Cash, beginning of year	78,124,380	69,957,202
Cash, end of year	\$ 80,558,319	\$ 78,124,380

The accompanying notes are an integral part of these consolidated financial statements.

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements

Year ended December 31, 2024

The Corporation of the Town of Essex ("Town") is a municipality in the Province of Ontario and operates under the provisions of the Community Charter. The Town provides municipal services such as fire, roads, water, wastewater, planning, parks, recreation and other general government services.

1. Significant accounting policies:

The consolidated financial statements of the Town are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Basis of consolidation:

i) Consolidated financial statements:

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, reserves and changes in investment in tangible capital assets of the Town and includes the activities of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and are owned or controlled by the Town. All inter-entity transactions and balances have been eliminated on consolidation.

ii) Other entities:

The investment in E.L.K. Energy Inc. is accounted for using the modified equity basis of accounting, which represents the Town's proportionate share of E.L.K.'s net assets at acquisition plus its share of undistributed earnings. The basis is consistent with the generally accepted accounting treatment of government business enterprises.

The investment in Union Water Supply System Inc. is accounted for using the modified equity basis of accounting, which represents the Town's proportionate share of UWSS's net assets at acquisition plus its share of undistributed earnings. The basis is consistent with the generally accepted accounting treatment for government business enterprises.

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 TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

iii) Accounting for County and School Board Transactions:

The Town collects taxation revenue on behalf of the school boards and the County of Essex. The taxation and other revenues with respect to the operations of the County of Essex and school boards are not reflected in the Consolidated Statement of Operations. In addition, the revenues, expenses, assets and liabilities with respect to the operations of the County of Essex and school boards are not reflected in these consolidated financial statements except to the extent that any amounts due to or from are reported on the Consolidated Statement of Financial Position in "accounts receivable" or "accounts payable and accrued liabilities".

iv) Trust funds:

Funds held in trust by the Town, and their related operations are not included in these consolidated financial statements. The financial activity and position of the trust funds are reported separately.

(b) Basis of accounting:

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

The consolidated statement of financial position reflects all of the financial assets and liabilities of the Town. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Town and is the difference between its assets and liabilities. This provides information about the Town's overall future revenue requirements and its ability to finance activities and meet its obligations.

(c) Cash and cash equivalents:

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

(d) Purchase premium:

Purchase premium arising on the acquisition of a government business enterprise will be deferred and amortized over a period of twenty years.

(e) Deferred revenue:

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(f) Taxation and related revenue:

Taxes are recognized as revenue in the year they are levied. Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Town Council, incorporating amounts to be raised for local services, the requisition made by the County of Essex in respect of County services and amounts the Town is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Town determines the taxes applicable and renders supplementary tax billings. Taxation revenue is recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal and write off for physical changes to the property. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known. The Town is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Sanitary sewer and water operations are funded by various revenues including frontage, connection and usage charges. Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

User charges, landfill compensation, and other revenues are recorded on the accrual basis of accounting noted above.

(g) Government transfers:

Government transfers, which include legislative grants, are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. When transfer stipulations give rise to a liability, government transfers are recognized as deferred revenue and recognized as revenue when the stipulations are settled.

(h) Leases:

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

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(i) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Asset	Useful Life - Years
Land - not amortized	
Land improvements	10 to 30
Buildings	25 to 80
Roads and sidewalks	15 to 80
Machinery and equipment	1 to 50
Water infrastructure	50 to 80
Sewer infrastructure	60 to 100
Vehicles	3 to 25
Stormwater infrastructure	55 to 90
Murals	10

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, at which time they are capitalized.

(j) Employee future benefits:

The Town accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement, sick leave benefits and certain post-employment benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits and other post-employment benefits that accumulate over the period of service provided by employees are subject to actuarial valuations and are accrued in accordance with the projected benefit method, prorated on service and management's best estimate of salary escalation and retirement ages of employees, inflation rates, investment returns, insurance and health care cost trends, employee turnover and discount rates. Actuarial gain and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(k) Asset retirement obligation:

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

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

(l) Financial instruments:

Financial instruments include primary instruments (such as receivables, payables, and equity instruments) and derivative financial instruments (such as financial options, futures and forwards, interest rate swaps and currency swaps). Any unrealized gains and losses are reported through the statement of remeasurement gains and losses. Unrealize gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity.

(m) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards for local governments requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowances for taxes and accounts receivable, tangible capital assets and valuation of employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(n) Adoption of new accounting standards:

The Town adopted prospectively PS 3160 Public Private Partnerships, PS 3400 Revenue and PSG-8 Purchased Intangibles standards for the fiscal year beginning January 1, 2024.

The adoption of these new accounting standards had the following impact on the financial statements:

- PS 3160 Public Private Partnerships provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. As a result of applying the Public Private Partnership accounting standard it was determined that this accounting standard did not affect the Town.

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(n) Adoption of new accounting standards (continued):

- PS 3400 Revenue establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations, referred to as the exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred. As a result of applying the Revenue accounting standard, there was no impact on the Town.
- PSG-8 Purchased Intangibles provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act. No such transactions were identified by the Town.

2. Investment in E.L.K. Energy Inc.:

The Town holds a 100% investment in E.L.K. Energy Inc. This investment is recorded using the modified equity method, wherein the investment balance represents the Town's proportionate interest in the net assets of E.L.K. Energy Inc. at acquisition, plus its proportionate share of undistributed earnings.

The investment in E.L.K. Energy Inc. at December 31, 2024 is as follows:

	2024	2023
Corporation of the Town of Essex 100% proportionate interest in the net assets of E.L.K. Energy Inc.	\$ 11,523,037	\$ 12,351,941
Purchase premium – net of amortization	342,354	433,336
	<u>\$ 11,865,391</u>	<u>\$ 12,785,277</u>

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

2. Investment in E.L.K. Energy Inc. (continued):

Supplementary information of E.L.K. Energy Inc. at December 31 is as follows:

	2024	2023
Financial Position		
Current assets	\$ 10,995,732	\$ 12,639,903
Property, plant and equipment	17,772,439	15,627,893
Investments	128,028	84,103
Deferred tax asset	135,241	-
Regulatory balances	4,297,907	3,428,723
Total assets	\$ 33,329,347	\$ 31,780,622
Current liabilities	\$ 11,300,607	\$ 9,954,921
Long-term liabilities	454,545	359,006
Deferred tax liabilities	-	145,024
Total liabilities	11,755,152	10,458,951
Regulatory balances	10,051,158	8,969,730
Net assets	\$ 11,523,037	\$ 12,351,941
Financial Activities		
Total revenue	\$ 38,434,345	\$ 29,265,665
Total expenditures	(39,564,237)	(28,233,914)
Payments in lieu of income taxes	103,294	296,163
Net income	(1,026,598)	1,327,914
Net movement in regulatory balances, net of tax	297,079	(2,381,116)
Other comprehensive income	(99,385)	1,168
Total comprehensive income (loss) for the year	\$ (828,904)	\$ (1,052,034)
Corporation of the Town of Essex share of net earnings (loss) in E.L.K. Energy Inc.	\$ (828,904)	\$ (1,052,034)

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

2. Investment in E.L.K. Energy Inc. (continued):

E.L.K. Energy Inc. billed and collected the Town's water and sewer surcharge revenue through to December 31, 2023. In 2024, this function will be performed by the Town of Essex. In 2024 these amounted to \$nil (2023 - \$7,953,716) and are included in sewer and water charges revenue for the Town of Essex. For these services, E.L.K. Energy Inc. charges the Town of Essex, amounting to \$nil in 2024 (2023 - \$403,015).

These transactions are in the normal course of operations and are measured at the exchange amount which is the cost of the consideration established and agreed to by the related parties.

3. Investment in the Union Water Supply System Inc.:

During the year, the UWSS was incorporated with share capital under the structure of a Municipal Service Corporation. The Town received 492 Class A Special Shares of Union Water Supply System Inc., the new corporation. The Town has applied PS2510 to transition the Town's investment in Union Water Supply System Inc. from a government unit to a government business enterprise.

The Town holds a 4.92% investment in Union Water Supply System Inc. This investment is recorded using the modified equity method, wherein the investment balance represents the Town's proportionate interest in the net assets of Union Water Supply System Inc. at acquisition, plus its proportionate share of undistributed earnings.

Supplementary information of Union Water Supply System Inc. at December 31 is as follows:

	2024
Financial Position	
Current assets	\$ 23,802,335
Property, plant and equipment	59,183,874
Total assets	\$ 82,986,209
Current liabilities	\$ 4,227,285
Long-term liabilities	1,232,615
Total liabilities	5,470,958
Shareholders' equity	77,515,251
Total liabilities and shareholders' equity	\$ 82,986,209

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

3. Investment in the Union Water Supply System Inc.:

	2024
Financial Activities	
Total revenue	\$ 15,185,316
Total expenditures	10,751,542
Other income	1,283,031
Net income	5,716,805
Contributed capital	71,798,346
Retained earnings, end of year	\$ 77,515,151
Corporation of the Town of Essex share of equity in Union Water Supply System Inc.	\$ 3,813,756

4. Bank indebtedness:

The Town has an authorized line of credit up to \$6,000,000 bearing interest at prime less 0.85%. At December 31, 2024, \$6,000,000 (2023 - \$6,000,000) in unused credit was available.

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

5. Long-term debt:

The balance of long-term debt reported on the consolidated statement of financial position is made up of the following:

	2024	2023
User Fee Supported		
Infrastructure Improvement Debenture, OIPC – along with Property Tax Supported (vii), repayable based on pro rata share of payment including interest at 2.76%, due December 15, 2027	\$ 1,012,981	\$ 1,332,548
Essex Sewage Treatment Plant Update and Expansion Debenture, Ontario Infrastructure Projects Corporation (OIPC) - repayable in semi-annual instalments of \$138,915 including interest at 2.66%, due September 1, 2026	537,665	796,028
Harrow Sewage Lagoon Debenture, OIPC – repayable in semi-annual instalments of \$131,564, including interest at 2.67%, due February 3, 2025	129,831	384,383
Building Energy Upgrade Debenture - along with Property Tax Supported (iv), repayable based on pro rata share of payment including interest at 3.6%, repaid during the year	–	1,707
	1,680,477	2,514,878
Property Tax Supported		
Essex Twin Pad Arena Debenture - repayable in semi-annual instalments of \$386,712 including interest at 4.65%, due March 2030	3,715,659	4,295,988
Capital Works Debenture - repayable in semi-annual instalments including interest ranging from 2.88% to 3.33%, due in various amounts from 2024 to 2029	418,670	533,187
Fire Station 1 Engine 1 Debenture - repayable in annual Instalments of \$105,308 including interest at 3.62%, due August 2034	1,753,923	1,897,146
Building Energy Upgrade Debenture - along with User Fee Supported (iv), repayable based on pro rata share of payment including interest at 3.6%. repaid during the year	–	19,388
Vehicle loan - repayable in annual instalments including interest at 3.45%, due in June 2024	–	12,059
Infrastructure Improvement Debenture, OIPC – along with User Fee Support (i), repayable based on pro rata share of payment including interest at 2.76%, due December 15, 2027	827,648	1,088,748
Fire Station 2 Debenture – repayable in semi-annual instalments of \$104,691 including interest at 2.9%, due December 2041	2,794,486	2,920,090
Harrow Streetscape debenture – repayable in semi-annual instalments of \$76,393 excluding interest at 4.25%, due December 2037	1,985,967	2,138,733
Storm Improvements in Ward 1 – repayable in semi-annual Instalments including interest of 4.71% due in December 2033	2,031,974	2,209,578
	\$ 13,528,327	\$ 15,114,705

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

5. Long-term debt (continued):

	2024	2023
Benefiting Property Owners		
Drain debenture – repayable in annual instalments including interest at 6.72% and 6.82%, due in various amounts in 2028 and 2033	\$ 222,335	\$ –
Sanitary sewer extension debentures - repayable in annual instalments of \$48,130 including interest at 3.40%, repaid during the year	–	46,548
Drain debentures - repayable in annual instalments including interest at 3.95%, due in various amounts in July 2028	32,210	39,500
Tile loans – repayable in annual instalments including interest at 6%, due in various amount in 2030	44,630	50,666
Shoreline loans - repayable in semi-annual instalments including interest ranging from 1.39% to 3.77% due in various amounts in 2030 and 2032	299,029	337,590
Drainage debenture - repayable in semi-annual instalments including interest of 3.02% due July 2025 and 3.4% due in July 2030	53,172	86,984
Drainage debenture - repayable in annual instalments including interest of 3.43% due in July 2031	42,773	48,089
Drainage debentures - repayable in annual instalments including interest at 4.31% and 4.71%, due in various amounts in July 2026 and 2031	167,734	202,053
Drainage Debentures – repayable in annual instalments including interest at 4.31%, due in various amounts in July 2032	51,011	57,500
	912,894	868,930
Share of Union Water System obligations	–	307,965
Subtotal	16,121,698	18,806,478
Construction financing loan advance, Ontario Infrastructure and Lands Corporation, to be finalized upon completion of the Essex Streetscape Project	4,000,000	-
The Town is contingently liable for the tile and shoreline loans included above. The responsibility for payment of principal and interest has been assumed by individual landowners	(343,659)	(388,256)
Internally financed debt	(569,235)	(467,279)
	\$ 19,208,804	\$ 17,950,943

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

5. Long-term debt (continued):

Principal payments for the next 5 fiscal years and thereafter are as follows:

2025	\$ 2,453,943
2026	2,371,109
2027	2,151,090
2028	1,577,334
2029	1,621,098
Thereafter	5,947,124
	<u>\$ 16,121,698</u>

Interest payments included in operating fund expenditures during the year were \$680,333 (2023 – \$647,602) excluding the interest on tile and shoreline loans which is recovered from the individual landowners.

The long-term liabilities issued in the name of the Municipality have received approval by the Municipal Board on or before December 31, 2024. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

6. Operations of School Boards and the County of Essex:

During the year, the following taxation revenue was raised and remitted to the School Boards and the County of Essex:

	2024	2023
School Boards	\$ 4,685,912	\$ 4,504,733
County of Essex	11,896,292	11,103,560
	<u>\$ 16,582,204</u>	<u>\$ 15,608,293</u>

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

7. Accumulated surplus:

(a) Accumulated surplus consists of individual fund surplus (deficit) as follows:

	2024	2023
Invested in tangible capital assets	\$ 214,685,635	\$ 207,295,934
To be used to offset taxation	2,184,093	(247,597)
To be financed by user charges and municipal debt	(1,256,561)	(3,828,058)
Equity in E.L.K. Energy Inc.	11,865,391	12,785,277
Equity in UWSS Inc.	3,813,756	–
Amounts to be recovered:		
Employee benefits payable	(4,443,300)	(4,502,200)
Accrued interest on net long-term liabilities	(261,201)	(297,225)
Municipal debt	(19,208,804)	(17,950,943)
Reserves and reserve funds (note 7(b))	77,521,113	78,686,368
Total accumulated surplus	\$ 284,900,122	\$ 271,941,556

(b) Reserves and reserve funds consist of the individual funds as follows:

	2024	2023
Reserve funds set aside for specific purpose by Council:		
Capital purposes	\$ 48,809,149	\$ 49,155,517
Landfill	11,538,233	11,762,760
Contingencies	14,137,097	13,634,847
Other	2,758,343	3,890,616
Sick leave benefits	278,291	242,628
	\$ 77,521,113	\$ 78,686,368

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

8. Unearned/deferred revenue:

Development charges are reported as deferred revenue since provincial legislation restricts the use of the funds to specific purposes and under certain circumstances the funds may be refunded.

The net change during the year in the deferred revenue balances is as follows:

	Beginning of Year	Contributions Received	Deferred Revenue Allocated	End of Year
Development charges	\$ 35,204	\$ 1,610,192	\$ 1,765,315	\$ (119,919)
Canadian Community Benefit Fund	1,825,802	1,192,410	2,154,364	863,848
Ontario Community Infrastructure Fund	1,135,369	1,493,927	1,899,760	729,536
Modernization grant	222,520	–	222,520	–
	\$ 3,218,895	\$ 4,296,529	\$ 6,041,959	\$ 1,473,465

9. Employee future benefits:

(a) Pension agreement:

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain employees. This plan is a defined benefit plan which specifies the amount of the retirement to be received by the employees based on the length of service and rates of pay. However, as OMERS does not segregate its pension assets and liabilities information by individual employer, there is not sufficient information to enable the Town to account for the plan as a defined benefit plan. At December 31, 2024, the OMERS plan is in a deficit position, funded at 97% (2023 - 97%). The amount contributed by the Town to OMERS for 2024 was \$833,932 (2023 - \$797,220).

(b) Employee future benefits liabilities:

Employee future benefit liabilities are future liabilities of the Town to its employees and retirees for benefits earned but not taken as at December 31, 2024 and consists of the following:

	2024	2023
Post-employment benefits	\$ 4,443,300	\$ 4,502,200
Accrued vacation	28,156	26,054
	\$ 4,471,456	\$ 4,528,254

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

9. Employee future benefits (continued):

(b) Employee future benefits liabilities (continued):

(i) Post-employment benefits:

The post-employment benefit liabilities is based on an actuarial valuation performed by the Town's actuaries. The actuarial valuation was performed as at December 31, 2024. The significant actuarial assumptions adopted in estimating the Municipality's liability are as follows:

Discount rate	3.43% (2023 - 4.14%)
Health Care Trend Rate	4.49% for 2024

Information about the Town's future liability with respect to these costs are as follows:

	2024	2023
Accrued benefit liability, beginning of year	\$ 4,502,200	\$ 4,509,100
Annual expense	56,100	138,800
Benefits paid	(115,000)	(145,700)
Accrued benefit liability, end of year	4,443,300	4,502,200
Unamortized net actuarial gains	(2,011,600)	(2,365,600)
Accrued benefit obligations at the end of the year	\$ 2,431,700	\$ 2,136,600

(ii) Accrued sick leave:

Under the sick leave benefit plan, approved for all union employees, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Town's employment. The amount of the payment is equal to the number of sick days to which the employee is entitled at one-half their rate of pay at the time of termination. Sick leave unused is normally paid out to union employees before the end of each fiscal year, resulting in no accrual at the year end. Non-union employees are not entitled to a payout or an accumulation of unused sick days.

(iii) Vacation:

Vacation entitlements can accumulate and employees would be entitled to a cash payment equal to the value of their unused entitlements if they were to terminate employment.

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

10. Contingent liabilities:

The Town has been named defendant in certain legal actions. The ultimate liability if any, which may arise, is indeterminable as the Town has established valid defence positions. In the opinion of administration and legal counsel, any payments, which may result from these actions, are subject to material coverage under the Town's insurance policies. Consequently, the consolidated financial statements contain no provision for any liability, which may occur as a result of these claims.

11. Contractual obligations and commitments:

(a) Ontario Clean Water Agency

In accordance with a service agreement entered into by the Town on February 13, 1958 with the Ontario Clean Water Agency (OCWA), the existing sewage and water systems are operated by OCWA. Under this agreement, the Town is obligated to meet all operating costs and repay the long-term liabilities related to this project.

Included in the consolidated statement of operations are the 2024 charges from OCWA of \$1,461,444 (2023 – \$1,470,199). The consolidated statement of financial position does not reflect any assets or liabilities pertaining to the sewage or water systems except to the extent of service charges due to (or from) OCWA and the total long-term liabilities outstanding. The accumulated net surplus of OCWA is not reflected in the accompanying consolidated financial statements.

(b) Service agreements

The Town has entered into various other service agreements. The largest of these relates to The Minister of Community Safety and Correctional Services (Police Services). The total expense included in the consolidated statement of operations for 2024 is \$3,095,093 (2023 - \$3,041,627).

(c) Operating leases

The Town has entered into various operating lease agreements for office equipment. Included in the consolidated statement of operations are the 2023 operating lease payments of \$74,139 (2023 - \$59,000). The consolidated statement of financial position does not reflect any assets or liabilities pertaining to the operating leases.

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

12. Budget information:

The Financial Plan (Budget) By-Law adopted by Council on February 4, 2024 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget is unaudited and was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets represent the Financial Plan adopted by Council on February 4, 2024 with adjustments as follows:

	Budget Amount
Revenue:	
Operating	\$ 52,635,121
Capital	16,894,260
Less:	
Transfer from reserves	(16,654,875)
Budgeted debt	(140,000)
Total revenue	52,734,506
Expenses:	
Operating	52,350,639
Capital	17,087,760
Less:	
Transfers to reserves	(15,283,931)
Debt principal payments	(2,877,648)
Capital expenditures	(17,087,760)
Add:	
Amortization of tangible capital assets	7,185,250
Total expenses	41,374,310
Budgeted surplus per financial statements	\$ 11,360,196

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

13. Tangible capital assets:

The Consolidated Schedule of Tangible Capital Assets (Schedule 1) provides information on tangible capital assets of the Town by major asset class as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(a) Contributed capital assets:

The Town records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. There were no such transfers in the current or prior year.

(b) Capitalization of interest:

The Town has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset.

14. Segmented information:

The Town is a diversified municipal government institution that provides a wide range of services to its citizens such as police, fire, water, wastewater and parks and recreation. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

General government consists of three categories: governance, corporate management and program support. It includes offices of the Council, Chief Administrative Officer, Corporate Services, and Clerk Services. General Government is responsible for the collection and administration of all formula-based funding. Therefore, all of this revenue type is classified in this segment regardless of where the expenditures are classified.

Protection to Persons and Property

Protection is comprised of Fire, Police, Conservation Authority and Protective Inspection and Control. The mandate of the Police Services department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. Conservation Authority includes the Town's share of the Essex Region Conservation Authority. The Fire Service department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. Protective Inspection and Control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants.

Transportation

The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, snow clearing and removal and street lighting.

THE CORPORATION OF THE TOWN OF ESSEX

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. Segmented information (continued):

Environmental

Environmental includes Water, Wastewater, Storm Sewer, as well as Garbage Collection and Disposal. The department provides drinking water to citizens of Essex, collecting and treating wastewater, and providing collection and disposal of waste. Recycling is provided at the County level.

Health

Health services are comprised of public health services which work to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities.

Recreational and Cultural

This department provides public services that respond to citizens' leisure and cultural requirements. Facilities include a wide variety of parks plus three arenas, a pool and various community facilities. Recreational and Cultural also includes services related to the harbour.

Planning and Development

This department provides a number of services including town planning, maintenance and enforcement of building and construction codes (although for segmented disclosure purposes, these expenses are included within Protection to Persons and Property), and review of all property development plans through its application process.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Municipal taxation revenue has been allocated based on the percentage of total budgeted expenditures. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Schedule of Segment Disclosure (Schedule 2).

THE CORPORATION OF THE TOWN OF ESSEX

Consolidated Schedule of Tangible Assets - Schedule 1

Year ended December 31, 2024

Cost	Balance at				Balance at
	December 31, 2023	Additions	Disposals	Transfers	
Land	\$ 23,370,562	\$ 34,268	\$ (23,979)	\$ -	\$ 23,380,851
Buildings	64,827,130	2,339,106	(1,724,403)	11,149	65,452,982
Vehicles	6,583,618	1,824,086	(229,105)	-	8,178,599
Machinery and equipment	20,190,116	1,967,113	(1,286,194)	35,710	20,906,745
Murals and land improvements	7,901,650	108,822	(11,764)	1,585	8,000,293
Roads	76,684,022	6,490,545	-	383,337	83,557,904
Underground and other networks	123,410,934	2,490,682	(1,350,821)	428,723	124,979,518
Assets under construction	16,161,198	3,692,321	(335,230)	(2,244,023)	17,274,266
	\$ 339,129,230	\$ 18,946,943	\$ (4,961,496)	\$ (1,383,519)	\$ 351,731,158

Accumulated Amortization	Balance at				Balance at
	December 31, 2023	Amortization	Disposals	Transfers	
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	24,551,012	1,237,826	(710,256)	-	25,078,582
Vehicles	3,198,669	407,234	(215,838)	-	3,390,065
Machinery and equipment	9,814,624	997,472	(417,434)	-	10,394,662
Murals and land improvements	1,962,199	195,366	(2,296)	-	2,155,269
Roads	41,767,282	2,578,935	-	-	44,346,217
Underground and other networks	50,539,510	1,681,562	(540,344)	-	51,680,728
Assets under construction	-	-	-	-	-
	\$ 131,833,296	\$ 7,098,395	\$ (1,886,168)	\$ -	\$ 137,045,523

	Net book value, December 31, 2023		Net book value, December 31, 2024	
Land	\$ 23,370,562		\$ 23,380,851	
Buildings	40,276,118		40,374,400	
Vehicles	3,384,949		4,788,534	
Machinery and equipment	10,375,492		10,512,083	
Murals and land improvements	5,939,451		5,845,024	
Roads	34,916,740		39,211,687	
Underground and other networks	72,871,424		73,298,790	
Assets under construction	16,161,198		17,274,266	
Total	\$ 207,295,934		\$ 214,685,635	

Disposals during the year include the change in accounting from a government unit to a government business unit

THE CORPORATION OF THE TOWN OF ESSEX

Consolidated Schedule of Tangible Assets - Schedule 1

Year ended December 31, 2024

Cost	Balance at				Balance at
	December 31, 2022	Additions	Disposals	Transfers	
Land	\$ 23,283,384	\$ 87,178	\$ -	\$ -	\$ 23,370,562
Buildings	58,868,186	2,040,032	-	3,918,912	64,827,130
Vehicles	6,209,303	457,009	(82,694)	-	6,583,618
Machinery and equipment	19,295,703	965,426	(122,935)	51,922	20,190,116
Murals and land improvements	6,781,817	69,619	-	1,050,214	7,901,650
Roads	73,694,565	2,989,457	-	-	76,684,022
Underground and other networks	122,127,980	1,283,432	(478)	-	123,410,934
Assets under construction	13,550,496	7,631,750	-	(5,021,048)	16,161,198
	\$ 323,811,434	\$ 15,523,903	\$ (206,107)	\$ -	\$ 339,129,230

Accumulated Amortization	Balance at				Balance at
	December 31, 2022	Amortization	Disposals	Transfers	
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	23,372,229	1,178,783	-	-	24,551,012
Vehicles	2,939,853	335,713	(76,897)	-	3,198,669
Machinery and equipment	8,892,198	981,778	(59,352)	-	9,814,624
Murals and land improvements	1,771,172	191,027	-	-	1,962,199
Roads	38,792,496	2,974,786	-	-	41,767,282
Underground and other networks	49,000,208	1,539,722	(420)	-	50,539,510
Assets under construction	-	-	-	-	-
	\$ 124,768,156	\$ 7,201,809	\$ (136,669)	\$ -	\$ 131,833,296

	Net book value, December 31, 2022		Net book value, December 31, 2023	
Land	\$ 23,283,384		\$ 23,370,562	
Buildings	35,495,957		40,276,118	
Vehicles	3,269,450		3,384,949	
Machinery and equipment	10,403,505		10,375,492	
Murals and land improvements	5,010,645		5,939,451	
Roads	34,902,069		34,916,740	
Underground and other networks	73,127,772		72,871,424	
Assets under construction	13,550,496		16,161,198	
Total	\$ 199,043,278		\$ 207,295,934	

THE CORPORATION OF THE TOWN OF ESSEX

Consolidated Schedule of Segment Disclosure - Schedule 2

Year ended December 31, 2024

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreational and Cultural Services	Planning and Development	2024 Total
Revenue:								
Taxation	\$ 3,472,751	\$ 4,000,014	\$ 5,048,765	\$ 4,505,219	\$ 180,299	\$ 4,788,847	\$ 814,346	\$ 22,810,240
User charges	64,061	894,402	58,424	29,724	120,129	3,077,920	64,123	4,308,783
Grants (note 13)	5,881,331	99,679	3,232,556	-	165,453	217,867	75,593	9,672,479
Interest	4,821,340	-	-	-	-	-	-	4,821,340
Landfill compensation	-	-	-	3,672,416	-	-	-	3,672,416
Share of income from E.L.K. Energy Inc. (note 2)	(828,904)	-	-	-	-	-	-	(828,904)
Share of income from Union Water Systems (note 3)	293,420	-	-	-	-	-	-	293,420
Commuted payments	-	-	-	142,710	-	-	-	142,711
Development contributions	-	-	-	-	-	-	802,040	802,040
Sewer and water charges	-	-	-	7,512,740	-	-	-	7,512,740
Other	1,308,105	-	-	-	-	-	1,030,019	2,338,124
Loss on disposal of capital assets	(307,450)	-	-	-	-	-	-	(307,450)
	14,704,654	4,994,095	8,339,745	15,862,809	465,881	8,084,634	2,786,121	55,237,939
Expenses:								
Salaries, wages and benefits	3,738,629	1,823,243	1,985,278	968,886	159,154	4,208,723	811,567	13,695,480
Materials and supplies	2,271,237	1,761,911	2,730,427	2,031,126	152,856	2,545,132	558,610	12,051,299
Interest	89,587	151,239	117,915	64,241	-	222,719	47,346	693,047
Contract service	13,118	3,125,653	1,013,535	3,739,888	5,550	404,457	-	8,302,201
Amortization of tangible capital assets	158,052	522,365	3,501,546	1,527,233	5,575	1,292,631	90,993	7,098,395
Other	164,361	27,588	6,627	16,767	10,958	200,040	462	426,803
	6,434,984	7,411,999	9,355,328	8,348,141	334,093	8,873,702	1,508,978	42,267,225
Annual surplus (deficit)	\$ 8,269,670	\$ (2,417,904)	\$ (1,015,583)	\$ 7,514,668	\$ 131,788	\$ (789,068)	\$ 1,277,143	\$ 12,970,714

THE CORPORATION OF THE TOWN OF ESSEX

Consolidated Schedule of Segment Disclosure - Schedule 2

Year ended December 31, 2024

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreational and Cultural Services	Planning and Development	2023 Total
Revenue:								
Taxation	\$ 2,551,855	\$ 3,267,337	\$ 4,201,197	\$ 5,099,725	\$ 146,824	\$ 4,179,375	\$ 1,509,876	\$ 20,956,188
User charges	162,009	541,912	75,133	29,115	111,290	2,771,164	30,601	3,721,224
Grants (note 14)	6,561,680	202,415	1,078,661	-	165,453	269,121	70,918	8,348,248
Interest	4,562,177	-	-	-	-	-	-	4,562,177
Landfill compensation	-	-	-	3,994,909	-	-	-	3,994,909
Share of income from E.L.K. Energy Inc. (note 2)	(1,052,034)	-	-	-	-	-	-	(1,052,034)
Commuted payments	-	-	-	229,655	-	-	-	229,655
Development contributions	-	-	-	-	-	-	1,262,280	1,262,280
Sewer and water charges	-	-	-	8,198,936	-	-	-	8,198,936
Other	2,109,945	-	-	-	-	-	1,030,726	3,140,671
Loss on disposal of capital assets	(4,056)	-	-	-	-	-	-	(4,056)
	14,891,576	4,011,664	5,354,991	17,552,340	423,567	7,219,660	3,904,401	53,358,198
Expenses:								
Salaries, wages and benefits	3,387,673	1,712,850	1,770,463	586,960	129,224	3,695,530	803,949	12,086,649
Materials and supplies	1,246,593	1,001,515	1,649,941	3,570,940	145,308	2,445,547	2,059,776	12,119,620
Interest	96,106	162,215	19,965	87,921	-	257,751	37,735	661,693
Contract service	8,764	3,131,772	1,095,327	4,412,916	124	401,400	-	9,050,303
Amortization of tangible capital assets	239,687	443,112	3,709,847	1,437,714	5,136	1,281,063	85,250	7,201,809
Other	74,528	18,730	73,943	2,358	10,958	194,981	3,245	378,743
	5,053,351	6,470,194	8,319,486	10,098,809	290,750	8,276,272	2,989,955	41,498,817
Annual surplus (deficit)	\$ 9,838,225	\$ (2,458,530)	\$ (2,964,495)	\$ 7,453,531	\$ 132,817	\$ (1,056,612)	\$ 914,446	\$ 11,859,381