Consolidated Financial Statements of

CORPORATION OF THE TOWN OF ESSEX

Year ended December 31, 2025

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

Date

KPMG LLP
618 Greenwood Centre
3200 Deziel Drive
Windsor, ON N8W 5K8
Canada
Telephone 519 251 3500
Fax 519 251 3530

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Essex

Opinion

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

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement 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 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, 2025, and its consolidated results of operations, its consolidated remeasurement gains and losses, its consolidated changes in net financial assets and its consolidated 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 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 the 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

July 20, 2026

CORPORATION OF THE TOWN OF ESSEX

Consolidated Financial Statements

Year ended December 31, 2025

CORPORATION OF THE TOWN OF ESSEX

Consolidated Statement of Financial Position

(In thousands of dollars)

December 31, 2025, with comparative information for 2024

Description	2025	2024
Financial assets:		
Cash and cash equivalents	$100,300,497	$80,558,319
Taxes receivable	1,830,194	1,569,224
Accounts receivable	10,970,951	5,100,948
Water and sewer receivables	1,139,045	1,005,097
Investment in E.L.K. Energy Inc. (note 2)	0	11,865,391
Investment in Union Water Supply System (note 3)	3,697,827	3,813,756
Long-term receivable	2,386,975	2,446,975
Total financial assets	120,325,489	106,359,710
Financial liabilities:		
Accounts payable and accrued liabilities	10,715,481	10,094,579
Other current liabilities	1,088,025	903,729
Accrued interest payable on long-term debt	294,043	261,201
Employee future benefits (note 9)	4,456,613	4,471,456
Deferred revenue (note 8)	1,689,178	1,473,465
Asset retirement obligations	239,744	228,183
Long-term debt (note 5)	18,573,380	19,208,804
Total financial liabilities	37,056,464	36,641,417
Net financial assets	83,269,025	69,718,293
Non-financial assets:		
Tangible capital assets (note 14 and schedule 1)	221,468,972	214,685,635
Prepaid expenses and inventories of supplies	1,122,140	496,194
Total non-financial assets	222,591,112	215,181,829
Contingent liabilities (note 10)		
Commitments (note 11)		
Accumulated surplus (note 7)	$305,860,137	$284,900,122

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

CORPORATION OF THE TOWN OF ESSEX

On behalf of Council:

Signature of ______________ Mayor

Signature of ______________ Chief Administrative Officer

CORPORATION OF THE TOWN OF ESSEX

Consolidated Statement of Operations and Accumulated Surplus

(In thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

Description	Budget 2025 (note 12)	Actual 2025	Actual 2024
Revenue:			
Taxation	$24,285,361	$24,201,939	$22,810,240
User fees	4,441,456	4,033,575	4,308,783
Grants	9,577,902	7,698,578	9,672,479
Interest and penalties	470,672	3,530,337	4,821,340
Landfill compensation	3,472,680	2,738,240	3,672,416
Share of loss from E.L.K. Energy Inc. (note 2)	0	(36,394)	(828,904)
Share of income (loss) from Union Water Systems (note 3)	0	(115,929)	281,272
Commuted payments	0	175,031	142,711
Development contributions	1,617,207	882,982	802,040
Sewer and water charges	8,064,420	7,887,492	7,512,740
Other	1,610,931	2,329,074	1,308,105
Loss on disposal of tangible capital assets	0	(73,114)	(307,450)
Gain on sale of E.L.K. Energy Inc. (note 2)	0	11,045,225	0
Recovered drain billings	0	521,410	1,030,019
Total revenue	53,540,629	64,818,446	55,225,791
Expenses (schedule 2)			
General government	6,282,250	6,111,996	6,126,228
Protection services	7,164,392	7,021,099	7,416,036
Transportation services	9,427,565	9,356,079	9,459,094
Environmental services	9,624,622	8,924,740	8,564,506
Health services	342,927	364,738	334,092
Recreation and cultural services	9,413,019	9,425,106	8,858,292
Planning and development	1,925,884	2,654,673	1,508,977

CORPORATION OF THE TOWN OF ESSEX

Description	Budget 2025 (note 12)	Actual 2025	Actual 2024
Total expenses	44,180,659	43,858,431	42,267,225
Annual surplus	9,359,970	20,960,015	12,958,566
Accumulated surplus, beginning of year	284,900,122	284,900,122	271,941,556
Accumulated surplus, end of year	$294,260,092	$305,860,137	$284,900,122

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

CORPORATION OF THE TOWN OF ESSEX

Consolidated Statement of Changes in Net Financial Assets

(In thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

Description	Budget 2025 (note 12)	Actual 2025	Actual 2024
Annual surplus	$9,359,970	$20,960,015	$12,958,566
Acquisition of tangible capital assets	0	(25,972,248)	(16,115,126)
Change in tangible capital assets work-in-progress	0	11,656,227	(1,448,298)
Reduction of UWSS tangible capital assets	0	0	2,722,785
Amortization of tangible capital assets	0	7,450,823	7,098,395
Loss on disposal of tangible capital assets	0	73,114	307,450
Proceeds on sale of tangible capital assets	0	8,747	45,093
Subtotal	9,359,970	14,176,678	5,568,865
Use of inventory and prepaid expenses	0	(625,946)	16,009
Change in net financial assets	9,359,970	13,550,732	5,584,874
Net financial assets, beginning of year	69,718,293	69,718,293	64,133,419
Net financial assets, end of year	$79,078,263	$83,269,025	$69,718,293

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

CORPORATION OF THE TOWN OF ESSEX

Consolidated Statement of Cash Flows

(In thousands of dollars)

Year ended December 31, 2025, with comparative information for 2024

Description	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	$20,960,015	$12,958,566
Items not involving cash:		
Amortization of tangible capital assets	7,450,823	7,098,395
Loss on disposal of tangible capital assets	73,114	307,450
Increase (decrease) in asset retirement obligations	11,561	(47,666)
Increase in taxes receivable	(260,970)	(547,537)
Increase in water and sewer receivables	(133,948)	(1,005,097)
(Increase) decrease in accounts receivable	(5,870,003)	2415,016
Increase (decrease) in deferred revenue	215,713	(1,745,430)
Increase (decrease) in accounts payable and accrued liabilities	620,902	(267,972)
Increase (decrease) in other current liabilities	184,296	(328,418)
Increase (decrease) in accrued interest payable on long-term debt	32,842	(36,024)
Decrease in employee future benefits	(14,843)	(56,798)
(Increase) decrease in prepaid expenses and inventories of supplies	(625,946)	16,009
Net change in cash from operating activities	22,643,556	18,760,494
Capital activities:		
Acquisition of tangible capital assets	(25,972,248)	(16,115,126)
Change in tangible capital assets work-in-progress	11,656,227	(1,448,298)
Reduction in UWSS tangible capital assets	0	2,722,785
Proceeds on disposition of tangible capital assets	8,747	45,093
Net change in cash from capital activities	(14,307,274)	(14,795,546)
Investing activities:		
Decrease in investment in E.L.K. Energy Inc.	11,865,391	919,886
Decrease in long-term receivable	60,000	105,000

CORPORATION OF THE TOWN OF ESSEX

Description	2025	2024
Decrease (increase) in investment in UWSS	115,929	(3,813,756)
Net change in cash from investing activities	12,041,320	(2,788,870)
Financing activities:		
Net long-term debt issued	1,892,070	4,243,823
Long-term debt repaid	(2,527,494)	(2,985,962)
Net change in cash from financing activities	(635,424)	1,257,861
Net change in cash	19,742,178	2,433,939
Cash, beginning of year	80,558,319	78,124,380
Cash, end of year	$100,300,497	$80,558,319

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

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.

(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.

(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.

(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 years
Buildings	25 to 80 years
Roads and sidewalks	15 to 80 years
Machinery and equipment	1 to 50 years
Water infrastructure	50 to 80 years
Sewer infrastructure	60 to 100 years
Vehicles	3 to 25 years
Stormwater infrastructure	55 to 90 years
Murals	10 years

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.

(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) Future accounting pronouncements:

These standards and amendments were not effective for the year ended December 31, 2025 and have therefore not been applied to these Consolidated Financial Statements. Management is currently assessing the impact of the following accounting standards updates on the future Consolidated Financial Statements.

(i) The Conceptual Framework for Financial Reporting in the Public Sector will replace current guidance in Section PS 1000 - Financial Statement Concepts and Section PS 1100 - Financial Statement Objectives. The new Conceptual Framework prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which PSAS are developed and professional judgment is applied. This new Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026 (the first effective year for the Town being the year ending December 31, 2027).

(ii) PS 1202 - Financial Statement Presentation was approved in March 2023. This standard supersedes PS 1201 - Financial Statement Presentation and covers a new conceptual framework and reporting model. Prior period amounts will need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026 (the first effective year for the Town being the year ending December 31, 2027).

(iii) Amendments to Section PS 3150 - Tangible Capital Assets are being implemented as part of PSAB's Government Not-for-Profit Strategy. The changes include amending the definition of "tangible capital asset"; adding guidance to identify a collection; adding disclosure requirements to highlight the importance of works of art, historical treasures and collections; and adding guidance to clarify the accounting treatment purchase costs substantially below fair value, donated materials and labour costs. Sections PS 4230 -Capital Assets Held by Not-for-Profit Organizations, and PS 4240 Collections Held by Not-for-Profit Organizations will be withdrawn as a result of the amendments to Section PS 3150 - Tangible Capital Assets. These amendments are effective for fiscal years beginning on or after April 1, 2030 (the first effective year for the Town being the year ending December 31, 2031).

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

The Town previously held a 100% interest in E.L.K. Energy Inc. ("ELK"), a municipally owned electricity distribution company incorporated in Ontario. The investment was accounted for using the modified equity method, whereby the carrying value represented the Town's proportionate share of ELK's net assets, including any purchase premium, and its share of earnings or losses. On November 28, 2025, the Town disposed of its 100% investment in E.L.K. Energy Inc. for proceeds of $22,791,716, resulting in a gain of $11,045,225 recognized in the statement of operations. The carrying value of the investment at the date of disposal was $11,746,490. Accordingly, no investment balance remains at December 31, 2025 (2024 - $11,865,391).

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

In 2024, 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 PS 2510 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 4.37% (2024 - 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:

Description	2025	2024
Financial Position		
Current assets	$31,704,013	$23,802,335
Property, plant and equipment	89,777,027	59,183,874
Total assets	$121,481,040	$82,986,209
Current liabilities	$7,227,209	$3,955,943
Long-term liabilities	29,635,478	1,515,015
Total liabilities	36,862,687	5,470,958
Shareholders' equity	84,618,353	77,515,251
Total liabilities and shareholder's equity	$121,481,040	$82,986,209

Description	2025	2024
Financial Activities		
Total revenue	$16,953,707	$15,185,316
Total expenditures	10,745,290	10,751,542
Other income	894,685	1,283,031
Net income	7,103,102	5,716,805
Contributed capital	77,515,251	71,798,346
Retained earnings, end of year	$84,618,353	$77,515,151
Corporation of the Town of Essex share of equity in Union Water Supply System Inc.	$3,697,827	$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, 2025, $6,000,000 (2024 - $6,000,000) in unused credit was available.

5. Long-term debt:

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

Description	2025	2024
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	$684,533	$1,012,981
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	272,384	537,665
Harrow Sewage Lagoon Debenture, OIPC - repayable in semi-annual instalments of $131,564, including interest at 2.67%, due February 3, 2025	0	129,831
Total user fee supported	956,917	1,680,477
Property Tax Supported		
Essex Twin Pad Arena Debenture - repayable in semi-annual instalments of $386,712 including interest at 4.65%, due March 2030	3,108,032	3,715,659
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	340,374	418,670
Fire Station 1 Engine 1 Debenture - repayable in annual Instalments of $105,308 including interest at 3.62%, due August 2034	1,605,469	1,753,923
Essex Streetscape – repayable in semi-annual instalments of $255,461 including interest at 4.16%, due December 2024.	5,658,978	0

Description	2025	2024
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	559,292	827,648
Fire Station 2 Debenture - repayable in semi-annual instalments of $104,691including interest at 2.9%, due December 2041	2,665,212	2,794,486
Harrow Streetscape debenture - repayable in semi-annual instalments of $76,393 excluding interest at 4.25%, due December 2037	1,833,200	1,985,967
Storm Improvements in Ward 1 - repayable in semi-annual instalments including interest of 4.71% due in December 2033	1,845,907	2,031,974
Total property tax supported	17,616,464	13,528,327
Benefitting Property Owners		
Drain debenture - repayable in annual instalments including interest at 6.72% and 6.82%, due in various amounts in 2028 and 2033	199,387	222,335
Drain debentures - repayable in annual instalments including interest at 3.95%, due in various amounts in July 2028	24,627	32,210
Tile loans - repayable in annual instalments including interest at 6%, due in various amount in 2030	38,231	44,630
Shoreline loans - repayable in semi-annual instalments including interest ranging from 1.39% to 3.77% due in various amounts in 2030 and 2032	259,389	299,029
Drainage debenture - repayable in semi-annual instalments including interest of 3.02% due July 2025 and 3.4% due in July 2030	18,326	53,172
Drainage debenture - repayable in annual instalments including interest of 3.43% due in July 2031	37,272	42,773
Drainage debentures - repayable in annual instalments including interest at 4.31% and 4.71%, due in various amounts in July 2026 and 2031	131,876	167,734
Drainage debentures – repayable in annual instalments, including interest at 4.31%, due in various amounts in July 2032	44,243	51,011

Description	2025	2024
Drainage debentures – repayable in annual instalments, including interest at 5.42% and 5.97%, due in various amounts in July 2029 and 2024	167,102	0
Drainage debenture – repayable in annual instalments including interest of 5.43%, due in July 2029	6,435	0
Total benefitting property owners	926,888	912,894
Subtotal long-term debt	19,500,269	16,121,698
Construction financing loan advance, Ontario Infrastructure and Lands Corporation, to be finalized upon completion of the Essex Streetscape Project	0	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	(297,621)	(343,659)
Internally financed debt	(629,268)	(569,235)
Total	$18,573,380	$19,208,804

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

Year	Amount
2026	$2,671,714
2027	2,464,661
2028	1,904,433
2029	1,962,316
2030	1,547,069
Thereafter	8,950,076
Total	$19,500,269

Interest payments included in operating fund expenditures during the year were $732,952 (2024 - $680,333) 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, 2025. 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:

Description	2025	2024
School Boards	$4,691,685	$4,685,912
County of Essex	12,440,283	11,896,292
Total	$17,131,968	$16,582,204

7. Accumulated surplus:

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

Description	2025	2024
Invested in tangible capital assets	$221,468,972	$214,685,635
To be used to offset taxation	3,314,546	2,184,093
To be financed by user charges and municipal debt	(4,277,639)	(1,256,561)
Equity in E.L.K. Energy Inc.	0	11,865,391
Equity in UWSS	3,697,827	3,813,756
Amounts to be recovered:		
Employee benefits payable	(4,418,200)	(4,443,300)
Accrued interest on net long-term liabilities	(294,043)	(261,201)
Municipal debt	(18,573,380)	(19,208,804)
Reserves and reserve funds (note 7(b))	104,942,054	77,521,113
Total accumulated surplus	$305,860,137	$284,900,122

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

Description	2025	2024
Reserve funds set aside for specific purpose by Council:		
Capital purposes	$49,700,484	$48,809,149
E.L.K. Energy	22,125,888	0
Landfill	12,275,162	11,538,233
Contingencies	16,933,773	14,137,097
Other	3,645,344	2,758,343
Sick leave benefits	261,403	278,291
Total	$104,942,054	$77,521,113

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:

Description	Balance, Beginning of year	Contributions received	Deferred revenue allocated	Balance, End of year
Development charges	$(119,919)	$1,074,667	$957,933	$(3,185)
Canadian Community Benefit Fund	863,848	1,151,048	1,277,146	737,750
Ontario Community Infrastructure Fund	729,536	1,217,959	992,882	954,613
Total	$1,473,465	$3,443,674	$3,227,961	$1,689,178

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, 2025, the OMERS plan is in a deficit position, funded at 97% (2024 - 97%). The amount contributed by the Town to OMERS for 2025 was $860,975 (2024 - $833,932).

(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, 2025 and consists of the following:

Description	2025	2024
Post-employment benefits	$4,418,200	$4,443,300
Accrued vacation	38,413	28,156
Total	$4,456,613	$4,471,456

(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, 2025. The significant actuarial assumptions adopted in estimating the Municipality's liability are as follows:

Discount rate	3.2% (2024 – 3.43%)
Health Care Trend Rate	4.49% for 2025

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

Description	2025	2024
Accrued benefit liability, beginning of year	$4,443,300	$4,502,200
Annual expense	99,100	56,100
Benefits paid	(124,200)	(115,000)
Accrued benefit liability, end of year	4,418,200	4,443,300
Unamortized net actuarial gains	(1,804,600)	(2,011,600)
Total	$2,613,600	$2,431,700

(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.

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 2025 charges from OCWA of $1,530,661 (2024 - $1,461,444). 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 2025 is $3,175,665 (2024 - $3,095,093).

(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 $78,675 (2024 - $74,139). The consolidated statement of financial position does not reflect any assets or liabilities pertaining to the operating leases.

12. Budget information:

The Financial Plan (Budget) By-Law adopted by Council on February 18,2025 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 18, 2025 with adjustments as follows:

Budget Amount	Amount
Revenue:	
Operating	$56,134,784
Capital	14,175,689
Less:	
Transfer from reserves	(14,099,356)
Budgeted debt	(2,670,488)
Total revenue	53,540,629
Expenses:	
Operating	55,992,282
Capital	14,318,189
Less:	
Transfers to reserves	(16,496,720)
Debt principal payments	(2,761,468)
Capital expenditures	(14,318,189)
Add:	
Amortization of tangible capital assets	7,446,565
Total expenses	44,180,659
Budgeted surplus per financial statements	$9,359,970

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.

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).

CORPORATION OF THE TOWN OF ESSEX

Schedule 1 - Tangible Capital Assets

Year ended December 31, 2025

Cost	Balance, December 31, 2024	Additions	Disposals	Transfers	Balance, December 31, 2025
Land	$23,380,851	$0	$0	$0	$23,380,851
Buildings	65,452,982	992,848	0	0	66,445,830
Vehicles	8,178,599	675,166	(123,754)	227,530	8,957,541
Machinery and equipment	20,906,745	1,807,929	(131,441)	0	22,583,233
Murals and land improvements	8,000,293	114,243	0	680,155	8,794,691
Roads	83,557,904	14,888,150	0	0	98,446,054
Underground and other networks	124,979,518	6,586,227	0	0	131,565,745
Assets under construction	17,274,266	4,625,973	(55,477)	(16,282,200)	5,562,562
Total cost	$351,731,158	$29,690,536	$(310,672)	$(15,374,515)	$365,736,507

Accumulated Amortization	Balance, December 31, 2024	Amortization	Disposals	Transfers	Balance, December 31, 2025
Land	$0	$0	$0	$0	$0
Buildings	25,078,582	1,266,908	0	0	26,345,490
Vehicles	3,390,065	475,329	(123,754)	0	3,741,640
Machinery and equipment	10,394,662	1,025,073	(105,057)	0	11,314,678
Murals and land improvements	2,155,269	205,203	0	0	2,360,472
Roads	44,346,217	2,699,186	0	0	47,045,403
Underground and other networks	51,680,728	1,779,124	0	0	53,459,852
Assets under construction	0	0	0	0	0
Total accumulated amortization	$137,045,523	$7,450,823	$(228,811)	$0	$144,267,535

CORPORATION OF THE TOWN OF ESSEX

Net Book Value	Net book value December 31, 2024	Net book value December 31, 2025
Land	$23,380,851	$23,380,851
Buildings	40,374,400	40,100,340
Vehicles	4,788,534	5,215,901
Machinery and equipment	10,512,083	11,268,555
Murals and land improvements	5,845,024	6,434,219
Roads	39,211,687	51,400,651
Underground and other networks	73,298,790	78,105,893
Assets under construction	17,274,266	5,562,562
Total accumulated amortization	$214,685,635	$221,468,972

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

Cost	Balance, December 31, 2023	Additions	Disposals	Transfers	Balance, December 31, 2024
Land	$23,370,562	$34,268	$(23,979)	$0	$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)	0	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	0	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
Total cost	$339,129,230	$18,946,943	$(4,961,496)	(1,383,519)	$351,731,158

Accumulated Amortization	Balance, December 31, 2023	Amortization	Disposals	Transfers	Balance, December 31, 2024
Land	$0	$0	$0	$0	$0
Buildings	24,551,012	1,237,826	(710,256)	0	$25,078,582
Vehicles	3,198,669	407,234	(215,838)	0	3,390,065
Machinery and equipment	9,814,624	997,472	(417,434)	0	10,394,662
Murals and land improvements	1,962,199	195,366	(2,296)	0	2,155,269
Roads	41,767,282	2,578,935	0	0	44,346,217
Underground and other networks	50,539,510	1,681,562	(540,344)	0	51,680,728
Assets under construction	0	0	0	0	0
Total accumulated amortization	$131,833,296	$7,098,395	$(1,886,168)	$0	$137,045,523

CORPORATION OF THE TOWN OF ESSEX

Net Book Value	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 accumulated amortization	$207,295,934	$214,685,635

CORPORATION OF THE TOWN OF ESSEX

Schedule 2 - Segmented Reporting

2025 Description	General Government	Protection Services	Transportation Services	Environmental Services
Revenue:				
Taxation	$3,372,719	$3,874,380	$5,162,867	$4,924,846
User charges	69,786	629,701	25,303	21,770
Grants (note 13)	6,732,824	418,681	29,533	0
Interest	3,372,283	0	0	158,054
Landfill compensation	0	0	0	2,738,240
Share of loss from E.L.K. Energy Inc. (note 2)	(36,394)	0	0	0
Share of income from Union Water Systems (note 3)	(115,929)	0	0	0
Commuted payments	0	0	0	0
Development contributions	0	0	0	0
Sewer and water charges	0	0	0	7,887,492
Other	1,486,786	54,160	45,915	71,588
Gain on sale of E.L.K. Energy Inc. (note 2)	11,045,225	0	0	0
Loss on disposal of tangible capital assets	(73,114)	0	0	0
Total revenue	25,854,186	4,976,922	5,263,618	15,801,990
Expenses:				
Salaries, wages and benefits	3,893,177	2,064,852	2,144,917	999,548
Materials and supplies	1,764,791	1,071,095	2,507,494	2,188,719
Interest	215,984	142,270	8,713	136,628
Contract service	4,452	3,190,381	938,329	3,985,689
Amortization of tangible capital assets	163,303	522,731	3,748,943	1,609,263
Other	70,289	29,770	7,683	4,893
Total expenses	6,111,996	7,021,099	9,356,079	8,924,740
Annual surplus (deficit)	$19,742,190	$(2,044,177)	$(4,092,461)	$6,877,250

CORPORATION OF THE TOWN OF ESSEX

2025 Description	Health Services	Recreation and Cultural Services	Planning and Development	2025 Total
Revenue:				
Taxation	$201,270	$5,200,958	$1,464,900	$24,201,939
User charges	91,922	3,175,123	19,970	4,033,575
Grants (note 13)	168,900	186,776	161,864	7,698,578
Interest	0	0	0	3,530,337
Landfill compensation	0	0	0	2,738,240
Share of loss from E.L.K. Energy Inc. (note 2)	0	0	0	(36,394)
Share of income from UWSS (note 3)	0	0	0	(115,929)
Commuted payments	0	0	175,031	175,031
Development contributions	0	0	882,982	882,982
Sewer and water charges	0	0	0	7,887,492
Other	992	539,795	651,248	2,850,484
Gain on sale of E.L.K. Energy Inc. (note 2)	0	0	0	11,045,225
Loss on disposal of tangible capital assets	0	0	0	(73,114)
Total revenue	463,084	9,102,652	3,355,995	64,818,446
Expenses:				
Salaries, wages and benefits	160,807	4,466,841	1,241,082	$14,971,224
Materials and supplies	186,985	2,838,976	1,267,342	11,825,402
Interest	0	188,286	52,336	744,217
Contract service	51	410,160	1,018	8,530,080
Amortization of tangible capital assets	6,895	1,306,893	92,795	7,450,823
Other	10,000	213,950	100	336,685
Total expenses	364,738	9,425,106	2,654,673	43,858,431
Annual surplus (deficit)	98,346	$(322,454)	$701,322	$20,960,015

CORPORATION OF THE TOWN OF ESSEX

2024 Description	General Government	Protection Services	Transportation Services	Environmental Services
Revenue:				
Taxation	$3,472,750	$4,000,014	$5,048,765	$4,505,219
User charges	64,061	894,402	58,424	29,724
Grants (note 13)	5,881,331	99,679	3,232,556	0
Interest	4,821,340	0	0	0
Landfill compensation	0	0	0	3,672,416
Share of loss from E.L.K. Energy Inc. (note 2)	(828,904)	0	0	0
Share of income from UWSS (note 3)	281,272	0	0	0
Commuted payments	0	0	0	142,710
Development contributions	0	0	0	0
Sewer and water charges	0	0	0	7,512,740
Other	1,308,105	0	0	0
Loss on disposal of tangible capital assets	(307,450)	0	0	0
Total revenue	14,692,505	4,994,095	8,339,745	15,862,809
Expenses:				
Salaries, wages and benefits	3,738,629	1,823,243	1,985,278	968,886
Materials and supplies	1,962,481	1,765,948	2,834,193	2,247,491
Interest	89,587	151,239	117,915	64,241
Contract service	13,118	3,125,653	1,013,535	3,739,888
Amortization of tangible capital assets	158,052	522,365	3,501,546	1,527,233
Other	164,361	27,588	6,627	16,767
Total expenses	6,126,228	7,416,036	9,459,094	8,564,506
Annual surplus (deficit)	$8,566,277	$(2,421,941)	$(1,119,349)	$7,298,303

CORPORATION OF THE TOWN OF ESSEX

2024 Description	Health Services	Recreation and Cultural Services	Planning and Development	2024 Total
Revenue:				
Taxation	$180,299	$4,788,847	$814,346	$22,810,240
User charges	120,129	3,077,920	64,123	4,308,783
Grants	165,453	217,867	75,593	9,672,479
Interest	0	0	0	4,821,340
Landfill compensation	0	0	0	3,672,416
Share of loss from E.L.K. Energy Inc. (note 2)	0	0	0	(828,904)
Share of income from UWSS (note 3)	0	0	0	281,272
Commuted payments	0	0	0	142,711
Development contributions	0	0	802,040	802,040
Sewer and water charges	0	0	0	7,512,740
Other	0	0	1,030,019	2,338,124
Loss on disposal of tangible capital assets	0	0	0	(307,450)
Total revenue	465,881	8,084,634	2,786,121	55,225,791
Expenses:				
Salaries, wages and benefits	159,154	4,208,723	811,567	13,695,480
Materials and supplies	152,856	2,529,722	558,610	12,051,301
Interest	0	222,719	47,346	693,047
Contract service	5,550	404,457	0	8,302,201
Amortization of tangible capital assets	5,575	1,292,631	90,993	7,098,395
Other	10,957	200,040	461	426,801
Total expenses	334,092	8,858,292	1,508,977	42,267,225
Annual surplus (deficit)	$131,789	$(773,658)	$1,277,144	$12,958,566