

The Corporation of the Municipality of Leamington

**Financial Statements
December 31, 2025**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of financial operations for the year then ended
- the consolidated statement of changes in net financial surplus for the year then ended
- the consolidated statement of cash flow for the year then ended
- and notes to the consolidated financial statements including summary of accounting policies.

Hereinafter referred to as the "consolidated financial statements".

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of The Corporation of the Municipality of Leamington as at December 31, 2025, and its consolidated results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of The Corporation of the Municipality of Leamington in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing The Corporation of the Municipality of Leamington's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate The Corporation of the Municipality of Leamington or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Corporation of the Municipality of Leamington's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Corporation of the Municipality of Leamington's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Corporation of the Municipality of Leamington to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

**HICKS MacPHERSON, IATONNA
& DRIEDGER LLP**

*Hicks, Macpherson,
Iatonna & Driedger LLP*

Chartered Professional Accountants
Licensed Public Accountants

Leamington, Ontario
October 20, 2026

MANAGEMENT'S REPORT

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

Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

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

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

On behalf of The Corporation of the Municipality of Leamington:

Name
Title

Name
Title

The Corporation of the Municipality of Leamington

Consolidated Statement of Financial Position as at December 31

	2025	2024
Assets		
Financial Assets		
Cash (note 2)	\$ 156,151,982	\$ 147,844,637
Taxes receivable	3,895,237	6,874,783
Accounts receivable	18,555,187	13,668,179
Drainage accounts receivable	1,354,472	584,441
Investment in Essex Power Corporation (note 3)	13,619,139	13,426,889
Investment in UWSS Inc. (note 5)	44,847,727	41,083,083
Other current assets	7,336	13,836
	238,431,080	223,495,848
Physical Assets		
Inventories for resale	2,090,688	1,759,610
	240,521,768	225,255,458
Liabilities		
Accounts payable and accrued liabilities	14,478,436	11,126,842
Deferred revenue (note 6)	28,062,231	24,024,316
Security deposits and unearned revenue	17,170,004	18,852,543
Long-term debt (note 10)	4,482,531	6,422,859
Post-employment benefits (note 12)	22,518,500	22,384,700
Sick leave liability (note 8)	590,200	536,000
Asset retirement obligation (note 22)	1,766,718	1,963,449
	89,068,620	85,310,709
Net Financial Surplus	151,453,148	139,944,749
Non-Financial Assets		
Inventory	558,496	522,897
Prepaid expenses	394,453	836,824
Tangible capital assets (note 1) and (Schedule 1)	334,745,851	304,586,081
Net Non-Financial Assets	335,698,800	305,945,802
Accumulated Surplus (note 19)	\$ 487,151,948	\$ 445,890,551

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington

Consolidated Statement of Financial Operations for the years ended December 31

	2025 Budget (note 14)	2025 Actual	2024 Actual
Revenues			
Taxation (note 20)	\$ 67,805,895	\$ 68,881,694	\$ 66,584,748
User fees	31,233,506	27,735,284	23,688,792
Grants	12,129,210	15,033,129	5,995,412
Investment income (note 17)	1,486,011	4,739,479	6,630,725
Licences and permits	1,305,820	1,901,860	1,256,992
Penalties and interest	640,500	946,632	1,194,755
Gain on sale of physical assets	-	24,061	23,366
Essex Power Corporation	-	192,250	(7,560)
Dividend income	466,816	474,110	466,816
Contributed tangible capital assets (note 16)	-	3,026,125	-
Rents and concessions	161,263	201,480	215,079
Deferred revenue (note 6)	7,554,495	2,996,957	2,394,349
Union Water Supply System	-	3,764,644	3,029,907
Other income (note 18)	364,000	572,393	572,330
	123,147,516	130,490,098	112,045,711
Deduct: County of Essex purposes	(17,482,821)	(17,482,821)	(16,949,085)
School purposes	(7,438,952)	(7,438,952)	(7,406,094)
	98,225,743	105,568,325	87,690,532
Expenses			
General government	12,405,860	12,646,659	10,901,395
Protective services	11,510,215	11,579,299	11,288,707
Transportation services	8,486,240	9,102,624	9,555,517
Environmental services	16,282,558	16,802,307	15,867,946
Health services	142,199	122,450	137,854
Recreation and cultural services	8,429,544	9,077,833	8,422,221
Planning and development	1,835,353	1,978,514	1,887,131
Municipal drainage act	6,044,505	2,997,242	3,118,636
	65,136,474	64,306,928	61,179,407
Annual Surplus	33,089,269	41,261,397	26,511,125
Accumulated Surplus, Beginning of Year	445,890,551	445,890,551	419,379,426
Accumulated Surplus, End of Year	\$ 478,979,820	\$ 487,151,948	\$ 445,890,551

See accompanying notes to financial statements and schedules

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

	2025 Budget (note 14)	2025 Actual	2024 Actual
Annual Surplus	\$ 33,089,269	\$ 41,261,397	\$ 26,511,125
Acquisition of tangible capital assets	(43,031,819)	(39,799,186)	(24,161,465)
Amortization of tangible capital assets	11,362,421	11,908,462	11,556,987
Use of tangible capital assets and WIP	-	563,198	505,815
Contributed tangible capital assets	-	(3,026,125)	-
Proceeds on disposal of tangible capital assets	-	193,881	-
(Acquisition) use of prepaid expenses	-	442,371	(717,761)
Acquisition of inventories	-	(35,599)	(19,291)
Write down of tangible capital assets and ARO related to UWSS Inc. Investment	-	-	29,360,365
Increase in Net Financial Surplus	1,419,871	11,508,399	43,035,775
Net Financial Surplus, Beginning of Year	139,944,749	139,944,749	96,908,974
Net Financial Surplus, End of Year	\$ 141,364,620	\$ 151,453,148	\$ 139,944,749

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington

Consolidated Statement of Cash Flow for the years ended December 31

	2025	2024
Annual Surplus	\$ 41,261,397	\$ 26,511,125
Operations Transactions		
Items not involving cash:		
Post employee benefits	133,800	118,500
Sick leave liability	54,200	53,300
Amortization of tangible capital assets	11,908,462	11,556,987
Accretion and settlement of asset retirement obligation	(196,731)	(192,853)
Use of tangible capital assets and WIP	563,198	505,815
Donations of tangible capital assets	(3,026,125)	-
Gain on sale of physical assets	(24,061)	(23,366)
Investment in Essex Power Corporation	(192,250)	7,560
Investment in UWSS Inc.	(3,764,644)	(3,029,911)
Taxes receivable	2,979,545	473,526
Accounts receivable	(4,887,007)	(2,661,559)
Drainage accounts receivable	(770,031)	196,194
Other current assets	6,500	6,500
Proceeds on sale of physical assets	24,061	23,366
Inventories	(331,078)	3,590
Prepaid expenses	442,371	(717,761)
Inventory non-resalable	(35,599)	(19,291)
Accounts payable and accrued liabilities	3,351,594	2,830,290
Deferred revenue	4,037,915	6,345,834
Security deposits and unearned revenue	(1,682,539)	3,103,584
Cash provided by operating transactions	8,591,581	18,580,305
Capital Transactions		
Proceeds on sale of tangible capital assets	193,881	-
Acquisition of tangible capital assets	(39,799,186)	(24,161,466)
Cash used by capital transactions	(39,605,305)	(24,161,466)
Financing Transactions		
Debt repayment (principal only) (note 9)	(1,940,328)	(2,340,982)
Cash used by financing transactions	(1,940,328)	(2,340,982)
Increase in Cash	8,307,345	18,588,982
Cash, Beginning of Year	147,844,637	129,255,655
Cash, End of Year	\$156,151,982	\$147,844,637

See accompanying notes to financial statements and schedules

The Corporation of the Municipality of Leamington

Notes to the Consolidated Financial Statements for the year ended December 31, 2025

1. Summary of Significant Accounting Policies

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

(a) Basis of Consolidation

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

Uptown Business Improvement Area
Joint Animal Control Facility

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

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

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

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

(b) Basis of Accounting

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

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

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

b) Basis of Accounting (Cont'd)

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

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

c) Tangible Capital Assets

i) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess revenues over expenses, provides the change in net financial assets for the year.

ii) Tangible capital assets

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

Land	Infinite
Land Improvements	5 years to infinite
Buildings	10 to 50 years
Machinery and Equipment	3 to 50 years
Vehicles	7 to 25 years
Linear Assets	10 to 100 years

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

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

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

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

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

iii) *Contributions of Tangible Capital Assets*

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

iv) *Leases of Tangible Capital Assets*

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

v) *Works of Art and Historical Treasures*

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

vi) *Inventories*

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

d) *Taxes Receivable and Related Revenues*

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

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

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

e) Future Accounting Changes

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

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

f) Financial Instruments

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

g) Use of Estimates

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

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

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

h) Asset Retirement Obligations

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

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

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

2. Cash

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

	2025	2024
Cash		
Operating Funds	\$ 113,036,370	\$ 116,011,536
Reserve Funds	4,222,115	3,930,259
Deferred Revenue	38,893,497	27,902,842
	\$ 156,151,982	\$ 147,844,637

3. Investment in Essex Power Corporation

	2025	2024
Shareholder loan receivable	\$ 2,150,296	\$ 2,150,296
Common shares - Class A voting	2,678,179	2,678,179
Common shares - Class B non-voting	2,215,644	2,215,644
Equity in accumulated earnings	6,575,020	6,382,770
	\$ 13,619,139	\$ 13,426,889

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

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

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

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

	2025	2024
Financial Position		
Current assets	\$ 26,334	\$ 22,821
Property, plant and equipment	94,899	90,126
Other assets	13,162	11,879
Regulatory balances	9,452	8,200
Total Assets and Regulatory Balances	143,847	133,026
Current liabilities	30,766	25,083
Non-current liabilities	62,090	58,822
Regulatory balances	6,084	4,952
Total Liabilities and Regulatory Balances	98,940	88,857
Net Assets and Regulatory Balances	\$ 44,907	\$ 44,169
Result from Operations		
Gross margin on service revenue	16,964	17,245
Other revenue	13,065	13,376
Operating expenses	(18,361)	(18,352)
Depreciation and amortization	(6,715)	(6,434)
Income from Operations	4,953	5,835
Other income and taxes	(2,020)	(3,695)
Net Income for the Year	\$ 2,933	\$ 2,140

4. Trust Funds

Cemetery trust funds administered by the Municipality amounting to \$297,769 (2024 - \$295,227) have not been included in the Municipality's Consolidated Statement of Financial Position nor have their operations been included in the Municipality's Consolidated Statement of Financial Activities.

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

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

5. Investment in UWSS Inc.

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

	2025	2024
Equity in operations	\$ 44,847,674	\$ 41,083,030
Shares in UWSS Inc.	53	53
	\$ 44,847,727	\$ 41,083,083

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

	2025	2024
Statement of Financial Position		
Current assets	\$ 31,664	\$ 23,802
Tangible capital assets - net	92,724	59,184
Total Assets	124,388	82,986
Current liabilities	38,508	4,238
Asset retirement obligation	1,262	1,233
Total liabilities	39,770	5,471
Equity	\$ 84,618	\$ 77,515

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

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

	2025	2024
Statement of Financial Activities		
Wholesale billings	\$ 16,954	\$ 15,185
Tangible capital assets - net	895	1,283
	17,849	16,468
Operating expenses	3,967	3,779
OCWA operating contract	4,589	4,119
Long-term interest expense	-	759
Amortization	2,160	2,065
Accretion/amortization of AROs	30	29
	10,746	10,751
Annual surplus	\$ 7,103	\$ 5,717

6. Deferred Revenue

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

	2025 Opening	Deferred Revenue and Receipts	Investment Income	Recognized Revenue	2025 Ending
Obligatory Reserve Funds					
Canada Community					
Building Fund	\$ 9,084,917	\$ 1,555,238	\$ 367,731	\$ (3,845,380)	\$ 7,162,506
Ontario transit gas tax	1,189,524	299,128	48,519	(360,292)	1,176,879
Recreational lands	1,018,547	256,972	40,959	-	1,316,478
M.T.O. commitments	176,099	-	6,542	-	182,641
Development charges	12,555,229	7,951,942	713,513	(2,996,957)	18,223,727
	\$ 24,024,316	\$ 10,063,280	\$ 1,177,264	\$ (7,202,629)	\$ 28,062,231

7. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its full-time staff and part-time staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on their length of service and rates of pay. Contribution rates for employees earning below the year's maximum pensionable earnings is 9.0% and 14.6% on earnings above the year's maximum pensionable earnings. The amount contributed to OMERS for 2025 was \$1,482,147 (2024 - \$1,526,851) for current service and is included as an expenditure on the consolidated statement of operations. The Municipality has no further obligations after the annual contributions are made.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

8. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused annual sick leave can be accumulated for future use. No employees are entitled to a cash payment at the end of their employment with the Municipality. For 2025, the non-cash future expense is estimated to be \$590,200 (2024 - \$536,000).

9. Charges for Long-Term Debt

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

	2025	2024
Debenture Principal Payments		
Municipality obligations	\$ 1,940,328	\$ 2,340,982

10. Long-Term Debt

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

	2025	2024
Outstanding principal at the end of the year for:		
General fund debentures	\$ 1,182,269	\$ 2,323,211
Tile/shoreline debentures	-	6,409
Sanitary sewer debentures	162,743	319,797
Waste water treatment	3,137,519	3,773,442
Long-Term Debt at End of Year	\$ 4,482,531	\$ 6,422,859

Interest rates range from 2% to 4% (2024 - 2% to 5%). Total interest charges reported on the Consolidated Statement of Financial Operations is \$196,845 (2024 - \$278,304). The debentures have various repayment schedules and will be repaid between 2026 and 2032. The annual payment required to service these liabilities are within the annual debt payment limits prescribed by the Ministry of Municipal Affairs and Housing (MMAH).

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

10. Long-Term Debt (Cont'd)

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

	Total
2026	\$ 2,003,199
2027	440,310
2028	455,506
2029	471,300
2030	487,630
2031 and onwards	624,586
	\$ 4,482,531

11. Contingent Liabilities

a) *Litigation*

The Municipality has been named as a defendant in certain legal actions in which damages have been sought. With respect to claims at December 31, 2025, management believes the Municipality has valued defences and appropriate insurance in place. In the event any claims are successful, management believes such claims are not expected to have a material effect on the Municipality's financial position.

12. Post-Employment Benefits

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

- a) a discount factor of 4.30% (2024 - 4.30%) was used;
- b) a rate of 7.825% for health in 2025 (2024 - 8.0%), linearly decreased to an ultimate rate of 4.5% in 2044, and a rate of 6.875% for dental benefits in 2025 (2024 - 7.0%), linearly decreased to an ultimate rate of 4.5% in 2044 was used;
- c) an employee will retire when they meet the criteria for an unreduced pension from OMERS, but not later than age 65; and
- d) all employees will remain employed by the Municipality until retirement.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

12. Post-Employment Benefits (Cont'd)

The liability, based on the above assumptions, at year-end is \$22,518,500 (2024 - \$22,384,700). An additional expense of \$133,800 (2024 - \$118,500) is reported in the Consolidated Statement of Financial Operations and is reflected throughout the various operating departments.

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

Unamortized Net Actuarial Gains/Losses

	2025	2024
Unrecognized Actuarial Gain - Beginning of Year	\$ (5,740,400)	\$ (6,152,800)
Amount Amortized in Year	412,400	412,400
Unrecognized Actuarial Gain - End of Year	\$ (5,328,000)	\$ (5,740,400)

13. Commitments

The Municipality has service agreements with the Ontario Provincial Police for policing services and Essex-Windsor Solid Waste Authority for waste collection.

14. Budget Figures

The 2025 Financial Plan (adopted budget) adopted by Council on December 12, 2024 was prepared on a modified accrual basis, while Public Sector Accounting Standards require the budget to be restated ("restated budget") and reported on a full accrual basis in relation to actual results in the financial statements.

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

	2025
Financial Plan (Budget) By-law surplus for the year	\$ -
Add:	
Accumulated surplus, beginning of the year	445,890,551
Budgeted transfers to capital	15,267,328
Principal payments on debt	1,940,328
Capital revenue for tangible capital assets	27,764,491
Landfill post-closure costs	228,370
Less:	
Budgeted transfers to reserve and reserve funds	3,940,917
Amortization on tangible capital assets	(11,363,288)
Capital expenses that are operating	(4,555,077)
Post-employment benefit costs	(133,800)
Budget Surplus per Consolidated Statement of Financial Operations	\$ 478,979,820

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

15. Expenses by Object

	2025	2024
Salaries, wages and benefits	\$ 24,331,373	\$ 22,592,709
Materials and supplies	13,534,826	13,215,073
Contracted services	12,544,466	12,220,678
Long term debt interest charge	196,845	278,304
Rents and financial expenses	1,026,231	859,949
External transfers	764,725	455,707
Amortization	11,908,462	11,556,987
	\$ 64,306,928	\$ 61,179,407

16. Contributed Tangible Capital Assets

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

17. Investment Income

	2025	2024
Bank and investment interest income	\$ 4,653,467	\$ 6,544,713
Increase in equity of owned companies	86,012	86,012
	\$ 4,739,479	\$ 6,630,725

18. Other Income

	2025	2024
Sponsorship income	\$ 130,000	\$ 175,000
Uptown Business Improvement Area levy	145,717	140,602
Donations	55,173	25,536
Royalties	32,693	71,785
Fines	48,361	38,585
Lottery licensing	149,535	115,168
Easement sales	10,914	5,654
	\$ 572,393	\$ 572,330

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

19. Accumulated Surplus

	2025	2024
Reserves and Reserve Funds		
Reserves (Schedule 2)	\$ 112,427,145	\$ 106,170,611
Reserve funds (Schedule 2)	5,811,748	4,964,725
Equity in Union Water Inc.	44,847,727	41,083,083
Equity in Essex Power	13,619,139	13,426,889
	176,705,759	165,645,308
Operating fund	6,037,300	8,638,641
Capital fund	(979,013)	(1,672,471)
Tangible capital assets (Schedule 1)	334,745,851	304,586,081
Asset Retirement Obligation (net)	(1,766,718)	(1,963,449)
	338,037,420	309,588,802
Unfunded Liability		
Debt	(4,482,531)	(6,422,859)
Sick leave liability	(590,200)	(536,000)
Post-employment benefit	(22,518,500)	(22,384,700)
	(27,591,231)	(29,343,559)
Accumulated Surplus	\$ 487,151,948	\$ 445,890,551

20. Taxation Revenue

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

	2025	2024
Residential	\$ 47,060,751	\$ 43,623,337
Farmland	5,190,642	4,813,153
Commercial	8,781,912	8,510,368
Industrial	3,171,764	3,075,830
Supplementary and pipelines	2,781,038	3,570,923
	66,986,107	63,593,611
Added Recoveries	1,895,587	2,991,137
Total Taxation Revenue	\$ 68,881,694	\$ 66,584,748

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

21. Segmented Information

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

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

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

(a) General government:

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

(b) Protective services:

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

(c) Transportation services

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

(d) Environmental services

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

(e) Health services

Health services includes cemetery operations.

(f) Recreation and cultural services

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

(g) Planning and development

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

(h) Municipal drainage act

Municipal drainage act includes the drainage operations.

The Corporation of the Municipality of Leamington

Notes to Consolidated Financial Statements for the year ended December 31, 2025

22. Asset Retirement Obligation

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

	2025	2024
Asset Retirement Obligation, beginning of year	\$ 1,963,449	\$ 2,794,281
Amoritzation expense	(197,578)	(193,704)
Accretion expense	847	847
Removal of UWSS Inc.	-	(637,975)
Asset Retirement Obligation, end of year	\$ 1,766,718	\$ 1,963,449

The Corporation of the Municipality of Leamington

Trust Funds Under Administration

Balance Sheet

(Unaudited)

as at December 31, 2025

	Albuna Cemetery	Bayview Cemetery	Lakeview Cemetery	Fairview Cemetery	2025 Total	2024 Total
Assets						
Cash	\$ 1,003	\$ 5,212	\$ 133,022	\$ 78,314	\$ 217,551	\$ 214,439
Cash - held in trust	80,218	-	-	-	80,218	80,298
Due from general fund	-	-	-	-	-	490
	<u>\$ 81,221</u>	<u>\$ 5,212</u>	<u>\$ 133,022</u>	<u>\$ 78,314</u>	<u>\$ 297,769</u>	<u>\$ 295,227</u>
Liabilities						
Due to general fund	\$ 221	\$ 14	\$ 539	\$ 212	\$ 986	\$ 1,094
Trust balance	81,000	5,198	132,483	78,102	296,783	294,133
	<u>\$ 81,221</u>	<u>\$ 5,212</u>	<u>\$ 133,022</u>	<u>\$ 78,314</u>	<u>\$ 297,769</u>	<u>\$ 295,227</u>

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington

Trust Funds Under Administration

Statement of Continuity

(Unaudited)

as at December 31, 2025

	Albuna Cemetery	Bayview Cemetery	Lakeview Cemetery	Fairview Cemetery	2025 Total	2024 Total
Balance at Beginning of Year	\$ 81,000	\$ 5,198	\$ 131,013	\$ 76,922	\$ 294,133	\$ 291,063
Revenues						
Perpetual care fees	-	-	870	480	1,350	870
Marker maintenance fees	-	-	600	700	1,300	2,200
Bank interest income	37	191	4,819	2,830	7,877	11,730
Interest income - bequest	2,930	-	-	-	2,930	4,424
	2,967	191	6,289	4,010	13,457	19,224
Expenditures						
Administration fee	2,967	191	4,819	2,830	10,807	16,154
Balance at End of Year	\$ 81,000	\$ 5,198	\$ 132,483	\$ 78,102	\$ 296,783	\$ 294,133

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington
Consolidated Schedule of Tangible Capital Assets - Schedule 1
Categorized by Asset Type
as at December 31, 2025

Cost	Balance at December 31, 2024	Additions	Disposals	Adjustments	Balance at December 31, 2025
Land	\$ 23,168,908	\$ 2,647,830	\$ -	\$ -	\$ 25,816,738
Land improvements	17,040,563	2,569,079	(115,267)	11,625	19,506,000
Buildings	80,470,842	2,473,094	(159,845)	-	82,784,091
Machinery and equipment	49,121,703	5,584,976	(603,450)	(11,625)	54,091,604
Vehicles	11,439,271	1,249,815	(486,680)	-	12,202,406
Linear assets	284,447,754	21,545,465	(1,236,070)	-	304,757,149
Assets under construction	18,196,772	6,977,177	-	-	25,173,949
Total	483,885,813	43,047,436	(2,601,312)	-	524,331,937

Accumulated Amortization	Balance at December 31, 2024	Amortization Expense	Amortization Disposal	Adjustments	Balance at December 31, 2025
Land	-	-	-	-	-
Land improvements	5,032,752	475,074	(48,178)	233	5,459,881
Buildings	32,550,011	2,001,074	(76,138)	-	34,474,947
Machinery and equipment	18,939,847	2,556,541	(429,453)	(233)	21,066,702
Vehicles	5,635,354	799,953	(458,117)	-	5,977,190
Linear assets	117,141,768	6,075,820	(832,346)	222,124	122,607,366
Assets under construction	-	-	-	-	-
Total	179,299,732	11,908,462	(1,844,232)	222,124	189,586,086

Net Book Value	Balance at December 31, 2024	Balance at December 31, 2025
Land	23,168,908	25,816,738
Land improvement	12,007,811	14,046,119
Buildings	47,920,831	48,309,144
Machinery and equipment	30,181,856	33,024,902
Vehicles	5,803,917	6,225,216
Linear assets	167,305,986	182,149,783
Assets under construction	18,196,772	25,173,949
Total	\$304,586,081	\$334,745,851

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

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington
Consolidated Schedule of Tangible Capital Assets - Schedule 1
Categorized by Functional Class
as at December 31, 2025

Cost	Balance at December 31, 2024	Additions	Disposals	Adjustments	Balance at December 31, 2025
General government	\$ 16,011,430	\$ 857,238	\$ (47,871)	\$ -	\$ 16,820,797
Protective services	8,870,996	175,420	(147,104)	-	8,899,312
Transportation services	110,310,996	6,797,204	(1,097,723)	-	116,010,477
Environmental services	275,843,013	29,496,494	(875,970)	-	304,463,537
Health services	286,746	67,329	-	-	354,075
Recreation and cultural services	72,494,004	5,626,727	(432,644)	-	77,688,087
Planning and development	68,628	27,024	-	-	95,652
Total	483,885,813	43,047,436	(2,601,312)	-	524,331,937

Accumulated Amortization	Balance at December 31, 2024	Amortization Expense	Amortization Disposal	Adjustments	Balance at December 31, 2025
General government	4,189,318	501,387	(47,871)	-	4,642,834
Protective services	5,251,021	390,293	(139,007)	-	5,502,307
Transportation services	41,626,866	3,303,152	(729,549)	63,994	44,264,463
Environmental services	103,743,007	5,859,227	(695,209)	185,329	109,092,354
Health services	198,734	9,059	-	-	207,793
Recreation and cultural services	24,242,874	1,835,552	(232,596)	-	25,845,830
Planning and development	47,912	9,792	-	(27,199)	30,505
Total	179,299,732	11,908,462	(1,844,232)	222,124	189,586,086

Net Book Value	Balance at December 31, 2024	Balance at December 31, 2025
General government	11,822,112	12,177,963
Protective services	3,619,975	3,397,005
Transportation services	68,684,130	71,746,014
Environmental services	172,100,006	195,371,183
Health services	88,012	146,282
Recreation and cultural services	48,251,130	51,842,257
Planning and development	20,716	65,147
Total	\$304,586,081	\$334,745,851

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington
Schedule of Reserves and Reserve Funds Balances - Schedule 2
for the year ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
Revenue			
Interest income	\$ -	\$ 149,039	\$ 210,303
Transfers From (To) Other Funds			
Net Transfers from operating fund	3,940,917	17,675,103	14,743,886
Net transfers to capital	(13,400,708)	(10,720,585)	(13,462,820)
	(9,459,791)	6,954,518	1,281,066
Change in Fund Balance	(9,459,791)	7,103,557	1,491,369
Opening Fund Balance	111,135,336	111,135,336	109,643,967
Ending Fund Balance	\$ 101,675,545	\$ 118,238,893	\$ 111,135,336

Analyzed as follows:

Reserves Set Aside by Council

Working capital	\$ 4,483,049	\$ 4,107,971	\$ 4,141,825
Contingencies	9,076,385	12,093,442	10,134,603
Equipment replacement	10,409,156	11,438,472	10,047,004
Parking operations	(100,579)	(40,686)	(32,977)
Waste water treatment	23,091,556	24,816,954	20,559,303
Water system renewals	22,539,101	23,610,872	22,479,196
Capital financing	27,009,076	36,199,295	38,624,678
Tree planting	223,189	200,825	216,979
	96,730,933	112,427,145	106,170,611

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

Capital financing	455,058	314,267	272,172
Building services	4,074,469	4,926,636	4,089,116
Working funds	310,321	302,226	342,187
Impost and lot levy fees	62,905	225,204	219,391
Library and cultural purposes	41,860	43,415	41,859
	4,944,613	5,811,748	4,964,725
	\$ 101,675,546	\$ 118,238,893	\$ 111,135,336

See accompanying notes to financial statements

The Corporation of the Municipality of Leamington

Schedule of Segment Disclosures - Schedule 3

as at December 31, 2025

	General Government	Protective Services	Transporta- tion Services	Environ- mental Services	Health Services	Recreation and Cultural Services	Planning and Development	Drainage	Consolidated
Revenues									
Taxation - municipal only	\$ 37,238,221	\$ -	\$ 83,805	\$ 6,262,403	\$ -	\$ -	\$ -	\$ 375,492	\$ 43,959,921
User charges	538,718	145,769	601,955	21,232,407	48,927	2,760,175	444,257	1,963,076	27,735,284
Grants	1,537,362	219,605	10,283,789	1,875,080	-	279,154	-	838,139	15,033,129
Investment income	4,619,462	120,017	-	-	-	-	-	-	4,739,479
Licences and permits	50,860	1,829,450	21,550	-	-	-	-	-	1,901,860
Penalties and interest	886,656	-	-	59,976	-	-	-	-	946,632
Gain on sale of physical assets	24,061	-	-	-	-	-	-	-	24,061
Government Business Enterprise	3,956,894	-	-	-	-	-	-	-	3,956,894
Dividend income	474,110	-	-	-	-	-	-	-	474,110
Contributed tangible capital assets	3,026,125	-	-	-	-	-	-	-	3,026,125
Sponsorship income	130,000	-	-	-	-	-	-	-	130,000
Uptown business improvement area levy	145,717	-	-	-	-	-	-	-	145,717
Donations	-	-	-	-	-	55,173	-	-	55,173
Rents and concessions	7,295	19,635	-	-	-	174,550	-	-	201,480
Land Easement Rights	10,914	-	-	-	-	-	-	-	10,914
Royalties	5,227	-	27,466	-	-	-	-	-	32,693
Fines	-	26,079	22,282	-	-	-	-	-	48,361
Lottery licensing	149,535	-	-	-	-	-	-	-	149,535
Deferred revenue	59,021	-	413,209	1,005,958	-	1,518,769	-	-	2,996,957
	52,860,178	2,360,555	11,454,056	30,435,824	48,927	4,787,821	444,257	3,176,707	105,568,325
Expenses									
Salaries, wages and benefits	7,360,542	4,334,222	2,755,717	3,858,867	41,134	4,277,159	1,341,090	362,642	24,331,373
Materials and supplies	2,038,794	477,920	1,590,315	4,371,810	34,550	2,359,842	231,864	2,429,731	13,534,826
Contracted services	1,824,580	6,010,462	1,420,876	2,365,436	37,707	423,084	148,517	313,804	12,544,466
Long term debt interest charge	25,869	5,491	-	128,804	-	36,649	-	32	196,845
Rents and financial expenses	590,775	5,548	4,897	22,972	-	144,996	257,043	-	1,026,231
External transfers	445,914	288,811	30,000	-	-	-	-	-	764,725
Inter-functional adjustments	(141,202)	66,552	(2,333)	195,191	-	551	-	(118,759)	-
Amortization	501,387	390,293	3,303,152	5,859,227	9,059	1,835,552	-	9,792	11,908,462
	12,646,659	11,579,299	9,102,624	16,802,307	122,450	9,077,833	1,978,514	2,997,242	64,306,928
Annual Surplus (Deficit)	\$ 40,213,519	\$ (9,218,744)	\$ 2,351,432	\$ 13,633,517	\$ (73,523)	\$ (4,290,012)	\$ (1,534,257)	\$ 179,465	\$ 41,261,397

See accompanying notes to financial statements