Consolidated Financial Statements of the

CORPORATION OF THE TOWN OF AMHERSTBURG

December 31, 2025

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MANAGEMENT'S REPORT

The accompanying consolidated financial statements of The Corporation of the Town of Amherstburg (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, 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.

Management meets with 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 consolidated financial statements.

The consolidated financial statements have been audited by MNP 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.

Amherstburg, Canada

Michael Prue
Mayor

Melissa Osbourne
Deputy CAO / CFO / Director of Development Services

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Amherstburg:

Opinion

We have audited the consolidated financial statements of Town of Amherstburg (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of financial activities, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2025, and the results of its operation, changes in its net financial assets 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 Town 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is responsible for assessing the Town’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 Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town’s financial reporting process.

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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 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 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 Town’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 Town’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 Town 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 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 Town as a basis for forming an opinion on the 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.

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 control that we identify during our audit.

MNP LLP

London, Ontario — Chartered Professional Accountants

August 10, 2026 — Licensed Public Accountants

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Consolidated Statement of Financial Position

Year ended December 31, 2025 with comparative information for 2024

		2025		2024
Financial assets				
Cash	**$**	**63,667,241**	$	68,672,065
Taxes receivable (Note 4)		**3,499,970**		3,956,122
Trade and other receivables		**10,603,283**		7,283,970
Drainage receivables		**5,967,839**		3,436,594
Investment in government business enterprise (Note 5)		**6,355,110**		6,214,200
	$	**90,093,443**	$	89,562,951
Financial liabilities				
Bank indebtedness (Note 13)	**$**	**939,294**	$	940,230
Accounts payable and accrued liabilities		**13,518,137**		9,396,904
Accrued interest on long-term debt		**422,121**		470,327
Municipal debt (Note 7)		**21,691,147**		23,789,132
Employee future benefit obligations (Note 8)		**16,449,800**		17,246,700
Asset retirement obligations (Note 11)		**500,000**		500,000
Deferred revenue (Schedule 2)		**22,024,858**		28,045,202
		75,545,357		80,388,495
Net financial assets		**14,548,086**		9,174,456
Non-financial assets				
Tangible capital assets (Note 6) (Schedule 1)		**299,819,805**		281,170,328
Prepaid expenses		**633,604**		1,540,389
		300,453,409		282,710,717
Commitments and contingencies (Notes 14 and 15)				
Accumulated surplus (Schedule 4)	**$**	**315,001,495**	$	291,885,174

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

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Consolidated Statement of Financial Activities

Year ended December 31, 2025 with comparative information for 2024

	Budget (Note 16)	**2025**	2024
Revenue:			
Taxation	$ 34,787,056	**$ 35,149,320**	$ 32,579,433
User charges	1,666,595	**4,516,039**	1,792,055
Water charges (Note 5)	6,373,156	**10,799,670**	7,271,828
Wastewater charges (Note 5)	7,085,111	**8,085,833**	7,775,085
Government transfers	5,549,625	**12,270,831**	8,986,858
Other	3,616,210	**3,174,453**	5,155,890
Interest	540,600	**3,389,300**	2,740,376
Income from government business enterprise	283,000	**400,474**	283,360
Gain on disposal of tangible capital assets	-	**13,633**	404,108
	59,901,353	**77,799,553**	66,988,995
Expenses:			
General government	8,592,817	**8,590,994**	7,380,851
Protection to persons and property	10,491,113	**10,520,445**	9,938,625
Transportation services	8,866,000	**8,977,707**	10,354,551
Environmental services	17,064,373	**16,068,904**	15,463,284
Recreation and cultural services	7,662,503	**7,885,997**	8,097,898
Planning and development	2,689,010	**2,639,185**	2,530,371
	55,365,816	**54,683,232**	53,765,580
Annual surplus	4,535,537	**23,116,321**	13,223,415
Accumulated surplus, beginning of year	291,885,174	**291,885,174**	278,661,759
Accumulated surplus, end of year	$ 296,420,711	**$ 315,001,495**	$ 291,885,174

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

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2025 with comparative information for 2024

		2025		2024
Annual surplus	**$**	**23,116,321**	$	13,223,415
Amortization of tangible capital assets		**11,757,084**		10,621,822
Acquisition of tangible capital assets		**(30,427,834)**		(15,449,792)
Gain on sale of tangible capital assets		**(13,633)**		(404,108)
Proceeds on sale of tangible capital assets		**34,907**		430,591
Use of (acquisition) of prepaid expense		**906,785**		(1,336,407)
Change in net financial assets		**5,373,630**		7,085,521
Net financial assets, beginning of year		**9,174,456**		2,088,935
Net financial assets, end of year	**$**	**14,548,086**	$	9,174,456

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

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Consolidated Statement of Cash Flows

Year ended December 31, 2025 with comparative information for 2024

		2025		2024
Cash provided by (used in):				
Operations:				
Annual surplus	**$**	**23,116,321**	$	13,223,415
Items not involving cash:				
Amortization of tangible capital assets		**11,757,084**		10,621,822
Gain on sale of tangible capital assets		**(13,633)**		(404,108)
Change in employee benefits payable		**(796,900)**		(791,700)
Income from government business enterprise		**(400,474)**		(283,360)
Change in non-cash operating working capital:				
Taxes receivable		**456,152**		(2,119,172)
Accounts receivable		**(3,319,313)**		(2,205,521)
Drain receivables		**(2,531,245)**		(612,356)
Prepaid expenses		**906,785**		(1,336,407)
Accounts payable		**4,121,265**		1,527,304
Deferred revenue		**(6,020,344)**		2,375,211
Accrued interest		**(48,206)**		(32,108)
Net change in cash from operations		**27,227,492**		19,963,019
Investing:				
Dividends received from government business enterprise		**259,532**		255,538
Capital:				
Acquisition of tangible capital assets		**(30,427,834)**		(15,449,792)
Proceeds on sale of tangible capital assets		**34,907**		430,591
Net change in cash from capital		**(30,392,927)**		(15,019,201)
Financing:				
Decrease in bank indebtedness		**(936)**		(1,251)
Long-term debt repaid		**(2,097,985)**		(2,136,551)
Net change in cash from financing		**(2,098,921)**		(2,137,802)
(Decrease) increase in cash		**(5,004,824)**		3,061,555
Cash, beginning of year		**68,672,065**		65,610,510
Cash, end of year	**$**	**63,667,241**	**$**	68,672,065

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

The Corporation of the Town of Amherstburg (the "Town") is a municipality under the Province of Ontario incorporated in 1998 and operates under the provision of the Municipal Act, 2001.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town are the representation of management and have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") as defined in the CPA Canada Public Sector Accounting Handbook. Significant aspects of the accounting policies are as follows.

(a) Basis of consolidation

(i) Consolidated entity

These consolidated financial statements reflect the assets, liabilities, operating revenues and expenses, reserves, reserve funds, and changes in investment in tangible capital assets of the Town. The reporting entity is comprised of all municipal committees where are owned or controlled by the Town.

(ii) Investment in government business enterprises

Essex Power Corporation ("Essex Power"), a government business enterprise, is accounted for using the modified equity basis of accounting, consistent with Canadian generally accepted accounting principles as recommended by PSAB for investments in Government Business Enterprises. Under this method, Essex Power's accounting policies are not adjusted to conform with those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of Essex Power in its consolidated statement of financial activities with the corresponding increase or decrease in its investment asset account. Any dividends the Town may receive from Essex Power will be reflected as reductions in the investment account.

(iii) Joint local board

The Co-An Park ("Co-An") has been consolidated on a proportionate basis based upon the ownership percentage of the Town. Under the proportionate consolidation method, the Town's pro rata share of each of the assets, liabilities, revenues and expenditures of the board are consolidated with similar items in the Town's financial statements. The Town's ownership percentage of Co-An is 50%.

(iv) Accounting for county and school board transactions

The taxation, other revenues, expenditures, 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 consolidated financial statements.

(v) Trust funds

There are no trust funds administered by the Town.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 and services and the creation of a legal obligation to pay.

The focus of PSAB financial statements is on the financial position of the Town and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Net debt represents the financial position of the Town and is the difference between financial assets and liabilities. This information explains the Town’s overall future revenue requirements and its ability to finance activities and meet its obligations.

(c) 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.

(i) Tangible capital assets

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

Asset	**Useful Life – Years**
Land improvements	5 – 20
Buildings and improvements	20 – 40
Information technology	5 – 10
Vehicles	3 - 15
Machinery and equipment:	
Water mains	100
Water values and hydrants	75 – 100
Water treatment plant	15 – 50
Water meters	20
Wastewater infrastructure:	
Sewer mains	50
Sanitary and storm pump stations	20 – 50
Wastewater treatment plant	20 – 50
Sanitary sewage lagoons	30
Transportation infrastructure:	
Roads and bridges	5 – 40
Communication towers	30

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Non-financial assets (continued)

(i) Tangible capital assets (continued)

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.

(ii) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially the entire 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.

(iv) Works of art and cultural and historical assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(v) Interest capitalization

The Town follows the policy of capitalizing interest costs associated with the acquisition or construction of a tangible capital asset.

(d) 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. The revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specific purpose.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Employee future benefits and other employee benefit plans

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 the 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, health care cost trends and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

(f) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation of taxes and other accounts receivable, the carrying value of tangible capital assets, accruals, employee benefits payable and asset retirement obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

(g) Taxation and related revenues

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 and amounts the Town is required to collect on behalf of the Province of Ontario in respect to education 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 Town revenues are recorded at the time tax billings are issued. 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 Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied. Tax revenue is recorded net of reductions, taxes receivable are reported net of an expense for allowance for doubtful accounts. The Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Revenue recognition

(i) Tax levies are recognized as revenue when amounts are levied on the Town's ratepayers.

(ii) Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, and stipulations have been met and reasonable estimates of the amounts can be made. Any amount received but restricted is recorded as deferred revenue in accordance with Section 3100 of the Canadian Public Sector Accounting handbook and recognized as revenue in the period in which the resources are used for the purpose specified.

(iii) In addition, the Town periodically receives senior government capital funding in the form of infrastructure grants and receives ongoing funding from Provincial and Federal senior levels of government as a result of an allocation of gas tax funds.

(iv) Investment income earned on surplus funds is recognized when earned.

(v) User Charges and other revenues are recognized when related goods or services are provided, and collectability is reasonably assured. Tangible capital assets received as contributions are recorded at their fair value at date of receipt and that fair value is recorded as revenues.

(vi) The Town recognizes revenue from fines and penalties on late tax payments and parking fines. These non-exchange transactions have no performance obligations and are recognized at their realizable value when the Town has the authority to claim or retain economic inflows based on a past transaction or event giving rise to an asset.

(vii) Revenue from transactions with performance obligations is recognized when the Town satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time. The Town recognizes revenues from utilities, licenses and permits, certificates, and facility rentals at a point in time, which occurs when the goods and/or services have been provided. In determining the transaction price, the Town measures revenue based on the consideration that is expected to receive in exchange for providing the goods and/or services.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Revenue recognition (continued)

(viii) Development charges are recognized in the year that event the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year are deferred and reported as liabilities.

Development charges are one-time fees levied by the Township on newly to be developed or to be redeveloped properties. The charges vary by development type (residential and non-residential) and location. Development charges are initially recorded as deferred revenue when received and are then recognized as earned revenue over time as the Town makes growth infrastructure investments to support development.

(ix) Building permit revenue is recognized when the performance obligation to the customer has been satisfied. This occurs, when the permit has been issued, and the refund period has expired.

(i) Accumulated surplus

Accumulated surplus represents the Town’s net economic resources. It is an amount by which all assets (financial and non-financial) exceed liabilities. An accumulated surplus indicates that the Town has net resources (financial and physical) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets.

(j) Financial instruments

Financial instruments are classified in one of the following categories: (i) fair value; (ii) cost or amortized cost. The Town determines the classification of its financial instruments at initial recognition.

Unsecured debentures and other long-term debt are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Transaction costs related to the issuance of long-term debt are capitalized and amortized over the term of the debt.

Financial Instrument	Measurement Method
Cash	Cost
Taxes receivable	Cost
Trade and other receivables	Cost
Drainage receivables	Amortized Cost
Bank indebtedness	Cost
Accounts payable and accrued liabilities	Cost
Municipal debt	Amortized Cost

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

Other financial instruments, including cash, accounts receivable, taxes receivable, accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment. The above table provides the carrying amount information of the Town's financial instrument by category.

Upon standard implementation, amortized cost will be measured using the effective interest rate method, as opposed to the straight-line method

Fair value category: The Town manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the consolidated statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the consolidated statement of operations and related balances reverses from the consolidated statement of remeasurement gains and losses. As the Town has no applicable financial instruments recognized at fair value, the Town does not have a Statement of Remeasurement Gains and Losses.

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price at the trade date, which is the fair value of the consideration given or received. After initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market data. These include comparisons with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Amortized cost category: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category.

Cost category: Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method. All financial assets 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 consolidated statement of operations.

(k) Asset retirement obligations

A liability for an asset retirement obligation is recognized when 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. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

(l) Liability for contaminated sites

The Town recognizes a liability associated with the remediation of contaminated sites when a contamination exceeds an environmental standard, the Town has direct or has accepted responsibility for the remediation and a reasonable estimate can be made for the costs to remediate.

(m) Post retirement benefits

The Town provides certain benefits which will require funding in future periods. These benefits include life insurance, extended health and dental benefits for retirees. The costs of life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, insurance and health care cost trends, long-term inflation rates and discount rates.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Post retirement benefits (continued)

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group. For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(n) Budget figures

The Town's Council completes separate budget reviews for tax supported operating and capital each year. Budget figures have been provided for comparison purposes. Given differences between the budgeting model and generally accepted accounting principles established by the Public Sector Accounting Board (PSAB), certain budgeted amounts have been reclassified to reflect the presentation under PSAB.

(o) Related party transactions

Related parties exist when one party has the ability to control or has shared control over another party. Individuals that are key management personnel or close family members may also be related parties.

Disclosure is made when the transactions or events between related parties occur at a value different from what would have been recorded if they were not related and the transactions could have a material financial impact on the consolidated financial statements.

(p) Inter-entity transactions

Transactions between related parties are recorded at carrying amounts with the exception of the following:

- Transactions in the normal course of business are recorded at exchange amount.
- Transactions with fair value consideration are corded at exchange amount.
- Transfer of an asset or liability at nominal or no consideration is recorded by the provider at carrying amount and the recipient has the choice of either carrying amount or fair value.
- Cost allocations are reported using the exchange amount and revenues and expenses are reported on a gross basis.
- Unallocated costs for the provision of goods or services may be recorded by the provider at costs, fair value or another amount dictated by policy, accountability structure or budget practice.

2. FUTURE ACCOUNTING STANDARDS

Effective April 1, 2026, the Town adopted the Public Sector Accounting Board's ("PSAB") revised Section PS 1202, Financial Statement Presentation, along with the related Conceptual Framework for Financial Reporting in the Public Sector.

PS 1202 establishes a revised financial reporting model and introduces changes to the presentation and structure of financial statements, including:

- A new Statement of Net Financial Assets (Net Financial Liabilities)
- A new Statement of Changes in Net Assets (Net Liabilities)
- A revised Statement of Financial Position, including updated classifications of financial and non-financial assets and liabilities; and
- Updated terminology and enhanced disclosure requirements aligned with the revised conceptual framework.

The Town is currently assessing the impact of the standard. The adoption is expected to result in changes to financial presentation and disclosure; however, it is not expected to have a material impact on the Town’s accumulated surplus or annual results.

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF ESSEX

The taxation, other revenues and expenditures of the school boards and the County of Essex are comprised of the following:

	2025	2024
Taxation and user charges		
School boards	**6,071,946**	5,803,204
County	**16,495,027**	15,445,101
Total amount transferred	**22,566,973**	21,248,305

4. TAXES RECEIVABLE

Taxes receivables are reported net of allowance for doubtful accounts of $Nil (2024 - $Nil). As at December 31, the balances are as follows:

	2025	2024
Taxes receivable	**3,192,491**	3,722,747
Interest and penalties	**307,479**	233,375
	3,499,970	3,956,122

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

The Town has an investment in Essex Power Corporation ("Essex Power"). The investment is comprised of the following:

	2025	2024
2,678,179 Class A voting common shares	**2,678,179**	2,678,179
254,346 Special shares, Class A non-voting	**254,346**	254,346
Share of accumulated earnings	**3,422,585**	3,281,675
	6,355,110	6,214,200

The Town of Amherstburg is a 14.258% shareholder in Essex Power.

The financial statements of Essex Power Corporation were prepared in accordance with International Financial Reporting Standards (IFRS).

Supplementary information:

The following table provides condensed supplementary information for Essex Power as at December 31:

	(thousands of dollars)	
	2025	2024
Cash and cash equivalents	**3,255**	2,724
Refundable customer deposits	**1,319**	-
Accounts receivable	**9,493**	9,040
Unbilled revenue	**8,491**	7,151
Other current assets	**3,776**	3,906
Property, plant and equipment	**94,899**	90,126
Intangible assets	**6,882**	6,376
Right-of-use assets	**1,854**	1,252
Goodwill	**1,623**	1,623
Deferred assets	**539**	233
Note receivable	**2,085**	2,248
Investments accounted for using the equity method	**39**	-
Deferred tax assets	**140**	147
Regulatory balances	**9,452**	8,200
Total assets and regulatory balances	**143,847**	133,026

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE (CONTINUED)

	(thousands of dollars)	
	2025	2024
Current liabilities	**30,766**	25,083
Long-term debt	**36,637**	35,368
Post employment benefits	**2,671**	2,667
Deferred tax liabilities	**6,463**	5,875
Other non-current liabilities	**16,319**	14,912
Total liabilities	**92,856**	83,905
Share capital	**19,667**	19,667
Retained earnings	**21,622**	20,702
Net assets attributable to external Limited Partners	**1,440**	1,638
Accumulated other comprehensive income	**2,178**	2,162
Total equity	**44,907**	44,169
Regulatory balances	**6,084**	4,952
Total liabilities, equity and regulatory balances	**143,847**	133,026
Total revenues	**109,498**	108,621
Total expenses	**(104,545)**	(102,786)
Finance costs	**(1,354)**	(1,111)
Income tax expense	**(802)**	(554)
Net movement in regulatory balances, net of tax	**120**	(2,014)
Other comprehensive income	**16**	(16)
Total comprehensive income for the year	**2,933**	2,140

Due to the ownership in Essex Power, the Town would be responsible for their related commitments and contingencies. These can be found within the standalone financial statements of Essex Power.

During the year, Essex Power billed on behalf of the Town $14,709,847 (2024 - $14,240,809) of water and wastewater charges.

6. TANGIBLE CAPITAL ASSETS

(a) Contributed tangible 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 and, water and sewer lines installed by a developer as part of a subdivision agreement. The total value of transfers in 2025 was $459,500 (2024 - $1,458,411).

6. TANGIBLE CAPITAL ASSETS (CONTINUED)

(b) Tangible capital assets recognized at nominal value

Where an estimate of fair value could not be made, the tangible capital asset is recognized at a nominal value.

(c) Capitalization of interest

The Town has a policy of capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset, for those interest costs incurred up to the date the asset goes into use. Total interest capitalized in 2025 was $Nil (2024 - $Nil).

7. MUNICIPAL DEBT

(a) Total long – term debt incurred by the Town and those incurred on behalf of municipal enterprises and benefiting landowners and outstanding at the end of the year amount to:

	2025	2024
Total long-term liabilities incurred by the Town and those incurred on behalf of the municipal enterprises and benefitting landowners and outstanding at the end of the year amount to:	**21,691,147**	23,789,132
Amounts to be recovered from benefitting and user rates	**(17,633,805)**	(19,561,831)
Tax-supported municipal debt	**4,057,342**	4,227,301

(b) Of the long-term debt reported in (a), the interest rates range from 2.0% to 5.44%.

(c) Of the long-term debt reported in (a), the annual principal payments range from $6,169 to $1,010,720.

(d) Of the long-term debt reported in (a), the following are the years of repayment:

2026	2,178,896
2027	2,263,137
2028	2,350,791
2029	2,442,101
2030	2,537,087
2031 and thereafter	9,919,135
	21,691,147

7. MUNICIPAL DEBT (CONTINUED)

(e) The long-term liabilities in (a) issued in the name of the Town have received approval of the Ontario Municipal Board (or approval by private legislation) for those approved by by-law. 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.

Total charges for the year for net long-term debt are as follows:

	2025	2024
Principal payments	**2,097,985**	2,025,912
Interest	**920,301**	998,498
	3,018,286	3,024,410

(f) Subsequent to year end, the Town approved the application and submission of long-term financing for capital projects in the amount of $17,353,274.

8. EMPLOYEE FUTURE BENEFIT OBLIGATINONS

The Town pays certain benefits on behalf of its retired employees. The most recent actuarial valuation was prepared as at December 31, 2023 and has been projected to December 31, 2025.

Information about the Town's defined benefit plans is as follows:

	2025	2024
Accrued benefits liability, January 1	**17,246,700**	18,038,400
Expenses for the year:		
Current service cost	**131,200**	117,200
Interest	**435,900**	450,800
Amortization of actuarial gains	**(827,600)**	(848,000)
Benefits paid	**(536,400)**	(511,700)
Accrued benefit liability, December 31	**16,449,800**	17,246,700
Unamortized actuarial gains	**(4,840,700)**	(5,668,300)
Accrued benefit obligation, December 31	**11,609,100**	11,578,400

The main actuarial assumptions employed for the valuations are as follows:

	2025	2024
Discount rate	**3.23%**	3.81%
Dental	**5.55%**	5.55%
Health care:		
Initial	**4.32%**	4.32%
Ultimate reached in 2043	**3.24%**	3.24%

9. PENSION AGREEMENTS

The Town belongs to the Ontario Municipal Employee Retirement Fund ("OMERS") which is a multi-employer plan on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The Town contributed $1,159,912 (2024 - $1,087,142) during the year and this amount is included in the Consolidated Statement of Financial Activities. No pension liability for this type of plan is included in the Town's Consolidated Statement of Financial Position.

The last available report for the OMERS plan was December 31, 2025. At that time the plan reported an actuarial fund deficit of $1.32 billion (2024 - $2.91 billion actuarial deficit), and actuarial value adjustment of net assets of $4.81 billion deficit (2024 – $1.41 billion surplus) for a net deficit $6.13 billion (2024 – $4.32 billion deficit). The ongoing adequacy of the current contribution rates will need to be monitored as declines in the financial markets may lead to increased future funding requirements.

10. SEGMENT INFORMATION

The Town provides a wide range of services to its citizens. On Schedule 5, consolidated revenues and expenses have been presented on a segmented basis. Municipal services have been segmented by grouping activities with similar service objectives. Revenue directly related to each service has been allocated to its respective segment. Municipal taxation revenue has been allocated based on the percentage of total budgeted expenditures. The segments are defined as follows;

General Government

General government consists of governance, corporate management and program support. It includes the offices of Council, Chief Administrative Officer, Information Technology, Financial and Clerk Services.

Protection to Persons and Property

Protection to persons and property includes fire and police services

Transportation

Transportation services refer to the operations of the Public Works Department which is responsible for road maintenance, winter control and street lighting.

Environmental

Environmental services include the distribution and treatment of water, the collection and treatment of waste water and storm water, and the collection and disposal of garbage.

10. SEGMENT INFORMATION (CONTINUED)

Recreation & Culture

Recreation & culture services refer to the operations of municipally owned recreational facilities, parks, arena and community centres. It also includes the delivery of recreational and cultural programing.

Planning & Development

Planning & development includes planning, building, by-law enforcement and animal control.

11. ASSET RETIREMENT OBLIGATIONS

The Town's financial statements include an asset retirement obligation for the remediation of asbestos and other designated substances contained within buildings. The related asset retirement costs are being amortized on a straight-line basis. The estimate of the liability represents the fair value for the remediation of the asbestos which is expected to be settled at the end of the building's useful life.

The carrying amount of the liability at December 31, 2025 is $500,000.

Note that the total amount of the liability may change due to changes in estimates noted above, such as the estimated total undiscounted future expenditures and expected remediation date.

12. EXPENSES BY OBJECT

Total operating expenditures on the consolidated statement of financial activities are as follows:

	2025	2024
Salaries and employee benefits	**16,957,760**	15,614,818
Material, goods, services and utilities	**12,553,185**	15,406,844
Contracted services	**12,480,397**	11,285,754
Interest on long-term debt	**872,096**	968,788
Rent and financial expenses	**710**	(192,446)
External transfers	**62,000**	60,000
Amortization	**11,757,084**	10,621,822
	54,683,232	53,765,580

13. BANK INDEBTEDNESS

Demand operating line

The Town has a demand operating line of credit with its banker WFCU. Credit is available to a maximum of $7,000,000 and bears interest at prime less 0.875%. All amounts under this facility are repayable immediately on demand by WFCU, and this facility may be terminated in whole or in part by WFCU at any time. The balance at year end is $Nil (2024 - $nil). The line is offered on an unsecured basis.

Drainage line of credit

The Town has a drainage line of credit with WFCU to a maximum of $2,000,000 and bears interest at prime less 0.875%. The balance at year end is $939,294 (2024 - $940,230). As of December 31, 2025, the effective interest rate was 3.575%.

14. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Town has $8,167,047 in outstanding capital commitments as at December 31, 2025, comprised of:

(a) General government - $51,699

(b) Protection to persons and property - $3,038,096

(c) Transportation - $4,379,455

(d) Recreation and culture - $697,798

These amounts represent uncompleted portions of contracts, as at December 31, 2025, on major capital projects. The majority of the payments on these outstanding commitments will be made in the next one to two years.

The Town has $17,297,227 in outstanding operating commitments as at December 31, 2025 comprised of:

(a) Ontario Clean Water Agency – Waste and wastewater maintenance services; maturing December 2026 - $2,178,578

(b) City of Windsor – Police and dispatching services; maturing December 2026 - $6,490,088

(c) Essex Windsor Solid Waste Authority – Landfill tipping fees; maturing March 2027 - $2,653,893

(d) Transit Windsor – Transit service; maturing August 2029 - $962,644

(e) Green for Life – Garbage collection; maturing March 2027 - $5,012,023

15. CONTINGENT LIABILTIES

From time to time, the Town is subject to claims and other lawsuits that arise in the ordinary course of business, some of which may seek damages in substantial amounts. Liability for any claims and lawsuits are recorded to the extent that the probability of a loss is likely and it is estimable.

16. BUDGET DATA

Budget data presented in these consolidated financial statements are based upon the 2025 operating and capital budget approved by Council. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Town Approved Budget	**PSAB** Adjustment & Consolidated Entities	Budget per Financial Statements
	$	$	$
General revenues	61,944,054	(2,042,701)	**59,901,353**
General expenses	(61,929,054)	6,563,238	**(55,365,816)**
Non Statement of Operations Transactions:			
Capital expenditures	13,555,200	(13,555,200)	-
Reserve transfers	(13,570,200)	13,570,200	-
Annual surplus	-	4,535,537	**4,535,537**

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Unless otherwise noted it is management’s opinion that the Town is not exposed to significant risks. There have not been any changes from the prior year in the Town’s exposure to risk or the policies, procedures and methods it uses to manage and measure the risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Town is exposed to credit risk through its cash, trade and other receivables, loans receivable and long-term receivables. There is a possibility of non-collection of its trade and other receivables. The majority of the Town’s receivables are from rate payers and government entities. The Town mitigates its exposure to credit loss by placing its cash with major financial institutions.

Accounts receivable credit risk is resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Town manages its credit risk by limiting the amount of days aged in accounts receivable before appropriate action is taken.

The Town's maximum exposure to credit risk at the financial statement date is the carrying value of accounts receivable and other accounts receivable as presented on the statement of financial position.

At year end, the amounts outstanding for the Town's accounts receivable are as follows:

	2025					
	Current	**31-60 days**	**61-90 days**	**91-120 days**	**Over 120 days**	**Total**
Government receivable	**4,677,808**	**-**	**-**	**-**	**-**	**4,677,808**
Accounts receivable	**2,311,267**	**517,941**	**634,908**	**503,137**	**196,508**	**4,163,761**
Taxes receivable	**-**	**-**	**-**	**-**	**3,499,970**	**3,499,970**
Long-term receivables	**-**	**-**	**-**	**-**	**7,729,553**	**7,729,553**
Total	**6,989,075**	**517,941**	**634,908**	**503,137**	**11,426,031**	**20,071,092**

	2024					
	Current	31-60 days	61-90 days	91-120 days	Over 120 days	Total
Government receivable	1,558,716	-	-	-	1,015,061	2,573,777
Accounts receivable	2,273,055	27,369	213,702	463,572	72,931	3,050,629
Taxes receivable	-	-	-	-	3,956,122	3,956,122
Long-term receivables	-	-	-	-	5,096,158	5,096,158
Total	3,831,771	27,369	213,702	463,572	10,140,272	14,676,686

Liquidity risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, deferred revenue, other non-current liabilities, and net long-term liabilities.

The Town manages this risk by establishing budgets and funding plans to fund its expenses and debt payments. The Town also maintains certain credit facilities, which can be drawn upon as needed.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The following tables sets out the expected maturities (representing undiscounted contractual cash-flow of financial liabilities):

	2025			
	Within 1 year	**1-5 years**	**Over 5 years**	**Total**
Accounts payable and accrued charges	**12,197,025**	**1,269,512**	**51,600**	**13,518,137**
Other current liabilities	**-**	**939,294**	**-**	**939,294**
Net long-term liabilities	**-**	**-**	**39,063,068**	**39,063,068**
Total	**12,197,025**	**2,208,806**	**39,114,668**	**53,520,499**

	2024			
	Within 1 year	1-5 years	Over 5 years	Total
Accounts payable and accrued charges	7,892,318	1,504,586	-	9,396,904
Other current liabilities	-	940,230	-	940,230
Net long-term liabilities	-	-	42,006,159	42,006,159
Total	7,892,318	2,444,816	42,006,159	52,343,293

Interest rate risk

Interest rate risk is the risk of potential loss caused by fluctuations in fair value of cashflow of financial instruments due to the changes in market interest rates. The Town is exposed to this risk through its interest-bearing investments and variable interest-earning cash accounts. The Town manages this risk through investing in fixed-rate securities of short to medium term maturity and plans to hold the securities to maturity. The Town earns interest in its cash account of prime minus 1.00% in anticipation of future capital commitments.

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Consolidated Schedule of Tangible Capital Assets

Schedule 1

Year ended December 31, 2025

	Land	Land Improvements	Buildings and Improvements	General Information Technology	Vehicles	Machinery and Equipment	Water	Wastewater	Storm Sewers	Transportation	Construction in Progress	**2025**	2024
Cost:													
Balance, beginning of year	$ 7,608,020	$ 9,852,666	$ 35,227,811	$ 1,571,203	$ 7,380,339	$ 4,987,307	$ 117,834,728	$ 109,784,466	$ 62,162,084	$ 134,559,548	$ 33,075,177	**$ 524,043,347**	$ 508,818,335
Add: Additions during the year	-	840,542	1,147,340	-	344,786	109,537	1,062,115	4,937,140	598,369	19,027,758	25,816,331	**53,883,918**	18,109,693
Less: Disposals during the year	-	32,894	32,727	-	61,308	-	-	-	-	-	23,456,084	**23,583,013**	2,816,399
Less: Other	-	-	-	-	-	-	-	-	-	-	-	**-**	68,282
Balance, end of year	7,608,020	10,660,314	36,342,424	1,571,203	7,663,817	5,096,844	118,896,843	114,721,606	62,760,453	153,587,306	35,435,424	**554,344,252**	524,043,347
Accumulated amortization													
Balance, beginning of year	$ -	$ 6,354,559	$ 20,597,522	$ 1,316,163	$ 5,039,954	$ 2,480,565	$ 40,153,142	$ 34,187,378	$ 35,458,021	$ 97,285,715	$ -	**242,873,019**	232,449,493
Add: amortization during the year	-	758,305	1,685,252	75,897	556,517	523,656	1,421,279	2,011,654	1,145,268	3,579,256	-	**11,757,084**	10,621,822
Less: accumulated amortization on disposals	-	32,894	11,454	-	61,308	-	-	-	-	-	-	**105,656**	198,296
Balance, end of year	-	7,079,970	22,271,320	1,392,060	5,535,163	3,004,221	41,574,421	36,199,032	36,603,289	100,864,971	-	**254,524,447**	242,873,019
Tangible capital assets	$ 7,608,020	$ 3,580,344	$ 14,071,104	$ 179,143	$ 2,128,654	$ 2,092,623	$ 77,322,422	$ 78,522,574	$ 26,157,164	$ 52,722,335	$ 35,435,424	**$ 299,819,805**	$ 281,170,328

	General Government	Protection to Persons and property	Transportation Services	Environmental Services	Recreation and Culture	Planning and Development	**2025**	2024
Cost:								
Balance, beginning of year	$ 8,690,542	11,345,449	159,804,224	299,090,751	44,876,530	235,850	**524,043,347**	508,818,335
Add: Additions during the year	1,836,221	5,087,806	23,144,579	20,600,058	3,112,209	103,045	**53,883,918**	18,109,693
Less: Disposals during the year	875,424	-	16,773,952	5,178,933	754,704	-	**23,583,013**	2,816,399
Less: Other	-	-	-	-	-	-	**-**	68,282
Balance, end of year	9,651,339	16,433,255	166,174,851	314,511,876	47,234,035	338,895	**554,344,252**	524,043,347
Accumulated amortization								
Balance, beginning of year	2,260,458	6,318,749	101,546,784	110,416,018	22,278,023	52,985	**242,873,019**	232,449,493
Add: amortization during the year	278,658	368,535	3,982,658	4,717,452	2,351,190	58,591	**11,757,084**	10,621,822
Less: accumulated amortization on disposals	11,454	-	-	61,308	32,894	-	**105,656**	198,296
Balance, end of year	2,527,662	6,687,284	105,529,442	115,072,162	24,596,319	111,576	**254,524,447**	242,873,019
Net book value of tangible capital assets	$ 7,123,677	9,745,971	60,645,409	199,439,714	22,637,716	227,319	**299,819,805**	281,170,328

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Consolidated Schedule of Deferred Revenue **Schedule 2**

Year ended December 31, 2025

	Balance December 31, 2024	Interest earned	Contributions received	Revenue earned	**Balance December 31, 2025**
Development charges	$ 22,302,707	$ 831,415	$ 1,831,209	$ (7,122,925)	**$ 17,842,406**
Federal gas tax	1,805,885	64,540	1,232,663	(1,083,265)	**2,019,823**
Grants	3,935,581	51,926	7,355,495	(9,181,734)	**2,161,268**
Other	1,029	-	332	-	**1,361**
	$ 28,045,202	$ 947,881	$ 10,419,699	$ (17,387,924)	**$ 22,024,858**

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Consolidated Schedule of Reserves and Reserve Funds **Schedule 3**

Year ended December 31, 2025

	Balance December 31, 2024	Interest earned	Transfer between accounts	Transfer from (to) operations	Transfer to capital	**Balance December 31, 2025**
Reserve funds:						
General	$ 13,601,667	$ 541,957	$ -	$ 6,134,720	$ (4,607,920)	**$ 15,670,424**
Parking Reserve Fund	21,896	79	-	9,110	-	**31,085**
Parkland Dedication Reserve	990,003	3,565	-	23,009	-	**1,016,577**
Post Retirement Benefits	971,065	38,756	-	160,751	-	**1,170,572**
Ranta Memorial Park Bequest Reserve	181,285	7,242	-	-	-	**188,527**
Tree Planting Reserve	74,564	-	-	4,369	-	**78,933**
Watermain	544,623	21,641	-	-	-	**566,264**
	16,385,103	613,240	-	6,331,959	(4,607,920)	**18,722,382**
General rated reserves:						
AODA Compliance	128,810	464	-	75,000	(10,092)	**194,182**
Building Capital Reserve	101,572	366	-	-	-	**101,938**
Building Service Operations Reserve	1,461,732	5,264	-	(340,301)	-	**1,126,695**
Co-An park capital	35,184	127	-	15,000	(2,511)	**47,800**
Contingency reserve	813,999	2,931	-	565,109	(1,078,805)	**303,234**
Commemorative Program Reserve	-	-	-	5,000	-	**5,000**
CIP Reserve	315,981	1,138	-	-	-	**317,119**
Developer deposits reserve	19,142	69	-	-	-	**19,211**
Economic Development	-	-	-	29,461	-	**29,461**
Elections Reserve	155,021	558	-	40,000	-	**195,579**
Employee related	353,721	1,274	-	50,000	-	**404,995**
Events Reserve	2,445	9	-	-	-	**2,454**
Fire	156,821	565	-	95,500	-	**252,886**
Fleet Reserve	1,423,573	5,126	-	567,205	(599,534)	**1,396,370**
Information Technology Reserve	567,623	2,044	-	123,000	(204,533)	**488,134**
Insurance Reserve	494,794	1,782	-	20,382	-	**516,958**
Libro Reserve	202,201	728	-	41,249	-	**244,178**
Litigation Reserve	188,992	681	-	25,000	-	**214,673**
Municipal Drain Reserve	1,086,514	3,912	-	157,934	-	**1,248,360**
New Capital	1,615,591	5,818	(58,000)	1,226,100	(2,344,181)	**445,328**
Parks	1,398,034	5,034	-	196,973	(627,143)	**972,898**
Planning Study Reserve	63,850	230	-	40,000	(22,271)	**81,809**
Plans & Studies Reserve	269,099	969	-	49,008	(58,101)	**260,975**
Police Reserve	657,665	2,368	-	65,000	(402,890)	**322,143**
Risk Management Reserve	56,299	203	-	-	-	**56,502**
Street Lights	73,413	264	-	12,000	-	**85,677**
Tax stabilization	1,290,251	4,646	58,000	325,000	(1,510,000)	**167,897**
Transit	1,706	6	-	-	-	**1,712**
Winter control	90,080	324	-	-	-	**90,404**
Working capital	938,434	3,379	-	-	(28,317)	**913,496**
	13,962,547	50,279	-	3,383,620	(6,888,378)	**10,508,068**
Water and wastewater reserves:						
Wastewater Working Capital	8,104,077	325,956	504,194	1,372,501	(1,607,082)	**8,699,646**
Water Working Capital	5,816,049	248,817	-	2,021,429	(855,751)	**7,230,544**
	13,920,126	574,773	504,194	3,393,930	(2,462,833)	**15,930,190**
Donation reserves:						
Donations	67,279	-	-	28,980	(28,980)	**67,279**
Brick fund	25,724	3,891	-	-	-	**29,615**
	93,003	3,891		28,980	(28,980)	**96,894**
	27,975,676	628,943		6,806,530	(9,380,191)	**26,535,152**
	$ 44,360,779	$ 1,242,183	$ -	$ 13,138,489	$ (13,988,111)	**$ 45,257,534**

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Consolidated Schedule of Accumulated Surplus **Schedule 4**

Year ended December 31, 2025 with comparative information for 2024

		2025		2024
Reserve and reserve funds:				
Reserve funds (Schedule 3)	**$**	**18,722,382**	$	16,385,103
Reserves (Schedule 3)		**26,535,152**		27,975,676
		45,257,534		44,360,779
Surpluses:				
Tangible capital assets		**299,819,805**		281,170,328
Investment in Essex Power Corporation		**6,355,110**		6,214,200
General revenue fund surplus		**2,209,993**		1,675,698
Unfunded:				
Employee future benefit obligations		**(16,449,800)**		(17,246,700)
Asset retirement obligations		**(500,000)**		(500,000)
Long-term debt		**(21,691,147)**		(23,789,132)
		269,743,961		247,524,394
Accumulated surplus	**$**	**315,001,495**	$	291,885,174

THE CORPORATION OF THE TOWN OF AMHERSTBURG

Consolidated Schedule of Segment Disclosures **Schedule 5**

Year ended December 31, 2025 with comparative information for 2024

	General Government	Protection to persons and property	Transportation services	Environmental services	Recreation and cultural services	Planning and development	**2025**	2024
Revenues:								
Taxation	$ 35,149,320	$ -	$ -	$ -	$ -	$ -	**$ 35,149,320**	$ 32,579,433
User charges	612,164	182,814	2,377,823	18,885,503	1,142,176	201,063	**23,401,543**	16,838,968
Government transfers	1,529,419	49,566	10,377,912	126,004	188,442	(512)	**12,270,831**	8,986,858
Other	4,291,624	139,818	484,406	1,299,137	173,256	589,618	**6,977,859**	8,583,735
	41,582,527	372,198	13,240,141	20,310,644	1,503,874	790,169	**77,799,553**	66,988,995
Expenditures:								
Salaries, wages and employee benefits	3,870,500	2,844,619	2,202,016	1,460,839	4,300,184	2,279,602	**16,957,760**	15,614,818
Materials, goods, services, utilities	3,412,035	629,501	2,647,484	4,605,841	1,042,229	216,095	**12,553,185**	15,406,844
Contracted services	967,092	6,677,790	36,955	4,713,663	-	84,897	**12,480,397**	11,285,754
Interest on long-term debt	-	-	108,594	571,109	192,393	-	**872,096**	968,788
Rents and financial	710	-	-	-	-	-	**710**	(192,446)
External transfers	62,000	-	-	-	-	-	**62,000**	60,000
Amortization	278,657	368,535	3,982,658	4,717,452	2,351,191	58,591	**11,757,084**	10,621,822
	8,590,994	10,520,445	8,977,707	16,068,904	7,885,997	2,639,185	**54,683,232**	53,765,580
	$ 32,991,533	$ (10,148,247)	$ 4,262,434	$ 4,241,740	$ (6,382,123)	$ (1,849,016)	**$ 23,116,321**	$ 13,223,415