Consolidated Financial Statements of

THE CORPORATION OF THE TOWN OF TECUMSEH

Year ended December 31, 2025

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Consolidated Financial Statements

Year ended December 31, 2025

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Management's Responsibility for the Consolidated Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT

To the Mayor, Members of Council, Inhabitants and Ratepayers of Corporation of the Town of Tecumseh

Opinion

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

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

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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

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

In preparing the financial statements, management is responsible for assessing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.

KPMG

- 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

July 29, 2026

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Financial assets		
Cash and cash equivalents	$ 67,406,425	$ 81,121,097
Taxes receivable	3,530,482	3,391,512
Accounts receivable	13,307,326	9,647,842
Promissory note receivable - government business enterprise (note 2)	1,544,408	1,544,408
Due from government business enterprise (note 2)	2,430,973	2,054,714
Accounts receivable - long term (note 3)	203,292	335,547
Investment - government business enterprise (note 4)	12,507,463	12,305,197
Investment - portfolio	5,107,147	4,452,091
	106,037,516	114,852,408
Liabilities		
Accounts payable and accrued liabilities	12,537,782	15,937,798
Other current liabilities	5,716,521	6,678,709
Deferred revenue (note 5)	17,070,576	16,313,845
Employee future benefits payable (note 6)	10,555,338	10,438,853
Asset retirement obligation (note 7)	2,028,668	2,026,891
Municipal debt (note 8)	7,997,450	9,276,850
	55,906,335	60,672,946
Net financial assets	50,131,181	54,179,462
Non-financial assets		
Tangible capital assets (Schedule 1)	315,613,926	267,836,674
Inventories of supplies	215,811	301,804
Prepaid expenses	38,337	104,241
	315,868,074	268,242,719
Contingent liabilities (note 10)		
Contractual obligations (note 11)		
Accumulated surplus (note 9)	$ 365,999,255	$ 322,422,181

See accompanying notes to consolidated financial statements.

Approved on behalf of Council:

Mayor

Treasurer

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Statement of Operations and Accumulated Surplus

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

	2025 Budget (note 14)	2025 Actual	2024 Actual
Revenues:			
Property taxes	$ 30,987,983	$ 31,572,270	$ 29,705,509
User charges	14,918,457	15,965,675	14,376,851
Capital contributions	1,404,260	3,306,264	2,210,638
Government transfers	24,965,545	36,576,839	10,037,554
Investment income	3,268,800	3,152,704	4,529,328
Penalties and interest on property taxes	380,000	586,900	512,402
Income from government business enterprise (note 4)	822,925	683,474	473,640
Gain (loss) on disposal of tangible capital assets	(235,107)	(70,694)	248,995
Other	4,425	502,798	322,425
	76,517,288	92,276,230	62,417,342
Expenses:			
General government	7,888,075	7,837,906	6,911,609
Protection to persons and property	7,029,392	7,029,830	6,484,589
Transportation	9,346,180	8,793,069	7,682,904
Environmental	13,985,564	13,709,940	13,052,125
Social and family	15,320	15,320	22,187
Recreational and cultural	7,705,852	7,505,542	7,359,950
Planning and development	2,103,770	3,807,549	2,803,256
	48,074,153	48,699,156	44,316,620
Annual surplus	28,443,135	43,577,074	18,100,722
Accumulated surplus, beginning of year	322,422,181	322,422,181	304,321,459
Accumulated surplus, end of year	$ 350,865,316	$ 365,999,255	$ 322,422,181

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Statement of Changes in Net Financial Assets

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

	2025 Budget	2025 Actual	2024 Actual
	(note 14)		
Annual surplus	$ 28,443,135	$ 43,577,074	$ 18,100,722
Acquisition of tangible capital assets	(71,897,305)	(10,391,909)	(7,065,676)
Change in tangible capital assets WIP	(4,369,005)	(46,198,272)	(19,167,052)
Amortization of tangible capital assets	9,314,917	8,672,583	8,402,971
Loss (gain) on disposal of tangible capital assets	235,107	70,694	(248,995)
Proceeds from sale of tangible capital assets	–	69,649	284,337
	(66,716,286)	(47,777,255)	(17,794,415)
Net change in inventories of supplies	–	85,993	(48,552)
Net change in prepaid expense	–	65,907	(32,777)
	–	151,900	(81,329)
Change in net financial assets excluding net remeasurement gains and losses	(38,273,151)	(4,048,281)	224,978
Net financial assets, beginning of year	54,179,462	54,179,462	53,954,484
Net financial assets, end of year	$ 15,906,311	$ 50,131,181	$ 54,179,462

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWN OF TECUMSEH

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	$ 43,577,074	$ 18,100,722
Items not involving cash:		
Amortization	8,672,583	8,402,971
Income from government business enterprise	(683,474)	(473,640)
Loss (gain) on disposal of tangible capital assets	70,694	(248,995)
Change in non-cash operating working capital:		
Financial assets	(4,174,713)	(5,596,723)
Liabilities	(3,487,211)	9,978,236
Non-financial assets	151,900	(81,329)
Cash provided from operating transactions	44,126,853	30,081,242
Capital:		
Acquisition of tangible capital assets	(10,391,909)	(7,065,676)
Change in assets under construction	(46,198,272)	(19,167,052)
Proceeds on sale of tangible capital assets	69,649	284,337
Cash used in capital transactions	(56,520,532)	(25,948,391)
Investing:		
Accounts receivable - long-term - repayment	132,255	152,486
Investment portfolio purchases	(100,000)	(2,000,000)
Investment portfolio reinvestment	(555,056)	(429,722)
Dividends from government business enterprise	481,209	473,805
Cash used in investing activities	(41,592)	(1,803,431)
Financing:		
Municipal debt principal repayment	(1,279,401)	(1,228,268)
Cash used in financing activities	(1,279,401)	(1,228,268)
Change in cash and cash equivalents	(13,714,672)	1,101,152
Cash and cash equivalents, beginning of year	81,121,097	80,019,945
Cash and cash equivalents, end of year	$ 67,406,425	$ 81,121,097

See accompanying notes to consolidated financial statements.

The Corporation of the Town of Tecumseh (the “Municipality”) was formed on January 1, 1999, by the amalgamation of the former municipalities of the Village of St. Clair Beach, the Town of Tecumseh and the Township of Sandwich South.

1. Significant accounting policies:

The consolidated financial statements of the Municipality are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants Canada. The Corporation of the Town of Tecumseh is a municipality in the Province of Ontario and operates under the provisions of the Community Charter. The Municipality provides municipal services such as fire, policing, roads, water, wastewater, planning, parks, recreation and other general government services.

The focus of PSAB consolidated financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all the assets and liabilities of the Municipality. Financial assets are those which provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality’s overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statement reflect the financial assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the Municipality. The following entities have been consolidated:

Tecumseh Business Improvement Area Board
Tecumseh Police Services Board

All inter-entity transactions and balances have been eliminated.

(ii) Non-consolidated entity:

The investment in Essex Power Corporation (“EPC”) is accounted for using the modified equity basis of accounting. Under this method, the government business enterprise’s accounting policies, which follow IFRS Accounting Standards (“IFRS”), are not adjusted to conform with Public Sector Accounting Standards. Inter-entity transactions and balances are not eliminated.

The Municipality recognizes its equity interest in the annual income or loss of EPC in its Consolidated Statement of Operations with a corresponding increase or decrease in its’ investment account. Any dividends that the Municipality receives from EPC are reflected as reductions in the investment account.

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iii) Accounting for County of Essex and School Board transactions:

Taxation and other revenues with respect to the operations of the County of Essex (the "County") and School Boards are not reflected in the Consolidated Statement of Operations. In addition, the revenues, expenses, assets and liabilities with respect to the operations of the County and School Boards are not reflected in these consolidated financial statements except to the extent that any amounts due to or from are reported on the Consolidated Statement of Financial Position in "accounts receivable" or "accounts payable".

(iv) Trust funds:

Trust funds and their related operations that are administered by the Municipality are not consolidated.

(v) Municipal debt:

The charges for municipal debt assumed by non-consolidated entities or by individuals, in the case of tile drainage and shoreline property assistance loans, are not reflected in these consolidated financial statements.

(b) Basis of accounting:

(i) Accrual basis of accounting:

Revenues and expenses are reported on the accrual basis of accounting. 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 receipt of goods or services and the creation of a legal obligation to pay.

(ii) Cash and cash equivalents:

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

(iii) Portfolio investments:

Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(iv) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They generally 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 of revenues over expenses, provides the Change in Net Financial Assets for the year.

(v) Accounts receivable - long-term:

Interest is recognized as income in the year that it is earned.

(vi) Tangible capital assets:

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

Asset	Rate
Land improvements	20 – 50 years
Buildings	20 – 50 years
Leasehold improvements	15 – 50 years
Equipment / vehicles	3 – 40 years
Computer	4 – 12 years
Furniture and fixtures	10 years
Linear assets – roads	20 – 50 years
Linear assets – water	20 – 80 years
Linear assets – wastewater	65 years
Linear assets – stormwater	65 years

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

The Municipality has a capitalization threshold of $5,000 to $10,000, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have greater than $100,000 value, or for operational reasons. Examples of pools are desktop computer systems, furniture and fixtures, sidewalks and water meters.

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(vii) Contribution of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is 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.

(viii) Leased assets:

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Municipality, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

(ix) Inventories:

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(x) Taxation and related revenue:

Taxes are recognized as revenue in the year they are levied. 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 Municipal Council, incorporating amounts to be raised for local services, the requisition made by the County in respect of County services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the 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 renders supplementary tax billings. Taxation revenue is recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal and write off for physical changes to the property. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known. The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(x) Taxation and related revenue (continued):

Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. Government transfers with eligibility criteria but without stipulations are recognized as revenue when the transfer is authorized and all eligibility criteria have been met. Government transfers with or without eligibility criteria but with stipulations are recognized as revenue in the period the transfer is authorized, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

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

(xi) Deferred revenue:

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. Government transfers of gas taxes, development charges collected under the Development Charges Act, 1997 and parkland contributions collected under the Planning Act are reported as deferred revenue in the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

(xii) Retirement benefits and other employee benefit plans:

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

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

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(xiii) Use of estimates:

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions 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 valuation allowances for receivables, certain accrued liabilities and obligations related to employee future benefits and the landfill post closure liability, the carrying value of tangible capital assets and the evaluation of contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

(xiv) Asset retirement obligations:

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

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

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos and septic systems in several of the buildings owned by the Town has been recognized based on estimated future expenses on closure of the site and post-closure care. Under the prospective method, the liability is measured as of the date it was incurred and the discount rate and assumptions used are those as of the date the obligation was incurred. Comparatives are not restated. Assumptions used in the subsequent calculations are revised yearly.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital asset is being amortized in accordance with the depreciation accounting policies outlined in (vi).

2. Government business enterprise:

		2025		2024
Note receivable from EPC (note 4), long-term interest rate of 4.00%, repayable up to 20% of the original balance of $1,544,408 in each year. The Municipality can request payment in full upon a year's notice subject to EPC's ability to make such payment. Term is from January 1, 2024 to December 31, 2027. The Municipality can defer any payment to a subsequent year.	$	1,544,408	$	1,544,408
Amount due from EPC relates to water and sewer billings collected by EPC on behalf of the Municipality under an ongoing agreement.		2,430,973		2,054,714

3. Accounts receivable - long-term:

Accounts receivable – long-term consists of the following:

		2025		2024
Debentures	$	177,084	$	298,836
Other		26,208		36,711
	$	203,292	$	335,547

3. Accounts receivable - long-term (continued):

(a) Debentures:

These accounts receivable are owing from taxpayers and are related to amounts recoverable with regards to infrastructure work completed and paid for by the Municipality but for which the taxpayers are responsible. Due to the work performed being substantial and the related costs being significant, the Municipality provides taxpayers the option to pay when the work is completed or to provide payments over a term of five years. If the taxpayer could prove undue hardship, then the Municipality allows for a term of 10 years.

	2025	2024
Receivable over a ten year term in annual instalments of $5,349 at an interest rate of 4.53% and will mature in 2028	$ 14,695	$ 19,175
Receivable over a five year term in annual instalments of $114,739 at an interest rate of 2.21% and will mature in 2026	112,258	222,089
Receivable over a ten year term in annual instalments of $9,352 at an interest rate of 3.32% and will mature in 2031	50,131	57,572
	$ 177,084	$ 298,836

(b) Other:

	2025	2024
Municipal Drain receivable over a five year term in annual instalments of $11,598 at an interest rate of 2.70% and matured in 2025	$ –	$ 11,294
Municipal Drain receivable over a five year term in annual instalments of $8,997 at an interest rate of 2.70% and will mature in 2026	8,775	17,305
Municipal Drain receivable over a five year term in annual instalments of $2,382 at an interest rate of 6.76% and will mature in 2028	6,278	8,112
Municipal Drain receivable over a five year term in annual instalments of $2,561 at an interest rate of 4.78% and will mature in 2030	11,155	–
	$ 26,208	$ 36,711

4. Investment – Government Business Enterprise:

(a) Pursuant to the Energy Competition Act, the Municipality incorporated companies created for the purposes of generating, distributing and retailing electricity. The corporations include the former Utilities of the Towns of Amherstburg, Lasalle, Leamington and Tecumseh.

The Corporation of the Town of Tecumseh holds a 26.44% interest in Essex Power Corporation.

(b) Investment balance at December 31, 2025 is comprised of the following:

	2025	2024
2,678,177 Class A voting common shares – EPC	$ 2,678,177	$ 2,678,177
2,289,242 Class B non-voting common shares – EPC	2,289,242	2,289,242
373,943 special shares, Class A non-voting – EPC	373,943	373,943
Share of accumulated earnings 26.44%	7,166,101	6,963,835
	$ 12,507,463	$ 12,305,197

(c) Supplementary financial information for EPC:

(in thousands of dollars)	2025	2024
Cash and cash equivalents	$ 3,255	$ 2,724
Refundable customer deposit	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	679	380
Note receivable	2,085	2,248
Investments accounted for using the equity method	39	–
Regulatory balances	9,452	8,200
Total assets and regulatory balances	$ 143,847	$ 133,026

4. Investment – Government Business Enterprise (continued):

(c) Supplementary financial information for EPC (continued):

(in 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 revenue		14,993		13,738
Deferred tax liabilities		6,463		5,875
Other non-current liabilities		1,326		1,174
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
26.44% share of comprehensive income	$	775	$	566
26.44% share of Green Share Dividend		(16)		(16)
26.44% share of regulatory adjustments		(76)		(76)
Income from government business enterprise	$	683	$	474

5. Deferred revenue:

	2025 Opening balance	Contributions received	Externally restricted investments income	Revenue recognized	2025 Ending balance
Development charges	$ 852,988	$ 1,879,175	$ 13,346	$ (1,123,210)	$ 1,622,299
Gas tax	7,999,816	1,220,924	302,254	(4,000,000)	5,522,994
Parkland development fees	1,088,729	3,071	17,034	–	1,108,834
Storm sewer	6,751,703	1,789,764	275,664	–	8,817,131
Building code	(379,391)	378,709	–	–	(682)
	$ 16,313,845	$ 5,271,643	$ 608,298	$ (5,123,210)	$ 17,070,576

6. Employee future benefits payable:

Employee future benefits payable consists of the following:

	2025	2024
Sick leave benefit plan (note 6 (b))	$ 411,192	$ 376,349
Health and dental (note 6 (c))	10,144,146	10,062,504
	$ 10,555,338	$ 10,438,853

(a) Pension:

Certain employees of the Municipality are eligible to be members of the Ontario Municipal Employees Retirement System (“OMERS”), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of credited service and rates of pay. However, as OMERS does not segregate its pension assets and liabilities information by individual employer, there is not sufficient information to enable the Municipality to account for the plan as a defined benefit plan. At December 31, 2025, the OMERS plan is in a slight deficit position. Contribution rates for 2025 were 9.0% (2024 - 9.0%) for employee earnings below the year’s maximum pensionable earnings and 14.6% (2024 - 14.6%) thereafter. During the year ended December 31, 2025, the Municipality contributed $1,085,210 (2024 - $947,136) to the plan. These contributions are the Municipality’s pension benefit expense. No pension liability for this type of plan is included in the Municipality’s Consolidated Statement of Financial Position.

6. Employee future benefits payable (continued):

(b) Sick leave benefit plan:

The Municipality provides paid sick leave that can be carried forward up to a maximum of 65 days and employees may become entitled to a cash payment of one-half of the sick bank balance when they leave the Municipality's employment. The benefit costs and liabilities recorded in 2025 are based on an actuarial valuation prepared by an independent firm. The most recent full actuarial valuation was performed as at December 31, 2024. Information about the Municipality's sick leave benefit plan is as follows:

	2025	2024
Accrued benefit liability, January 1	$ 376,349	$ 340,957
Expense for the year:		
Current service cost	49,259	42,626
Interest	18,200	16,574
Amortization of actuarial gain	2,553	(5,672)
Benefits paid for the year	(35,169)	(18,136)
Accrued benefit liability, December 31	411,192	376,349
Unamortized actuarial loss	761	5,608
Obligation, December 31	$ 411,953	$ 381,957

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

	2025	2024
Discount rate	4.50%	4.40%
Rate of compensation increase	3.00%	3.00%

A sick leave reserve has been established in the amount of $280,856 (2024 - $266,025).

6. Employee future benefits payable (continued):

(c) Health and dental:

The Municipality pays certain benefits on behalf of its retired employees.

The Municipality provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. In addition, the Municipality provides dental and health care benefits beyond age 65 until death for the union employees hired prior to March 31, 2010 and for management employees hired prior to January 9, 2007. The benefit costs and liabilities related to this plan are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as of December 31, 2024.

Information about the Municipality's health and dental plan is as follows:

	2025	2024
Accrued benefit liability, January 1	$ 10,062,504	$ 10,607,926
Expense for the year:		
Current service cost	136,765	102,112
Interest	511,564	305,271
Amortization of actuarial gain	(234,859)	(640,818)
Benefits paid for the year	(331,828)	(311,987)
Accrued benefit liability, December 31	10,144,146	10,062,504
Unamortized actuarial loss	595,314	851,116
Obligation, December 31	$ 10,739,460	$ 10,913,620

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

	2025	2024
Discount rate	5.00%	4.70%
Rate of compensation increase:		
Dental	4.50%	4.50%
Health care:		
Initial	5.50%	5.50%
Ultimate reached in 2039	4.00%	4.00%

7. Asset retirement obligation:

The Town's asset retirement obligations consist of several obligations as follows:

(a) Landfill obligation:

Landfill #3 was closed in 1997 and requires care consisting of hauling and treating leachate for an indefinite period of time. Landfill #3 is the joint responsibility of the Municipality, the Town of Lakeshore and the City of Windsor. The site is administered by the Essex Windsor Solid Waste Authority.

	2025	2024
Landfill post-closure liability, January 1	$ 620,555	$ 616,074
Expense for the year:		
Interest	27,885	28,826
Amortization of actuarial loss	(400)	585
Amounts paid for the year	(25,708)	(24,930)
Landfill post-closure liability, December 31	622,332	620,555
Unamortized actuarial gain	(78,502)	(26,771)
Obligation, December 31	$ 543,830	$ 593,784

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

	2025	2024
Discount rate	5.10%	4.80%
Annual growth rate	2.50%	2.50%

7. Asset retirement obligation (continued):

(b) Asbestos obligation:

The liability for the removal of asbestos in several buildings owned by the Town has been recognized based on estimates related to the removal and post-removal care.

These costs have been capitalized and are being amortized on the same basis as the related tangible capital asset.

	2025	2024
Asbestos liability, January 1	$ 1,406,336	$ 1,416,593
Reductions/abatements	–	(10,257)
Asbestos liability, December 31	$ 1,406,336	$ 1,406,336

8. Municipal debt:

(a) The balance of municipal debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2025	2024
Ontario Infrastructure and Lands Corporation Debenture - repayable in semi-annual instalments of $348,228 including interest at 3.78%, due 2036	$ 6,220,615	$ 6,669,175
Ontario Strategic Infrastructure Financing Authority Debenture - repayable in semi-annual instalments of $106,736 including interest at 4.71%, due 2025	–	206,161
Ontario Strategic Infrastructure Financing Authority Debenture - repayable in semi-annual instalments of $75,229 including interest at 4.76%, due 2026	145,252	283,829
Ontario Strategic Infrastructure Financing Authority Debenture - repayable in semi-annual instalments of $68,111 including interest at 4.95%, due 2027	256,387	375,479
Ontario Strategic Infrastructure Financing Authority Debenture - repayable in semi-annual instalments of $61,485 including interest at 5.62%, due 2028	335,185	435,088
Ontario Strategic Infrastructure Financing Authority Debenture - repayable in semi-annual instalments of $31,583 including interest at 4.77%, due 2029	227,569	278,066
Balance carryforward	7,185,008	8,247,798

8. Municipal debt (continued):

(a) (continued):

	2025	2024
Balance carryforward	$ 7,185,008	$ 8,247,798
Ontario Strategic Infrastructure Financing Authority Debenture - repayable in semi-annual instalments of $26,241 including interest at 4.40%, due 2030	233,268	274,134
Ontario Infrastructure and Lands Corporation Debenture - repayable in semi-annual instalments of $20,666 including interest at 3.59%, due 2031	221,328	253,837
Ontario Infrastructure and Lands Corporation Debenture - repayable in semi-annual instalments of $11,979 including interest at 3.41%, due 2032	148,076	166,511
Ontario Infrastructure and Lands Corporation Debenture - repayable in semi-annual instalments of $2,651 including interest at 3.97% due 2033	36,032	39,790
Ontario Strategic Infrastructure Financing Authority Debenture - repayable in semi-annual instalments of $2,480 including interest at 3.28%, due 2028	14,063	18,454
Ontario Strategic Infrastructure Financing Authority Debenture - repayable in semi-annual instalments of $55,932 including interest at 1.46%, due 2026	110,650	219,702
Ontario Strategic Infrastructure Financing Authority Debenture - repayable in semi-annual instalments of $4,365 including interest at 2.07%, due 2031	49,025	56,624
Net municipal debt at the end of the year	$ 7,997,450	$ 9,276,850

8. Municipal debt (continued):

(b) Principal due on municipal debt reported in (a) is summarized as follows:

	Recoverable from taxes	Recoverable from benefitting landowners	Total
2026	$ 993,868	$ 122,934	$ 1,116,802
2027	885,156	12,603	897,759
2028	785,404	12,932	798,336
2029	693,640	8,250	701,890
2030	656,970	8,422	665,392
	4,015,038	165,141	4,180,179
2031-2035	3,131,475	8,597	3,140,072
Thereafter	677,199	–	677,199
	$ 7,823,712	$ 173,738	$ 7,997,450

(c) The municipal debt in the name of the Municipality has received the approval of the Ontario Municipal Board or has been approved by the Council of the Municipality 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 and Housing.

9. Accumulated surplus:

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

	2025	2024
Surplus:		
Invested in tangible capital assets	$ 315,613,926	$ 267,836,674
Inventories	215,811	301,804
To be used to offset user charges and taxation	252,725	1,014,219
To be financed by user charges and municipal debt	(8,746,759)	(7,196,095)
Equity in EPC	12,072,724	11,870,458
Amounts to be recovered:		
Benefitting landowners	177,084	298,836
Vacation pay liability	(596,300)	(517,900)
Employee benefits payable	(10,495,940)	(10,379,455)
Asset retirement obligation - TCA	(2,028,668)	(2,026,891)
Accrued interest on net long term liabilities	(24,000)	(27,300)
Municipal debt	(7,997,450)	(9,276,850)
Reserves and reserve funds (note 9 (b))	67,556,102	70,524,681
Total surplus	$ 365,999,255	$ 322,422,181

(b) Reserves and reserve funds consist of the following:

	2025	2024
Reserves set aside for specific purposes by Council:		
Capital / lifecycle	$ 31,847,869	$ 37,852,861
Tax rate stabilization	6,447,339	5,656,555
Community Improvement Plan	572,783	647,783
Sick and vacation leave	633,074	590,401
Storm sewer	284,345	284,345
Working capital	216,300	216,300
Business improvement area	164,076	98,908
Land stewardship	127,352	62,576
General	17,435	17,435
Fire Education Awareness	7,500	7,500
Total reserves	40,318,073	45,434,664
Reserve funds set aside for specific purposes by Council:		
Water capital	15,880,409	15,885,829
Sanitary sewers	8,454,318	6,406,293
Post-retirement benefits	2,903,302	2,797,895
Total reserve funds	27,238,029	25,090,017
Total reserve and reserve funds	$ 67,556,102	$ 70,524,681

10. Contingent liabilities:

During the normal course of operations, the Municipality is subject to various legal actions, including some which could be substantial. The settlement of the actions that can be reasonably estimated is not expected to have a material effect on the consolidated financial statements of the Municipality. Other legal actions may be at an early stage and therefore the likelihood and magnitude of impact cannot be reasonably determined.

11. Contractual obligations:

(a) The former municipalities entered into agreements with the City of Windsor ("Windsor") whereby Windsor provides sewage treatment services to the Municipality at its Little River plant. In exchange for treatment services, the Municipality is responsible to the City of Windsor for a portion of debt charges associated with the Little River plant. Currently, there are no debt charges outstanding.

The Consolidated Statement of Financial Position does not reflect any assets or liabilities related to the Little River plant as the Municipality does not and will not have any ownership interest in the plant.

Included in the Consolidated Statement of Operations, are the following charges from the City of Windsor:

	2025	2024
Sewage treatment	$ 1,869,487	$ 2,098,208

(b) The Municipality has entered into various service agreements. The two largest relate to Waste Collection and The Solicitor General of Ontario ("Police Services"). The obligations under these contracts approximate $0.7M and $3.4M respectively in expenditures on an annual basis. The duration of these contracts is five years. The contract with Police Services can be terminated by either party with written notice of one year.

12. Trust funds:

The Municipality does not administer any trust funds and, as such, there are no trust funds included in these consolidated financial statements.

13. 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 share of payments in lieu and rights of way:		
School Boards	$ 9,527,632	$ 9,258,494
County	19,877,904	18,861,867
	29,405,536	28,120,361
Requisitions	29,405,536	28,120,361
Over levy for the year	$ –	$ –

14. Budget:

(a) The Financial Plan (Budget) By-Law adopted by Council on January 28, 2025, was not prepared on a basis consistent with that used to report actual results ("Canadian public sector accounting standards"). The budget was prepared on a modified accrual basis while Canadian public sector accounting standards now require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to $nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. Subsequently Council approved a report from the Treasurer restating the Financial Plan (Budget) to conform with PSAB basis of accounting. As a result, the budget figures presented in the Consolidated Statements of Operations and change in net financial assets represent the Financial Plan adopted by Council on January 28, 2025, with adjustments as follows:

	2025	2024
Financial Plan (Budget By-Law deficit) for the year	$ (32,265,322)	$ (36,155,870)
Add:		
Share of government business enterprises surplus	790,300	849,975
Asset retirement obligations	29,840	29,840
Loss on sale of tangible capital assets	(235,107)	(221,873)
Deferred revenue	1,610,000	5,996,030
Capital expenditures	67,528,295	63,127,985
	69,723,328	69,781,957
Less:		
Accrued interest expense	(3,200)	(3,600)
Dividend from government business enterprise	467,000	493,275
Employee future benefits expense	(785,846)	153,000
Asset retirement obligations	22,000	32,000
Amortization	9,314,917	8,402,581
	9,014,871	9,077,256
Budget surplus	$ 28,443,135	$ 24,548,831

14. Budget (continued):

(b) The Business Improvement Area (the “BIA”) is a Consolidated Entity which is not included in the Budget By-Law adopted by Council. These Consolidated Budget figures include the BIA budget approved by the BIA Board. Total overall budget surplus is: $28,456,133.

	2025
Town	$ 28,443,135
BIA	12,998
Budget surplus per Consolidated Statement of Operations	$ 28,456,133

15. Tangible capital assets:

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

(a) Contributed capital assets:

The Town records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. Transfers recorded amounted to $115,461 (2024 - $45,164).

(b) Tangible capital assets recognized at nominal value:

Certain assets have been assigned a nominal value of one Canadian Dollar, because of the difficulty of determining a tenable valuation. These assets generally consist of small parcels of land acquired over seventy years ago.

(c) Works of art and historical treasures:

The town has been given and purchased a number of paintings and other pieces of artwork. Altogether, there are 35 pieces that were appraised at $96,000 in 2005. These pieces are insured for $100,000. These have not been capitalized.

15. Tangible capital assets:

(d) Capitalization of interest:

The Town has a policy of not capitalizing borrowing costs incurred when financing the acquisition of a tangible capital asset.

Tangible capital assets consist of:

	2025	2024
General:		
Land	$ 22,927,942	$ 22,927,942
Land improvements	8,913,843	9,347,726
Buildings	28,240,678	26,394,229
Leasehold improvements	434,555	507,548
Equipment and vehicles	10,396,635	6,494,435
Computer	360,168	439,628
Furniture and fixtures	348,431	273,196
Infrastructure:		
Roads	60,745,720	62,116,123
Underground and other networks	103,831,514	106,119,679
Assets under construction	79,414,440	33,216,168
	$ 315,613,926	$ 267,836,674

16. Public Sector Salary Disclosure Act:

The Public Sector Salary Disclosure Act requires all municipalities to disclose which, if any, employees or officers received remuneration totaling more than $100,000 during the year.

Position	Name	Salary paid	Taxable benefits
Chief Administrative Officer	M. Misek-Evans	$ 270,476	$ 1,200
Director Development Services	B. Hilman	205,850	1,585
Director Public Works and Engineering Services	P. Bartnik	205,850	1,585
Director Financial Services and CFO	T. Kitsos	205,729	1,585
Director Community and Recreation Services	M. Gignac	195,411	1,585
Director Community Safety and Fire Chief	W. Bondy	185,783	1,521
Director Legislative Services and Clerk	R. Auger	185,241	1,471
Director Technology and Client Services	S. Fuerth	179,831	1,471
Director People and Culture	M. Drouillard	167,029	1,411
Manager Water Services and Volunteer Firefighter	B. Dupuis	156,890	1,194
Manager Planning Services and Local Economic Development	C. Jeffrey	145,873	1,191
Manager Public Works and Transportation	K. McArdle	145,345	1,191
Manager Engineering Services	J. Henderson	142,903	1,204
Manager Building Services and Chief Building Official	P. Valore	142,485	1,204
Deputy Fire Chief - Operations	K. Kavanagh	140,300	1,144
Senior Manager Recreation Services	B. Palmer	139,782	1,144
Manager Facilities and Energy Management	D. Wolicki	132,936	1,102
Deputy Fire Chief – Compliance	N. Fields	130,454	1,102
Deputy Treasurer and Manager Financial Services	Z. Visekruna	130,442	1,102
Manager Parks and Horticulture	K. Colthurst	129,451	1,060
Manager Customer Service	A. Circelli	128,015	1,081
Deputy Treasurer and Manager Revenue	V. DaDalt	125,463	1,060
Deputy Chief Building Official	D. Garneau	125,343	1,060
Special Projects Manager	C. Hedges	123,620	1,009
Deputy Clerk and Manager Legislative Services	J. Alexander	123,619	1,009
Deputy Clerk - Clerks Services and Policy Advisor	C. Hebert	123,391	1,009
Development Engineer	S. McVitty	119,512	1,009
Senior Planner	E. DeCecco	114,368	933
People and Culture Advisor	A. Schram	110,571	933
Water Employee and Volunteer Firefighter	D. Dupuis	106,960	796
Fire Prevention Officer and Volunteer Firefighter	R. MacEachern	106,361	809
Engineering Project Manager	A. Mussio	106,357	894
Fire Prevention Officer and Volunteer Firefighter	B. Sirianni	106,301	809
Water Leader	R. Morin	102,566	759
Public Works Labourer and Volunteer Firefighter	D. Redmond	101,569	669
Public Works Leader	A. Sokoloski	100,204	665

17. Segmented information:

The Town of Tecumseh is a diversified local municipal government that provides a wide range of services to its citizens, including police, fire, water, wastewater and parks and recreation. For management reporting purposes the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Town services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General government:

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

(b) Protection to persons and property:

Protection is comprised of Fire, Police, Conservation Authority and Protective Inspection and Control. Police Services ensures the safety of the lives and property of citizens; preserves peace and good order; prevents crimes from occurring; detects offenders; and enforces the law. Conservation Authority includes the Town's share of the Essex Region Conservation Authority. Fire Services is responsible to provide fire suppression services; fire prevention programs; training and education. Protective Inspection and Control ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws.

(c) Transportation:

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

(d) Environmental:

Includes water, wastewater as well as garbage collection and disposal. The department provides drinking water to the citizens of Tecumseh, is responsible for collecting wastewater, and providing collection and disposal of waste. Recycling is provided at the County level.

(e) Social and family:

This consists of the Town's share of the Golden Age Club operations.

(f) Recreational and cultural:

The department provides public services that responds to citizens' leisure and cultural requirements. Facilities include a wide variety of parks plus a twin pad arena, pool and various community facilities.

17. Segmented information (continued):

(g) Business Improvement Area (BIA):

The BIA, a geographic area of the municipality, has a board of management which is an organization set up to provide business promotion and improvement functions. A BIA allows local business people and property owners to join together and with the support of the municipality, organize, finance and carry out physical improvement and promote economic development in their district. The local municipality is the body responsible for approving the budget of the BIA.

(h) Planning and development:

The Planning and Development department facilitates the orderly growth of the Town through approval to all land development plans in accordance with the Official Plan.

For each reported segment, revenues and expense represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The General Revenue Fund reports on municipal services that are funded primarily by taxation such as property and business tax revenues. Taxation and payments-in-lieu of taxes are apportioned to General Revenue Fund services based on the Fund’s net surplus. Certain government transfers, transfer from other funds, and other revenues have been apportioned based on a percentage of budgeted expenses. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1. For additional information see the Consolidated Schedule of Segmented Disclosure (Schedule 2).

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Schedule of Tangible Capital Assets

Schedule 1

Year ended December 31, 2025

	General							Infrastructure			Totals	
2025	Land	Land improvements	Buildings	Leasehold improvements	Equipment/ vehicles	Computer	Furniture & fixtures	Linear assets - Roads	Linear assets - water wastewater & storm	Assets under construction	2025	2024
Cost												
Balance, beginning of year	$ 22,927,942	15,995,400	47,007,428	1,583,384	16,504,155	1,608,677	432,244	131,941,138	169,513,129	33,216,168	$ 440,729,665	$ 415,386,090
Add: additions during the year	–	137,415	3,359,761	–	5,108,602	39,940	123,397	1,358,723	264,071	50,510,709	60,902,618	30,243,703
Less: disposals during the year	–	(50,438)	(286,043)	–	(234,129)	(22,558)	(24,647)	–	(51,669)	–	(669,484)	(889,151)
Other	–	–	–	–	–	–	–	–	–	(4,312,436)	(4,312,436)	(4,010,977)
Balance, end of year	22,927,942	16,082,377	50,081,146	1,583,384	21,378,628	1,626,059	530,994	133,299,861	169,725,531	79,414,441	496,650,363	440,729,665
Accumulated amortization												
Balance, beginning of year	–	6,647,674	20,613,199	1,075,836	10,009,720	1,169,048	159,049	69,825,015	63,393,450	–	172,892,991	165,343,831
Add: amortization	–	567,279	1,376,985	72,993	1,206,401	119,401	48,162	2,729,128	2,552,234	–	8,672,583	8,402,971
Less: accumulated amortization on disposals	–	(46,418)	(149,716)	–	(234,129)	(22,558)	(24,648)	–	(51,668)	–	(529,137)	(853,811)
Balance, end of year	–	7,168,535	21,840,468	1,148,829	10,981,992	1,265,891	182,563	72,554,143	65,894,016	–	181,036,437	172,892,991
Net book value	$ 22,927,942	8,913,842	28,240,678	434,555	10,396,636	360,168	348,431	60,745,718	103,831,515	79,414,441	$ 315,613,926	$ 267,836,674

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Schedule of Tangible Capital Assets (continued) Schedule 1

Year ended December 31, 2025

	General							Infrastructure			Totals	
2024	Land	Land improvements	Buildings	Leasehold improvements	Equipment/ vehicles	Computer	Furniture & fixtures	Linear assets - Roads	Linear assets - water wastewater & storm	Assets under construction	2024	2023
Cost												
Balance, beginning of year	$ 22,882,778	1,2489,704	45,588,935	1,572,643	15,492,681	1,531,234	426,507	131,846,755	169,505,736	14,049,117	$ 415,386,090	$ 395,386,839
Add: additions during the year	45,164	3,823,346	1,428,750	10,741	1,360,514	130,423	35,302	141,610	89,825	23,178,028	30,243,703	28,239,046
Less: disposals during the year	–	(317,650)	(10,257)	–	(349,040)	(52,980)	(29,565)	(47,227)	(82,432)	–	(889,151)	(1,601,281)
Other	–	–	–	–	–	–	–	–	–	(4,010,977)	(4,010,977)	(6,638,514)
Balance, end of year	22,927,942	15,995,400	47,007,428	1,583,384	16,504,155	1,608,677	432,244	131,941,138	169,513,129	33,216,168	440,729,665	415,386,090
Accumulated amortization												
Balance, beginning of year	–	6,417,807	19,293,140	1,001,569	9,341,037	1,110,639	145,676	67,108,824	60,925,139	–	165,343,831	158,417,947
Add: amortization	–	534,107	1,330,316	74,267	1,012,459	111,389	42,938	2,746,752	2,550,743	–	8,402,971	8,136,350
Less: accumulated amortization on disposals	–	(304,240)	(10,257)	–	(343,776)	(52,980)	(29,565)	(30,561)	(82,432)	–	(853,811)	(1,210,466)
Balance, end of year	–	6,647,674	20,613,199	1,075,836	10,009,720	1,169,048	159,049	69,825,015	63,393,450	–	172,892,991	165,343,831
Net book value	$ 22,927,942	9,347,726	26,394,229	507,548	6,494,435	439,629	273,195	62,116,123	106,119,679	33,216,168	$ 267,836,674	$ 250,042,259

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Schedule of Segment Disclosure

Schedule 2

Year ended December 31, 2025

2025	General government	Protection to persons and property	Transportation	Environmental	Social and family services	Recreation and culture	BIA	Planning and development	Totals
Revenues:									
Property taxes	$ 5,385,065	$ 6,787,765	$ 6,512,696	$ 7,160,287	$ 7,317	$ 4,569,619	$ 336,317	$ 813,204	$ 31,572,270
Government transfers	14,220,738	129,687	3,827,847	17,822,557	–	148,901	225	426,884	36,576,839
User charges	354,996	1,588,085	205,126	12,023,324	–	1,691,015	6,779	96,350	15,965,675
Capital contributions	–	378,709	14,782	2,328,841	–	365,791	–	218,141	3,306,264
Investment income	840,113	722,058	324,522	618,630	–	512,322	3,670	131,389	3,152,704
Penalties and interest on property taxes	175,283	151,628	68,148	56,665	–	107,585	–	27,591	586,900
Income from government business enterprise	204,127	176,578	79,361	65,989	–	125,288	–	32,131	683,474
Gain (loss) on disposal of tangible capital assets	–	–	7,493	22,340	–	(100,527)	–	–	(70,694)
Other	–		–	108,048	–	394,750	–	–	502,798
	21,180,322	9,934,510	11,039,975	40,206,681	7,317	7,814,744	346,991	1,745,690	92,276,230
Expenses:									
Wages and benefits	5,130,773	2,445,690	1,636,093	2,486,221	–	3,294,269	87,115	941,913	16,022,074
Interest on municipal debt	–	–	97,864	4,314	–	246,496	–	–	348,674
Office supplies and equipment maintenance	896,771	8,616	4,857	5,648	–	7,018	39,381	2,256	964,547
Memberships	25,381	12,649	15,402	2,277	–	5,193	669	4,654	66,225
Conventions and training	122,552	38,596	25,714	35,759	–	32,383	2,936	28,070	286,010
Maintenance materials and supplies	73,599	154,568	742,822	341,602	–	560,128	–	5,030	1,877,749
Purchases for resale	20,400	–	–	1,789,041	–	–	–	–	1,809,441
Maintenance	172,768	96,523	530,780	661,098	–	303,751	–	–	1,764,920
Contract services	254,540	3,754,409	1,751,396	4,527,847	–	671,683	–	–	10,959,875
Professional	338,131	1,018	487,688	51,577	–	133,536	17,374	343,102	1,372,426
Vehicle and equipment leases	117	–	–	–	–	–	–	–	117
Utilities	79,291	51,248	234,747	191,732	–	454,690	–	–	1,011,708
Insurance	113,692	73,754	95,136	202,417	–	139,393	–	6,824	631,216
Grants and donations	8,448	–	–	1,600	–	–	–	200,000	210,048
Amortization	313,199	361,679	3,091,407	3,321,775	15,320	1,565,830	–	3,372	8,672,582
Other	69,755	24,864	79,163	84,408	–	68,130	134,348	1,990,496	2,451,164
Financial	65,254	62,665	25,370	23,718	–	63,093	–	10,280	250,380
	7,684,671	7,086,279	8,818,439	13,731,034	15,320	7,545,593	281,823	3,535,997	48,699,156
Annual surplus (deficit)	$ 13,495,651	$ 2,848,231	$ 2,221,536	$ 26,475,647	$ (8,003)	$ 269,151	$ 65,168	$ (1,790,307)	$ 43,577,074

THE CORPORATION OF THE TOWN OF TECUMSEH

Consolidated Schedule of Segment Disclosure (continued) Schedule 2

Year ended December 31, 2025

2024	General government	Protection to persons and property	Transportation	Environmental	Social and family services	Recreation and culture	BIA	Planning and development	Totals
Revenues:									
Property taxes	$ 6,094,611	$ 6,012,885	$ 6,195,893	$ 6,727,314	$ 7,230	$ 3,871,506	$ 235,621	$ 560,449	$ 29,705,509
Government transfers	2,271,084	112,016	934,751	6,152,764	–	182,516	250	384,173	10,037,554
User charges	393,475	1,126,848	283,542	10,872,209	–	1,514,583	–	186,194	14,376,851
Capital contributions	–	(2,523)	597,606	1,310,067	–	285,028	–	20,460	2,210,638
Investment income	1,148,197	995,737	464,250	963,239	–	705,732	5,107	247,066	4,529,328
Penalties and interest on property taxes	148,395	129,761	60,499	49,582	–	91,968	–	32,197	512,402
Income from government business enterprise	137,169	119,945	55,923	45,831	–	85,011	–	29,761	473,640
Gain (loss) on disposal of tangible capital assets	–	–	18,097	–	–	230,898	–	–	248,995
Other	–	100	–	–	–	322,325	–	–	322,425
	10,192,931	8,494,769	8,610,561	26,121,006	7,230	7,289,567	240,978	1,460,300	62,417,342
Expenses:									
Wages and benefits	4,382,102	2,128,202	1,331,240	2,168,965	–	2,851,660	58,690	764,383	13,685,242
Interest on municipal debt	–	–	130,639	6,284	–	262,982	–	–	399,905
Office supplies and equipment maintenance	791,396	10,815	3,552	4,252	–	7,276	34,014	1,634	852,939
Memberships	25,529	7,607	10,237	2,362	–	5,180	637	5,007	56,559
Conventions and training	124,185	45,647	14,268	37,479	–	17,539	2,543	19,705	261,366
Maintenance materials and supplies	113,423	112,710	387,975	364,931	–	556,457	–	2,063	1,537,559
Purchases for resale	12,000	–	–	1,706,596	–	–	–	–	1,718,596
Maintenance	187,354	107,743	394,228	443,708	–	289,665	–	148	1,422,846
Contract services	105,076	3,594,914	1,406,141	4,172,593	–	1,025,941	–	–	10,304,665
Professional	354,591	559	627,188	276,927	–	246,927	20,913	292,372	1,819,477
Vehicle and equipment leases	2,969	–	–	–	–	–	–	–	2,969
Utilities	64,446	51,341	225,830	223,464	–	446,335	–	–	1,011,416
Insurance	142,135	68,656	92,529	182,087	–	128,380	–	6,486	620,273
Grants and donations	8,277	–	–	4,000	–	52,239	–	201,999	266,515
Amortization	292,018	312,566	3,039,800	3,342,531	22,187	1,388,123	–	5,746	8,402,971
Other	61,883	36,723	19,277	80,561	–	65,297	145,285	1,241,617	1,650,643
Financial	70,728	68,954	28,836	59,017	–	59,784	–	15,360	302,679
	6,738,112	6,546,437	7,711,740	13,075,757	22,187	7,403,785	262,082	2,556,520	44,316,620
Annual surplus (deficit)	$ 3,454,819	$ 1,948,332	$ 898,821	$ 13,045,249	$ (14,957)	$ (114,218)	$ (21,104)	$ (1,096,220)	$ 18,100,722