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## INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the County of Essex

### ***Opinion***

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

- the consolidated statement of financial position as at December 31, 2023
- 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 remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the 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 financial position of the Corporation as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility 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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.



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### ***Emphasis of Matter – Comparative Information***

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

### ***Other Matter – Comparative Information***

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

### ***Responsibility 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 Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Corporation'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 the events or conditions that may cast significant doubt on the Corporation'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 Corporation's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

Approval Date

DRAFT

**CORPORATION OF THE COUNTY OF ESSEX**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**  
**WITH COMPARATIVE INFORMATION FOR 2022**

	2023	Restated 2022
	\$	\$
<b>Financial Assets</b>		
Cash	98,944,937	109,385,438
Accounts receivable	23,528,521	16,379,772
Investments	223,660,877	193,951,204
<b>Total Financial Assets</b>	<b>346,134,335</b>	<b>319,716,414</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	32,129,415	29,533,226
Deferred revenue (Note 5)	4,595,296	5,883,473
Asset retirement obligations (Note 6)	18,438,937	17,755,317
Employee benefits payable (Note 11)	6,191,140	5,929,511
Capital Lease obligation (Note 7)	840,491	-
Long-term debt (Note 8)	24,379,583	26,244,038
<b>Total Liabilities</b>	<b>86,574,862</b>	<b>85,345,565</b>
<b>Net Financial Assets</b>	<b>259,559,473</b>	<b>234,370,849</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 9)	253,021,736	227,898,107
Inventory of supplies	2,884,895	2,933,969
Prepaid expenses	2,533,534	2,039,307
<b>Total Non-Financial Assets</b>	<b>258,440,165</b>	<b>232,871,383</b>
<b>Accumulated Surplus (Note 10)</b>	<b>511,421,479</b>	<b>468,265,255</b>
Accumulated Remeasurement Gains / Losses	6,578,159	(1,023,023)
	<b>517,999,638</b>	<b>467,242,232</b>

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

**CORPORATION OF THE COUNTY OF ESSEX**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**WITH COMPARATIVE INFORMATION FOR 2022**

	<b>2023</b>	<b>Budget</b>	<b>Restated</b>
	<b>\$</b>	<b>\$</b>	<b>2022</b>
			<b>\$</b>
<b>Revenue</b>			
Requisition on local municipalities	126,804,977	123,599,230	119,862,597
Fees, service charges and donations	38,951,577	32,071,547	36,800,071
Government transfers	50,392,345	54,989,500	52,066,480
Investment earnings - realized	13,803,484	3,640,000	12,109,498
Investment earnings - unrealized			0
Other	2,966,856	2,654,860	4,408,623
Gain on disposal of tangible capital assets	223,982	2,000	197,082
<b>Total Revenue</b>	<b>233,143,221</b>	<b>216,957,137</b>	<b>225,444,351</b>
<b>Expenses</b>			
General government	9,606,234	9,390,278	8,316,014
Transportation services	35,016,186	54,563,964	35,625,374
Environmental services	20,317,596	39,270,107	19,217,199
Health services	56,925,608	57,344,150	53,753,475
Social and family services	44,160,293	43,799,459	41,085,205
Social housing	13,434,254	13,040,100	13,124,900
Recreational and cultural services	7,493,194	7,529,810	6,472,854
Planning and development	3,033,632	3,544,273	2,565,604
<b>Total Expenses</b>	<b>189,986,997</b>	<b>228,482,141</b>	<b>180,160,625</b>
<b>Annual Surplus</b>	<b>43,156,224</b>	<b>(11,525,004)</b>	<b>45,283,726</b>
<b>Accumulated Surplus, beginning of year</b>	<b>468,265,255</b>	<b>468,265,255</b>	<b>422,981,529</b>
<b>Accumulated Surplus, end of year</b>	<b>511,421,479</b>	<b>456,740,251</b>	<b>468,265,255</b>

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

**CORPORATION OF THE COUNTY OF ESSEX**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**WITH COMPARATIVE INFORMATION FOR 2022**

	2023 \$	Budget \$	Restated 2022 \$
<b>Annual Surplus</b>	<b>43,156,224</b>	<b>(11,525,004)</b>	<b>45,283,726</b>
Net acquisition of tangible capital assets	(50,250,653)	(60,442,540)	(25,873,014)
Amortization of tangible capital assets	24,765,834	2,009,675	22,676,108
Loss (gain) on disposal of tangible capital assets	136,935	0	225,567
Proceeds on sale of tangible capital assets	224,255	0	400,949
	<b>18,032,595</b>	<b>(69,957,869)</b>	<b>42,713,336</b>
Net acquisition and consumption of inventories	49,074	0	(1,325,915)
Net acquisition and consumption of prepaid expenses	(494,227)	0	9,201
<b>Change in Net Financial Assets excluding net remeasurement gains</b>	<b>17,587,442</b>	<b>(69,957,869)</b>	<b>41,396,622</b>
Net remeasurement gains for the year	7,601,182		(14,632,461)
<b>Net change in Net Financial Assets</b>	<b>25,188,624</b>	<b>(69,957,869)</b>	<b>26,764,161</b>
<b>Net Financial Assets, beginning of year</b>	<b>234,370,849</b>	<b>234,370,849</b>	<b>207,606,688</b>
<b>Net Financial Assets, end of year</b>	<b>259,559,473</b>	<b>164,412,980</b>	<b>234,370,849</b>

**CORPORATION OF THE COUNTY OF ESSEX**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**WITH COMPARATIVE INFORMATION FOR 2022**

	2023 \$	Restated 2022 \$
Cash provided by (used in):		
<b>Operating Activities</b>		
Annual surplus	43,156,224	45,286,132
Items not involving cash:		
Amortization of tangible capital assets	24,765,834	22,676,108
Gain (loss) on disposal of tangible capital assets	136,935	225,567
Change in employee benefits payable	261,629	319,789
Change in asset retirement obligations	683,620	655,876
Change in unrealized investment income	7,601,182	(14,634,867)
Change in non-cash assets and liabilities:	0	0
Accounts receivable	(7,148,749)	396,458
Accounts payable and accrued liabilities	2,596,189	7,848,434
Capital lease obligation	840,491	0
Deferred revenue	(1,288,177)	(459,851)
Inventory of supplies	49,074	(1,325,915)
Prepaid expenses	(494,227)	9,201
<b>Net change in cash from operating activities</b>	<b>71,160,025</b>	<b>60,996,932</b>
<b>Capital Activities</b>		
Proceeds on sale of tangible capital assets	224,255	400,949
Cash used to acquire tangible capital assets	(50,250,653)	(25,873,014)
<b>Net change in cash from capital activities</b>	<b>(50,026,398)</b>	<b>(25,472,065)</b>
<b>Investing Activities</b>		
Change in investments	(29,709,673)	(14,998,228)
<b>Net change in cash from investing activities</b>	<b>(29,709,673)</b>	<b>(14,998,228)</b>
<b>Financing Activities</b>		
Long-term debt repaid	(1,864,455)	(1,623,669)
<b>Net change in cash from financing activities</b>	<b>(1,864,455)</b>	<b>(1,623,669)</b>
<b>Net change in cash</b>	<b>(10,440,501)</b>	<b>18,902,970</b>
<b>Cash, beginning of year</b>	<b>109,385,438</b>	<b>90,482,468</b>
<b>Cash, end of year</b>	<b>98,944,937</b>	<b>109,385,438</b>



**CORPORATION OF THE COUNTY OF ESSEX**  
**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**WITH COMPARATIVE INFORMATION FOR 2022**

	<b>2023</b>	<b>Restated 2022</b>
	<b>\$</b>	<b>\$</b>
Accumulated remeasurement gains (losses) at beginning of year	(1,023,023)	13,609,438
Unrealized gains (losses) attributable to:		
Portfolio investments	11,120,707	(7,082,890)
Amounts reclassified to the Statement of Operations		
Portfolio investments	(3,519,525)	(7,549,571)
Net remeasurement gains (losses) for the year	<u>7,601,182</u>	<u>(14,632,461)</u>
Accumulated remeasurement gains (losses) at end of year	<u><u>6,578,159</u></u>	<u><u>(1,023,023)</u></u>

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

# **CORPORATION OF THE COUNTY OF ESSEX**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED DECEMBER 31, 2023**

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#### **1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Corporation of the County of Essex (the "Corporation") are prepared in accordance with the Canadian public sector accounting standards by the Public Sector Accounting Board of the Chartered Professional Accountants Canada. Significant accounting policies adopted by the Corporation are as follows:

(a) Basis of Consolidation

(i) Consolidated Entities

The consolidated financial statements of the Corporation reflect the assets, liabilities, sources of financing and expenses of the reporting entity.

The consolidated financial statements reflect the activities of the following entities:

Essex County Library Board  
Essex-Windsor Solid Waste Authority

All inter-fund assets, liabilities, sources of financing and expenses have been eliminated.

(ii) Essex-Windsor Solid Waste Authority

The Essex-Windsor Solid Waste Authority (the "Authority") is jointly controlled by the Corporation and the City of Windsor.

By agreement between the Corporation and the City of Windsor, the Authority is authorized to conduct studies, to develop alternative waste management methods, and to establish and operate waste management facilities.

In accordance with the PSAB recommendations governing consolidation, the financial assets, liabilities, revenues and expenses of the Authority are proportionately consolidated within the Corporation's accounts to the extent of the Corporation's 50% pro rata interest in the Authority.

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(iii) Non-Consolidated Entities

The operations of the following entity are not consolidated in these financial statements:

Windsor-Essex County Health Unit

(iv) Trust Fund

The Sun Parlor Home Residents' Trust Fund is administered by the Corporation but is not consolidated in these financial statements.

The operations of the Fund are reported separately on the Trust Fund Statement of Financial Position and Statement of Continuity.

(b) Basis of Accounting

The Corporation follows the accrual method of accounting for revenues and expenses. The accrual basis of accounting recognizes revenue as it becomes available and is measurable. Expenses are recognized as they are incurred and are measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

The Corporation is funded by government transfers relating to the administration of various municipal services from the Province of Ontario and the Federal Government of Canada. 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, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Government transfers received but not spent are accounted for as deferred revenue.

(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 generally have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes 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 and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

<b>Asset</b>	<b>Useful Life - Years</b>
Land	Infinite
Landfill and land improvements	15-30
Buildings and building improvements	10-50
Machinery and equipment	5-20
Vehicles	5-8
Water and wastewater infrastructure	40
Road and bridge infrastructure	12-80

(ii) Amortization

Tangible capital assets are recorded at historical cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Where historical cost is not available, the Corporation uses deflated replacement values. The cost of the tangible capital assets are amortized on a straight-line basis over the above noted useful lives. The only exception, per the above, is for Land and Landfill, (Land is considered to have an infinite life, and the Regional Landfill has an estimated service capacity of 8,000,000 tonnes and is being amortized using the units of production method based on capacity used during the year). One half of the annual amortization shall be 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. Gains and/or losses on the disposal of an asset shall be recorded on the consolidated statement of operations and accumulated surplus as "Gain/Loss on disposal of tangible capital assets."

(iii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and are also recorded as revenue.

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(iv) Leased Assets

Leases are classified as either operating or capital leases. Lease agreements which substantially transfer all the risks and rewards of ownership to the Corporation are accounted for as a capital lease and will be capitalized. All other leases are considered operating leases and the related payments are charged to operating expense as incurred.

(v) Works of Art and Historical Treasures

The Corporation owns both works of art and historical treasures at various Corporate-owned facilities. These assets are deemed worthy of preservation because of the social rather than financial benefits provided to the community. Although the existence of the assets is recorded, the historical cost of the art and treasures are neither determinable nor relevant in significance; hence, a valuation is neither assigned to these assets nor disclosed in the consolidated financial statements.

(vi) Assets Under Construction

Assets under construction having a value of \$4,053,558 (restated 2022 - \$9,371,671) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(d) Employee Future Benefit Obligations

The Corporation has adopted the accrued method of accounting for employee future benefits. The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and assumptions of mortality and termination rates, retirement age and expected inflation rate.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The accumulated actuarial gain (loss) of the accrued benefit obligation is amortized over the average remaining service period of active employees, which is 13 years.

Gains and losses determined upon a plan settlement or curtailment are accounted for in the period of the settlement or curtailment.

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, the valuation of employee future benefits, the carrying value of tangible capital assets and the carrying value of Regional Landfill post-closure costs.

(f) Asset Retirement Obligations

The County recognizes a liability for legal obligations that exist as a result of the acquisition, construction or development of a TCA, or that result from the normal use of the asset when the asset is recorded. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the TCA. When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated TCA.

A portion of the asset retirement obligations results from the removal and disposal of designated substances such as asbestos from County buildings; the remaining portion results from the remediation of the regional landfill. The County reports liabilities related to the legal obligations where the County is obligated to incur costs to retire a TCA.

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**2. CHANGE IN ACCOUNTING POLICY – ADOPTION OF NEW ACCOUNTING STANDARDS**

PS 1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains or losses arising from foreign currency changes have been reported on the Statement of Remeasurement Gains and Losses.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from market value adjustments of equity investments have been reported on the Statement of Remeasurement Gains and Losses.

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 Temporary Investments no longer applies.

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**2. CHANGE IN ACCOUNTING POLICY – ADOPTION OF NEW ACCOUNTING STANDARDS (continued)**

PS 3280 Asset Retirement Obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of Tangible Capital Assets (TCA) controlled by a government or government organization. A liability for a retirement obligation can apply to TCA either in productive use or no longer in productive use. This standard was adopted on January 1, 2023 on a modified retroactive basis with prior period restatement. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a TCA, or that result from the normal use of the asset when the asset is recorded. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the TCA. When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated TCA.

A portion of the asset retirement obligations results from the removal and disposal of designated substances such as asbestos from County buildings. The County reports liabilities related to the legal obligations where the County is obligated to incur costs to retire a TCA.

The County's ongoing efforts to assess the extent to which designated substances exist in County assets, and new information obtained through regular inspection, maintenance and renewal of assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to the estimated cost to fulfill the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in changes to the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis.



**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**2. CHANGE IN ACCOUNTING POLICY – ADOPTION OF NEW ACCOUNTING STANDARDS (continued)**

As a result of applying this accounting standard, an asset retirement obligation of \$18,438,937 (2022 restated - \$17,755,317) was recognized as a liability in the Consolidated Statement of Financial Position. These obligations represent estimated retirement costs for the County owned buildings and infrastructure, as well as the Regional Landfill. The County has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets, and the associated ARO accumulated amortization and amortization expense for the period of January 1, 2023 to December 31, 2023 as a proxy for January 1, 2022 to December 31, 2022 information. The adoption of PS 3280 ARO was applied to the comparative period as follows:

	2022 as previously reported	Adjustments	2022 as restated
<b>Consolidated Statement of Financial Position:</b>			
TCA	225,088,411	2,809,696	\$ 227,898,107
ARO liability	8,406,116	9,349,201	17,755,317
Accumulated Surplus	473,781,737	(6,539,505)	467,242,232
<b>Consolidated Statement of Operations:</b>			
Amortization of TCA-ARO	22,435,471	240,637	22,676,108
Accretion expense	(714,998)	1,370,874	655,876
Surplus/(deficit) for the year	32,262,776	13,020,950	45,283,726
Investment (loss) earnings - unrealized	(14,634,864)	14,634,864	0
Investment earnings – realized	12,111,901	(2,403)	12,109,498
<b>Consolidated Statement of Change in Net Financial Assets:</b>			
Annual Surplus	32,262,776	13,020,950	45,283,726
Amortization of TCA (including ARO)	22,435,471	240,637	22,676,108
Change in Net Financial Assets	28,135,035	(1,370,874)	26,764,161
Change in Net remeasurement gains for the year	0	(14,632,461)	(14,632,461)

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**3. CONTRIBUTIONS TO NON-CONSOLIDATED ENTITIES**

The Corporation made contributions to the following non-consolidated entity:

	<b>2023</b>	<b>2022</b>
Windsor-Essex County Health Unit	\$3,251,999	\$2,668,743

The Corporation is contingently liable for its share of the accumulated surplus (deficits), which may exist at the end of the year for this non-consolidated entity.

**4. TRUST FUND**

The Sun Parlor Home Residents' Trust Fund, administered by the County is not reported on the Consolidated Statement of Financial Position, and the nature and extent of its activity is not reported on the Consolidated Statement of Operations and Accumulated Surplus.

	<b>2023</b>	<b>2022</b>
Sun Parlor Home Residents' Trust Fund	\$81,892	\$66,890

**5. DEFERRED REVENUE**

	<b>2023</b>	<b>2022</b>
COVID-19 Safe Restart Funding	\$4,595,296	\$5,883,473

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**6. ASSET RETIREMENT OBLIGATIONS**

The Consolidated Statement of Financial Position reflects a balance of \$18,438,937 (2022 restated - \$17,755,317) for the asset retirement obligations relating to the Regional Landfill and other tangible capital assets which are known or suspected to contain asbestos. The Regional Landfill has an approximate capacity of 12.2 million cubic metres, of which 7.55 million have been consumed to December 31, 2023. Based on past and projected waste levels, it is estimated that the Regional Landfill will reach capacity in 14 years.

		<b>Restated</b>
	<b>2023</b>	<b>2022</b>
Liabilities for ARO, beginning of year	\$17,755,317	\$17,099,441
Liabilities incurred during the year	683,620	655,876
Liabilities settled during the year	0	0
Liabilities for ARO, end of year	\$18,438,937	\$17,755,317

**7. CAPITAL LEASE OBLIGATIONS**

A capital lease for equipment used in operations commenced on April 15, 2023. The initial lease amount was calculated using the present value of the lease payments with a discount rate of 4% and will be repaid over a 5-year term with monthly payments of \$17,637.66 plus applicable taxes. Upon expiry of the initial term, the County has the option to purchase the equipment for \$10 plus applicable taxes. The asset is amortized on a straight-line basis over 5 years, consistent with the Tangible Capital Asset policy.

Initial lease amount	\$974,564
Current year amortization	97,456
Accumulated Amortization, end of year	97,456
Net Book Value, end of year	\$877,108

**CORPORATION OF THE COUNTY OF ESSEX**  
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**7. CAPITAL LEASE OBLIGATIONS (continued)**

Repayments are due as follows:

2024	\$215,377
2025	215,377
2026	215,377
2027	215,377
2028	53,844
Total minimum lease payments	915,352
Less: amounts representing interest	(74,861)
Present Value of net minimum capital lease payments	\$840,491

Total interest on capital leases for the year was \$27,459 (2022 – nil).

**8. LONG-TERM DEBT**

- (a) The balance of the net long-term liabilities reported on the Consolidated Statement of Financial Position is comprised of the following:

	<b>2023</b>	<b>2022</b>
Corporation's share of long-term liabilities incurred by EWSWA (50%)	\$23,675,063	\$25,485,638
Corporation's share of accrued interest incurred by EWSWA (50%)	704,520	758,400
Total Net Long Term Liability	\$24,379,583	\$26,244,038

- (b) The Essex-Windsor Solid Waste Authority (the "Authority") is a Joint Board of Management created by The Corporation of the County of Essex (the "County") and The Corporation of the City of Windsor (the "City") pursuant to an Agreement dated May 18, 1994 (the "EWSWA Agreement") to establish, operate and manage, among other things, the Regional Landfill (the "Landfill"). The County holds title to the Landfill in accordance with the provisions of the EWSWA Agreement.

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**8. LONG-TERM DEBT (continued)**

In July 2005, the County, City and Authority (the "Plaintiffs") settled a legal action commenced in the Ontario Superior Court of Justice against MFP Financial Services, Leasing-Infrastructure Financing Trust I ("LIFT") and others in which the Plaintiffs had alleged that certain of the defendants had fraudulently and negligently misrepresented the rate of interest payable by the Plaintiffs in respect of a head lease and sublease intended to be a loan to finance certain costs incurred by the Authority to develop the Regional Landfill and pay the costs of future landfill expansions.

Under the terms of the mediated and Court approved settlement, LIFT assigned its rights under the original head lease which the Court ruled was a loan from LIFT to the County and City, to Sun Life Assurance Company Limited ("Sun Life"). Sun Life restructured the loan, in favour of a debenture in the amount of \$62,808,331 (County obligation \$31,404,166), bearing interest at 6.427% per annum, issued by the County, on behalf of the County and the City. The County and the City are jointly liable for the debenture, which provides for principal and interest payments on January 15 and July 15 of each year, commencing January 15, 2006 and maturing on July 31, 2031. Total interest over the term of the debenture will aggregate \$88,454,959 (County obligation \$44,227,480).

Other significant terms and conditions of the settlement are as follows:

- I. Cash proceeds of \$5,728,000 held by LIFT on account of a payment previously owing under the head lease were distributed to the County and City and used to retire certain indebtedness incurred in prior years by the Authority with respect to Regional Landfill expenses.
- II. Investments held by another defendant with a book value of \$10,195,743 at the date of settlement were distributed to the County and the City. At their respective maturity dates, these investments will be considered as further advances by LIFT as provided under the original head lease agreement.
- III. Payment of \$7,146,880 by LIFT to the County and City, which was used, along with interest earned thereon, towards payments otherwise due with respect to the Sun Life debenture during the period commencing January 15, 2006 and ended on January 15, 2008. Those proceeds were intended to effectively reduce the original cost of borrowing included in the head lease and sub-lease during this period.

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**8. LONG-TERM DEBT (continued)**

IV. As part of the agreement, no other payments with respect to the debenture are payable during this timeframe.

V. Payment of \$2,400,000 by MFP Financial Services Limited on account of costs of the legal action incurred by the Plaintiffs.

Under the terms of the debenture agreement, principal repayments commenced in July 2013.

(c) The principal amounts to be paid from general municipal revenues for the retirement of the net long-term liabilities, which are the responsibility of the Corporation, are as follows:

2024	\$1,969,088
2025	1,846,339
2026	1,749,421
2027	1,884,390
2028	2,014,221
2029 and thereafter	14,916,124

(d) The Corporation's share (50%) of the total charges in the year for the retirement of the net long-term liabilities are as follows:

	<b>2023</b>	<b>2022</b>
Principal	\$1,864,455	\$1,623,669
Interest	1,556,396	1,715,296
	<b>\$3,420,851</b>	<b>\$3,338,965</b>

**CORPORATION OF THE COUNTY OF ESSEX**  
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**9. TANGIBLE CAPITAL ASSETS**

Cost	Restated Balance at December 31, 2022	Additions	Disposals	Balance at December 31, 2023
Land	\$ 16,907,329	\$ 901,457	\$ -	\$ 17,808,786
Landfill and land improvements	\$ 28,754,112	\$ -	\$ (5,433)	\$ 28,748,679
Buildings and building improvements	\$ 55,086,054	\$ 8,075,461	\$ (10,149)	\$ 63,151,366
Machinery and equipment	\$ 31,200,000	\$ 4,285,544	\$ (2,046,870)	\$ 33,438,674
Vehicles	\$ 15,977,150	\$ 4,471,546	\$ (1,198,175)	\$ 19,250,521
Water and wastewater infrastructure	\$ 3,826,912	\$ 16,329,876	\$ -	\$ 20,156,788
Road and bridge infrastructure	\$ 278,689,515	\$ 21,504,882	\$ (900,118)	\$ 299,294,279
Asset retirement cost	\$ 7,097,903	\$ -	\$ -	\$ 7,097,903
Assets under construction	\$ 9,371,671	\$ 2,263,256	\$ (7,581,369)	\$ 4,053,558
Total	\$ 446,910,646	\$ 57,832,022	\$ (11,742,114)	\$ 493,000,554

Accumulated amortization	Restated Balance at December 31, 2022	Disposals	Amortization expense	Balance at December 31, 2023
Land	\$ -	\$ -	\$ -	\$ -
Landfill and land improvements	\$ 19,289,100	\$ (5,162)	\$ 1,752,407	\$ 21,036,345
Buildings and building improvements	\$ 32,163,785	\$ (5,074)	\$ 2,141,590	\$ 34,300,301
Machinery and equipment	\$ 19,212,728	\$ (2,045,916)	\$ 3,019,700	\$ 20,186,512
Vehicles	\$ 11,363,737	\$ (1,198,175)	\$ 2,206,166	\$ 12,371,728
Water and wastewater infrastructure	\$ 1,024,745	\$ -	\$ 299,796	\$ 1,324,541
Road and bridge infrastructure	\$ 131,670,237	\$ (545,228)	\$ 15,123,994	\$ 146,249,003
Asset retirement cost	\$ 4,288,207	\$ -	\$ 222,181	\$ 4,510,388
Total	\$ 219,012,539	\$ (3,799,555)	\$ 24,765,834	\$ 239,978,818

Net book value	Restated Balance at December 31, 2022	Balance at December 31, 2023
Land	\$ 16,907,329	\$ 17,808,786
Landfill and land improvements	\$ 9,465,012	\$ 7,712,334
Buildings and building improvements	\$ 22,922,269	\$ 28,851,065
Machinery and equipment	\$ 11,987,272	\$ 13,252,162
Vehicles	\$ 4,613,413	\$ 6,878,793
Water and wastewater infrastructure	\$ 2,802,167	\$ 18,832,247
Road and bridge infrastructure	\$ 147,019,278	\$ 153,045,276
Asset retirement cost	\$ 2,809,696	\$ 2,587,515
Assets under construction	\$ 9,371,671	\$ 4,053,558
Total	\$ 227,898,107	\$ 253,021,736

**CORPORATION OF THE COUNTY OF ESSEX**  
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**9. TANGIBLE CAPITAL ASSETS (continued)**

Cost	Restated Balance at December 31, 2021			Disposals	Restated Balance at December 31, 2022	
		Additions				
Land	\$ 15,850,664	\$ 1,056,665	\$ -	\$ -	\$ 16,907,329	
Landfill and land improvements	\$ 28,582,105	\$ 172,007	\$ -	\$ -	\$ 28,754,112	
Buildings and building improvements	\$ 54,920,023	\$ 166,031	\$ -	\$ -	\$ 55,086,054	
Machinery and equipment	\$ 29,503,722	\$ 3,438,784	\$ (1,742,506)	\$ -	\$ 31,200,000	
Vehicles	\$ 17,287,273	\$ 285,057	\$ (1,595,180)	\$ -	\$ 15,977,150	
Water and wastewater infrastructure	\$ 3,826,912	\$ -	\$ -	\$ -	\$ 3,826,912	
Road and bridge infrastructure	\$ 298,375,845	\$ 15,789,091	\$ (35,475,421)	\$ -	\$ 278,689,515	
Asset retirement cost	\$ 7,097,903	\$ -	\$ -	\$ -	\$ 7,097,903	
Assets under construction	\$ 4,406,292	\$ 5,559,585	\$ (594,206)	\$ -	\$ 9,371,671	
Total	\$ 459,850,739	\$ 26,467,220	\$ (39,407,313)	\$ -	\$ 446,910,646	

Accumulated amortization	Restated Balance at December 31, 2021			Amortization expense	Restated Balance at December 31, 2022	
		Disposals				
Land	\$ -	\$ -	\$ -	\$ -	\$ -	
Landfill and land improvements	\$ 17,903,638	\$ -	\$ 1,385,462	\$ -	\$ 19,289,100	
Buildings and building improvements	\$ 30,223,381	\$ -	\$ 1,940,404	\$ -	\$ 32,163,785	
Machinery and equipment	\$ 17,819,993	\$ (1,530,315)	\$ 2,923,050	\$ -	\$ 19,212,728	
Vehicles	\$ 10,979,458	\$ (1,595,181)	\$ 1,979,460	\$ -	\$ 11,363,737	
Water and wastewater infrastructure	\$ 929,072	\$ -	\$ 95,673	\$ -	\$ 1,024,745	
Road and bridge infrastructure	\$ 152,619,910	\$ (35,061,095)	\$ 14,111,422	\$ -	\$ 131,670,237	
Asset retirement cost	\$ 4,047,570	\$ -	\$ 240,637	\$ -	\$ 4,288,207	
Total	\$ 234,523,022	\$ (38,186,591)	\$ 22,676,108	\$ -	\$ 219,012,539	

Net book value	Restated Balance at December 31, 2021		Restated Balance at December 31, 2022	
Land	\$ 15,850,664		\$ 16,907,329	
Landfill and land improvements	\$ 10,678,467		\$ 9,465,012	
Buildings and building improvements	\$ 24,696,642		\$ 22,922,269	
Machinery and equipment	\$ 11,683,729		\$ 11,987,272	
Vehicles	\$ 6,307,815		\$ 4,613,413	
Water and wastewater infrastructure	\$ 2,897,840		\$ 2,802,167	
Road and bridge infrastructure	\$ 145,755,935		\$ 147,019,278	
Asset retirement cost	\$ 3,050,333		\$ 2,809,696	
Assets under construction	\$ 4,406,292		\$ 9,371,671	
Total	\$ 225,327,717		\$ 227,898,107	



**CORPORATION OF THE COUNTY OF ESSEX**  
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**10. ACCUMULATED SURPLUS**

Accumulated surplus consists of individual fund surplus and reserve funds as itemized:

	2023		Restated 2022	
<b>Surplus:</b>				
Invested in tangible capital assets	\$	250,858,503	\$	224,624,994
Long term debt		(24,379,583)		(26,244,038)
Unfunded				
Employee benefits		(6,191,140)		(5,929,511)
Capital lease		(840,491)		-
Asset retirement obligations		(18,438,937)		(17,755,317)
Remeasurement gains / losses		(6,578,159)		1,023,023
Total Surplus		194,430,193		175,719,151
<b>Reserves</b>				
Capital asset acquisition or replacement		99,507,791		84,239,725
Working funds		4,500,000		4,500,000
Insurance and health benefit claims		3,910,411		3,848,339
W.S.I.B. claims		4,560,044		4,436,885
Contingencies		18,889,062		18,009,242
Roadway and active transportation expansion		118,283,900		117,812,800
New Windsor-Essex Hospital System (NWEHS)		42,310,000		34,825,000
Land ambulance staff severance		330,153		330,153
Total reserves		292,291,361		268,002,144
<b>Reserve funds set aside for specific purpose by agreement:</b>				
EWSWA reserves		24,699,925		24,543,960
Total reserve funds		316,991,286		292,546,104
Total accumulated surplus	\$	511,421,479	\$	468,265,255

# **CORPORATION OF THE COUNTY OF ESSEX**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED DECEMBER 31, 2023**

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#### **11. PENSION AGREEMENTS**

The Corporation contributes to the Ontario Municipal Employees Retirement System (OMERS) on behalf of 817 (2022 - 760) employees. OMERS is a multi-employer, defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on their length of service and earnings. The amount contributed to OMERS for 2023 was \$5,336,403 (2022 - \$4,896,950) for current service. Contributions in the current year have been included as an expense within the consolidated statement of operations and accumulated surplus. At December 31, 2023, the OMERS plan is in a deficit position, which will be addressed through benefit adjustments, contribution rate changes and a long-term investment approach.

#### **12. EMPLOYEE BENEFITS AND OTHER LIABILITIES**

The employee benefit and other liabilities, reported on the statement of financial position, are made up of the following:

	<b>2023</b>	<b>2022</b>
Post employment benefits	\$127,963	\$0
Post retirement benefits	5,419,545	5,428,770
WSIB	643,632	500,741
<b>Total</b>	<b>\$6,191,140</b>	<b>\$5,929,511</b>

Information about the Corporation's future obligation with respect to post employment, post retirement and WSIB benefits is as follows:

	<b>2023</b>	<b>2022</b>
Accrued benefit obligations:		
Balance, beginning of year	\$7,479,354	\$7,446,784
Current service cost	474,089	408,638
Interest	340,332	265,698
Actuarial gain (loss)	0	(128,963)
Expected benefit payments	(723,677)	(512,803)
Balance, end of year	7,570,098	7,479,354
Unamortized net actuarial gain (loss)	(1,378,958)	(1,549,843)
<b>Liability for benefits</b>	<b>\$6,191,140</b>	<b>\$5,929,511</b>

**CORPORATION OF THE COUNTY OF ESSEX**  
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**12. EMPLOYEE BENEFITS AND OTHER LIABILITIES (continued)**

The Accrued benefit obligations balance at the beginning of 2022 has been restated due to a change in the calculated obligation. This estimate was revised in the most recent Actuarial Report which was received after the date of issuance of the prior year's financial statements. There is no impact on the Statement of Operations and Accumulated Surplus.

(a) Retiree and post-employment benefits

The Corporation pays certain extended health and dental benefits for early retirees to age 65. The Corporation recognizes these post-retirement costs in the period in which the employees rendered the services. The most recent actuarial valuation was performed as at December 31, 2022. The actuarial valuation is based on the following significant actuarial assumptions:

	<b>2023</b>	<b>2022</b>
Discount rate	5.00%	3.75%
Medical costs		
Initial	6.00%	6.75%
Ultimate	4.00%	3.75%
Year of ultimate level	2029	2029
Dental	4.00%	3.75%

The medical trend rate has an initial rate of 6.00% but reduces by 0.3333% per year to 4.00% in 2029 and remains at 4.00% per year thereafter.

**13. CORPORATION EXPENSES**

The Consolidated Statement of Operations and Accumulated surplus presents expenses for the Corporation by functions. The following is a summary of expenses by object.

	<b>2023</b>	<b>2022</b>
Salaries, wages and employee benefits	\$88,295,478	\$80,958,474
Materials, goods, supplies and utilities	23,317,594	23,303,513
Contracted services	43,557,373	43,036,376
Rents and financial expenses	1,410,324	776,887
Long term debt (interest)	1,583,855	1,715,296
External transfers	7,056,539	6,323,097
Amortization	24,765,834	22,676,108
	<b>\$189,986,997</b>	<b>\$178,789,751</b>

**CORPORATION OF THE COUNTY OF ESSEX**  
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**14. BUDGET DATA**

The budget data presented in these financial statements is based upon the 2023 Budget approved by Council on January 17, 2023. Amortization was not contemplated in the development of the budget, and, as such, has been estimated based on 2022 tangible capital asset data and budgeted capital expenses. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	<b>Budget Amount</b>
Revenues:	
Operating budget	\$197,264,193
Capital budget	72,069,569
Less:	
Transfers from other funds	(52,376,625)
Total revenue	216,957,137
Expenses:	
Operating budget	247,980,841
Capital budget	72,069,569
Less:	
Transfers to other funds	(19,498,700)
Capital expenses	(72,069,569)
Total expenses	228,482,141
Annual surplus	(\$11,525,004)

**15. SEGMENTED INFORMATION**

Segmented information has been identified based upon various operating departments within the County and their activities are reported by functional area in the body of the financial statements.

Certain operating departments along with the services they provide have been separately disclosed in the segmented information are as follows:

- (a) General Government - Warden and Council, Council Services, Administrative Services, Corporate Services/Treasury and Human Resources:

The departments within General Government are responsible for the general management and control of the County, including adoption of bylaws, adopting administrative policy, levying taxes, and providing administrative, technical and financial services. They also ensure quality services are provided to the community and that the services provided are aligned with Council-approved

**CORPORATION OF THE COUNTY OF ESSEX**  
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**15. SEGMENTED INFORMATION (continued)**

actions. General Government also includes emergency management coordination services. Emergency Management is responsible for activities undertaken in advance of a large-scale emergency to minimize, through the existence of effective, up-to-date and proven emergency management programs, the risk to the life and health of residents and to reduce damage to property. This department also provides coordination of the County Mutual Aid Firefighting System.

- (b) Transportation Services - Planning, Engineering, Construction and Maintenance activities required to manage the County Road Network:

This department is responsible for operations, infrastructure management (roads, bridges, culverts and active transportation segments), traffic control, winter maintenance, street lights and development engineering.

- (d) Environmental Services - Solid Waste Disposal, Waste Diversion and Rural Storm Water Management:

The Essex-Windsor Solid Waste Authority is a jointly controlled Authority between the County and the City of Windsor (see Note 1 (a) (ii)). The Authority is authorized to conduct studies, to develop alternative waste management methods, and to establish and operate waste management facilities. Transportation Services is responsible for rural storm water management.

- (e) Health Services - Emergency Medical Services, Public Health and Physician Recruitment:

The Emergency Medical Services Department is responsible for the operation of the public ambulance services for the County, the City of Windsor and the Township of Pelee. The County is financially responsible for its share of the regional public health Services provided by the Windsor Essex County Health Unit. The County provides support for the attraction and retention of physicians within the greater Windsor-Essex County region.

- (f) Social and Family Services - Social Assistance, Assistance to Aged Persons and Child Care:

Social Assistance and Child Care are provided through the City of Windsor as the designated delivery agent for the Windsor-Essex region. Net cost of services are shared based on an arbitrated formula of 60% weighted assessment and 40% actual cost. The County's Sun Parlor Home provides supportive, resident-focused care that promotes quality of life to its 206 residents.

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**15. SEGMENTED INFORMATION (continued)**

(g) Social Housing:

Social Housing is provided through the City of Windsor, as the designated delivery agent for the Windsor-Essex region. Net cost of services is shared based on an arbitrated formula of 60% weighted assessment and 40% actual cost.

(h) Recreation and Cultural Services - Essex County Library Board:

The Essex County Library Board's Mission is to "welcome you to a world of discovery, creativity and lifelong learning through accessible resources, programs and innovative services".

(i) Planning and Development- County Planning Services, Economic Development and Tourism:

This department provides planning advisory services to County Council on matters related to County-wide land use planning, economic development, and strategic planning matters. Economic Development and Tourism services are provided regionally through the Windsor Essex Economic Development Corporation and the Tourism Windsor Essex Pelee Island, respectively.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation is allocated to the segments based on the segment's budget net expenditure. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made.

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.

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**15. SEGMENTED INFORMATION (continued)**

**2023**

	General Government	Transportation	Environmental	Health Services	Social & Family Services	Social Housing	Recreational & Culture	Planning & Development	Total
<b>Revenue</b>									
Requisition on local municipalities	11,711,027	49,316,740	24,000	24,756,800	19,483,550	13,230,100	6,080,100	2,202,660	126,804,977
Fees & service charges	606,160	1,703,625	15,021,343	13,961,290	7,516,130	-	46,029	97,000	38,951,577
Government transfers	360,876	6,409,819	-	26,225,803	16,869,460	-	376,422	149,965	50,392,345
Other	12,718,318	157,752	3,614,378	64	263,271	11,880	4,677	-	16,770,340
Gain on disposal of assets	-	23,428	-	199,219	1,335	-	-	-	223,982
<b>Total revenue</b>	<b>25,396,381</b>	<b>57,611,364</b>	<b>18,659,721</b>	<b>65,143,176</b>	<b>44,133,746</b>	<b>13,241,980</b>	<b>6,507,228</b>	<b>2,449,625</b>	<b>233,143,221</b>
<b>Expenses</b>									
Salaries, wages and benefits	5,644,761	5,611,213	1,647,727	41,233,077	28,558,330	-	5,234,160	366,210	88,295,478
Materials, goods and supplies	2,878,594	4,447,406	4,869,906	5,529,865	4,495,038	-	1,087,578	9,207	23,317,594
Contracted services	4,092,940	3,600,057	8,610,709	1,828,747	9,085,166	13,434,254	287,834	2,617,666	43,557,373
Rents and financial expenses	39,842	361,960	775,504	226,991	6,027	-	-	-	1,410,324
Long term debt (interest)	-	-	1,556,396	27,459	-	-	-	-	1,583,855
External transfers	-	3,604,540	-	3,451,999	-	-	-	-	7,056,539
Amortization	1,146,281	16,574,347	2,590,652	3,178,013	615,484	-	661,057	-	24,765,834
<b>Total expenses</b>	<b>13,802,418</b>	<b>34,199,523</b>	<b>20,050,894</b>	<b>55,476,151</b>	<b>42,760,045</b>	<b>13,434,254</b>	<b>7,270,629</b>	<b>2,993,083</b>	<b>189,986,997</b>
<b>Surplus (deficit)</b>	<b>11,593,963</b>	<b>23,411,841</b>	<b>(1,391,173)</b>	<b>9,667,025</b>	<b>1,373,701</b>	<b>(192,274)</b>	<b>(763,401)</b>	<b>(543,458)</b>	<b>43,156,224</b>

**2022 (Restated)**

	General Government	Transportation	Environmental	Health Services	Social & Family Services	Social Housing	Recreational & Culture	Planning & Development	Total
<b>Revenue</b>									
Requisition on local municipalities	11,841,627	44,038,000	24,000	23,110,030	19,963,900	12,508,000	6,026,700	2,350,340	119,862,597
Fees & service charges	635,265	1,532,816	15,119,919	12,493,235	6,917,817	-	39,019	62,000	36,800,071
Government transfers	304,984	7,862,412	-	27,502,561	16,015,533	-	380,990	-	52,066,480
Other	12,027,920	36,308	3,232,308	994,119	199,715	23,760	3,991	-	16,518,121
Gain on disposal of assets	-	77,950	75,132	44,000	-	-	-	-	197,082
<b>Total revenue</b>	<b>24,809,796</b>	<b>53,547,486</b>	<b>18,451,359</b>	<b>64,143,945</b>	<b>43,096,965</b>	<b>12,531,760</b>	<b>6,450,700</b>	<b>2,412,340</b>	<b>225,444,351</b>
<b>Expenses</b>									
Salaries, wages and benefits	5,398,229	5,292,846	1,617,580	37,549,091	26,894,011	-	3,909,023	297,691	80,958,471
Materials, goods and supplies	2,969,238	4,488,854	4,613,358	5,699,146	4,461,368	-	1,057,154	14,395	23,303,513
Contracted services	3,821,404	5,354,072	7,354,066	3,009,524	7,826,277	13,124,900	340,298	2,205,835	43,036,376
Rents and financial expenses	27,730	421,649	22,191	296,993	-	-	8,324	-	776,887
Long term debt (interest)	-	-	3,086,173	-	-	-	-	-	3,086,173
External transfers	-	3,454,354	-	2,868,743	-	-	-	-	6,323,097
Amortization	1,040,171	15,353,719	2,183,965	2,829,576	622,060	-	646,617	-	22,676,108
<b>Total expenses</b>	<b>13,256,772</b>	<b>34,365,494</b>	<b>18,877,333</b>	<b>52,253,073</b>	<b>39,803,716</b>	<b>13,124,900</b>	<b>5,961,416</b>	<b>2,517,921</b>	<b>180,160,625</b>
<b>Surplus (deficit)</b>	<b>11,553,024</b>	<b>19,181,992</b>	<b>(425,974)</b>	<b>11,890,872</b>	<b>3,293,249</b>	<b>(593,140)</b>	<b>489,284</b>	<b>(105,581)</b>	<b>45,283,726</b>

**CORPORATION OF THE COUNTY OF ESSEX**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**16. COMMITMENTS**

The Corporation has long term commitments of \$58,684,000 (2022 - \$55,175,000) which can be summarized as follows (in thousands):

<i>(in '000s)</i>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028 &amp; beyond</b>
New Windsor-Essex Hospital System	\$6,360	\$6,960	\$7,560	\$8,160	\$26,780
Erie Shores Healthcare	\$200	\$200	\$200	\$200	\$1,200
The Bridge	\$48	\$48	\$48	\$48	\$672
	<b>\$6,608</b>	<b>\$7,208</b>	<b>\$7,808</b>	<b>\$8,408</b>	<b>\$28,652</b>

Included in the commitment estimates is the accumulation of funds related to a future contribution to the proposed New Windsor-Essex Hospital System (NWEHS), estimated at \$90,000,000 to be paid no sooner than 2026, approved by County Council in 2016. Included in reserves at December 31, 2023 for NWEHS is \$42,310,000 (2022 - \$34,825,000)

**17. CONTINGENCY**

During the normal course of operations, the Corporation is subject to various legal actions. The settlement of these actions is not expected to have a material effect on the consolidated financial statements of the Corporation.