# Consolidated financial statements of
# The Corporation of the Town of Ajax

December 31, 2025

Deloitte.

Deloitte LLP
Bay Adelaide East
8 Adelaide Street West
Suite 200
Toronto ON M5H 0A9
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

# Independent Auditor’s Report

To the Members of Council of
The Corporation of the Town of Ajax

## Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Ajax (the ”Town”), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

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

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statement*s section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Management and Those charged with Governance for the 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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of entities or business units within the Town as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 16, 2026

**The Corporation of the Town of Ajax**

## Consolidated statement of financial position

As at December 31, 2025

| | Notes | 2025 $ | 2024 $ |
|---|---|---|---|
| **Financial assets** | | | |
| Cash and cash equivalents | 3 | **140,204,354** | 85,050,954 |
| Investments | 4 | **107,921,579** | 145,758,282 |
| Inventories for resale | | **16,386** | 17,151 |
| Taxes receivable | | **35,737,029** | 26,727,361 |
| Accounts receivable | | **18,009,049** | 9,696,562 |
| Loan receivable | 6 | **2,058,046** | 1,978,129 |
| Investment in government business enterprise | 7 | **74,771,525** | 75,163,599 |
| | | **378,717,968** | 344,392,038 |
| **Liabilities** | | | |
| Accounts payable and other liabilities | 8 | **41,416,503** | 40,388,170 |
| Deferred revenue | 9 | **84,310,924** | 74,008,201 |
| Accrued interest on municipal debt | | **76,175** | 85,440 |
| Long-term payable | | **—** | 511,403 |
| Municipal debt | 10 | **12,139,000** | 11,481,000 |
| Employee benefits payable | 11 | **10,911,499** | 9,912,166 |
| Asset retirement obligation | 12 | **592,123** | 582,354 |
| | | **149,446,224** | 136,968,734 |
| Net financial assets | | **229,271,744** | 207,423,304 |
| **Non-financial assets** | | | |
| Tangible capital assets | 16 | **590,519,021** | 591,317,073 |
| Construction in progress | 16 | **14,659,837** | 14,860,549 |
| Inventories of supplies | | **417,177** | 454,617 |
| Prepaid expenses | | **5,077,767** | 4,779,666 |
| | | **610,673,802** | 611,411,905 |
| **Accumulated surplus** | 13 | **839,945,546** | 818,835,209 |

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

## The Corporation of the Town of Ajax

**Consolidated statement of operations**

Year ended December 31, 2025

| | Notes | Budget<br>$<br>(Note 15) | 2025<br>$ | 2024<br>$ |
|---|---|---|---|---|
| **Revenue** | 17 | | | |
| Net taxation | | **101,369,200** | **101,905,056** | 95,506,367 |
| Taxation from other governments | | **1,027,900** | **882,774** | 852,279 |
| User charges | | **21,514,900** | **21,488,266** | 18,884,054 |
| Government transfers | | **868,200** | **10,683,162** | 8,362,590 |
| Gaming and casino revenue | | **4,500,000** | **3,725,064** | 3,918,981 |
| Obligatory reserve funds earned | 9 | **10,372,300** | **9,475,988** | 9,931,717 |
| Investment income | | **2,944,700** | **16,700,956** | 19,531,940 |
| Penalties and interest on taxes receivable | | **3,200,000** | **4,878,183** | 3,922,064 |
| Donations and contributions from developers | 16 | **—** | **—** | 5,678,787 |
| Income from government business enterprise | 7 | **1,200,600** | **261,499** | 1,209,708 |
| Other income | | **315,300** | **5,628,411** | 2,374,793 |
| Gain (Loss) on disposal of tangible capital assets | | **—** | **2,652,541** | (387,167) |
| | | **147,313,100** | **178,281,900** | 169,786,113 |
| **Expenses** | 17 | | | |
| General government | | **26,939,300** | **33,277,139** | 33,647,875 |
| Protection to persons and property | | **29,538,300** | **30,391,259** | 29,173,987 |
| Transportation services | | **35,109,300** | **31,163,930** | 27,605,596 |
| Environmental services | | **4,688,100** | **4,998,204** | 5,998,615 |
| Health, social and family services | | **210,500** | **242,886** | 106,899 |
| Recreation and culture services | | **45,073,600** | **49,798,385** | 47,155,489 |
| Planning and development | | **6,407,700** | **7,299,760** | 5,901,885 |
| | | **147,966,800** | **157,171,563** | 149,590,346 |
| **Annual surplus (deficit)** | | **(653,700)** | **21,110,337** | 20,195,767 |
| Accumulated surplus, beginning of year | | **818,835,209** | **818,835,209** | 798,639,442 |
| **Accumulated surplus, end of year** | | **818,181,509** | **839,945,546** | 818,835,209 |

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

| | Budget<br>$<br>(Note 15) | 2025<br>$ | 2024<br>$ |
|---|---|---|---|
| **Annual surplus (deficit)** | **(653,700)** | **21,110,337** | 20,195,767 |
| Acquisition of tangible capital assets | **(24,665,800)** | **(27,774,394)** | (31,029,597) |
| Amortization of tangible capital assets | **27,223,100** | **27,534,258** | 27,208,647 |
| (Gain) Loss on disposal of tangible capital assets | **—** | **(2,652,541)** | 387,167 |
| Proceeds on disposal of tangible capital assets | **—** | **3,690,729** | 155,515 |
| | **1,903,600** | **21,908,389** | 16,917,499 |
| Additions to construction in progress | **—** | **(7,595,627)** | (9,239,853) |
| Transfer of construction in progress to tangible capital assets | **—** | **7,748,176** | 8,753,984 |
| Construction in progress expensed | **—** | **48,163** | 104,243 |
| | **—** | **200,712** | (381,626) |
| Acquisition of inventory of supplies | **—** | **(417,177)** | (454,617) |
| Use/consumption of inventory of supplies | **—** | **454,617** | 423,058 |
| Acquisition of prepaid expenses | **—** | **(5,077,767)** | (4,779,666) |
| Use/consumption of prepaid expenses | **—** | **4,779,666** | 1,958,105 |
| | **—** | **(260,661)** | (2,853,120) |
| Net change in net financial assets | **1,903,600** | **21,848,440** | 13,682,753 |
| Net financial assets, beginning of year | **207,423,304** | **207,423,304** | 193,740,551 |
| **Net financial assets, end of year** | **209,326,904** | **229,271,744** | 207,423,304 |

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

## The Corporation of the Town of Ajax

### Consolidated statement of cash flows

Year ended December 31, 2025

| | Notes | 2025<br>$ | 2024<br>$ |
|---|---|---|---|
| **Operating activities** | | | |
| Annual surplus | | **21,110,337** | 20,195,767 |
| Items not involving cash | | | |
| Income from investment in government business enterprise | 7 | **(261,499)** | (1,209,708) |
| Amortization of tangible capital assets | | **27,534,258** | 27,208,647 |
| (Gain) Loss on disposal of tangible capital assets | | **(2,652,541)** | 387,167 |
| Value of contributed tangible capital assets recognized as revenue | | **—** | (5,678,787) |
| | | **45,730,555** | 40,903,086 |
| Changes in non-cash assets and liabilities | | | |
| Inventories for resale | | **765** | (1,570) |
| Taxes receivable | | **(9,009,668)** | (5,706,541) |
| Accounts receivable | | **(8,312,487)** | 2,649,296 |
| Loan receivable | 6 | **(79,917)** | (76,813) |
| Accounts payable and other liabilities | | **516,930** | 487,097 |
| Deferred revenue | | **10,302,723** | 2,366,544 |
| Inventories of supplies | | **37,440** | (31,559) |
| Prepaid expenses | | **(298,101)** | (2,821,561) |
| Employee benefits payable | | **999,333** | 519,563 |
| Asset retirement obligation | | **9,769** | 1,203 |
| | | **39,897,342** | 38,288,745 |
| **Capital transactions** | | | |
| Acquisition of tangible capital assets (net of contributed tangible capital assets) | | **(27,774,394)** | (25,350,810) |
| Increase in construction in progress | | **200,712** | (381,626) |
| Proceeds on disposal of tangible capital assets | | **3,690,729** | 155,515 |
| | | **(23,882,953)** | (25,576,921) |
| **Investing activities** | | | |
| Proceeds from disposition of investments | | **37,836,703** | 11,684,842 |
| Dividend (reimbursed)/received from investment in government business enterprise | 7 | **(145,344)** | 1,712,764 |
| | | **37,691,359** | 13,397,606 |
| **Financing activities** | | | |
| Municipal debt issued | | **1,932,000** | 4,649,000 |
| Municipal debt repaid | | **(1,274,000)** | (934,000) |
| Increase (decrease) in accrued interest on municipal debt | | **(9,265)** | 26,253 |
| Proceeds from investment in GBE | 7 | **798,917** | — |
| | | **1,447,652** | 3,741,253 |
| Net change in cash | | **55,153,400** | 29,850,683 |
| Cash, beginning of year | | **85,050,954** | 55,200,271 |
| **Cash, end of year** | 3 | **140,204,354** | 85,050,954 |

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

## 1. Summary of significant accounting of policies

*Management responsibility*

The consolidated financial statements (the "financial statements") of Corporation of the Town of Ajax (the "Town") are the representations of management prepared in accordance with accounting policies and standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada (CPA Canada).

*Basis of accounting*

The focus of these consolidated financial statements is on the financial position of the Town and the changes thereto. The consolidated statement of financial position includes all the financial assets and liabilities of the Town as well as non-financial assets. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Net financial assets form a part of the financial position and are the difference between financial assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations. Non-financial assets are normally used to deliver services. Their value lies with their service potential rather than their ability to generate future cash inflows. They form part of the financial position as they provide resources that the government can employ in the future to meet its objectives. The accumulated surplus is made up of the combination of net financial assets and non-financial assets.

Significant accounting policies adopted by the Town are as follows:

*(a) Reporting entity*

*a) (i) Consolidated financial statements*

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of the activities of all committees of Council and the Town of Ajax Public Library Board, which is controlled by the Town.

All material inter-fund transactions and balances are eliminated on consolidation.

*(ii) Investment in government business enterprise*

The Town's investment in Elexicon Corporation is accounted for on a modified equity basis, consistent with generally accepted accounting principles as recommended by PSAB for investments in government business enterprises. Under the modified equity basis, Elexicon Corporation's accounting policies are not adjusted to conform to those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual earnings or loss of Elexicon Corporation in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Dividends that the Town may receive from Elexicon Corporation and other capital transactions are reflected as adjustments in the investment asset account.

*(iii) Operations of School Boards and the Region of Durham*

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the Region of Durham are not reflected in these consolidated financial statements.

## 1. Summary of significant accounting of policies (continued)

*Basis of accounting (continued)*

*(b) Basis of accounting*

*(i) Accrual basis of accounting*

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

*(ii) Tax Revenue*

Tax revenue is recognized on all taxable properties within the Town included in the tax roll provided by the Municipal Property Assessment Corporation, using property values included in the tax roll or property values that can be reasonably estimated by the Town as it relates to supplementary or omitted assessments using tax rates authorized by Council for the Town's own purposes in the period for which the tax is levied.

*(iii) Government transfers*

Government transfers are recognized as revenue by the Town in the period during which the transfer is authorized and any eligibility criteria are met, unless they are restricted through stipulations that require specific actions to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

*(iv) Gaming and casino revenue*

The Town of Ajax is a beneficiary of a contribution agreement with Ontario Lottery and Gaming Corporation (OLG) for hosting a casino within the municipality. Ajax is entitled to receive a share of the gaming revenue on a quarterly basis for hosting Ajax Casino. Casino revenue is recognized as earned in line with the contribution agreement.

*(v) Investment Income*

Investment income earned on unrestricted funds is reported as revenue in the year earned. Investment income earned on restricted funds is recognized upon funding the applicable operating or capital expenditures incurred.

*(vi) Penalties and interest on taxes receivable*

Penalties and interest on taxes are authorized charges that are imposed on outstanding property tax balances. Penalties and interest are recognized as revenue when a charge is levied and added to the property tax receivable balance.

*(vii) User fees and other income*

Other revenues from transactions with performance obligations are recognized as the Town satisfies performance obligations by providing the promised goods or services to the payor. Other revenue from transactions with no performance obligations, are recognized when the Town has the authority to claim or retain an inflow of economic resources and when a past transaction or event results in an asset. Amounts received prior to the end of the year that will be recognized in the subsequent fiscal year are deferred and reported as liabilities (see Deferred revenue).

## 1. Summary of significant accounting of policies (continued)

*Basis of accounting (continued)*

*(b) Basis of accounting (continued)*

*(viii) Cash and cash equivalents*

Temporary investments consist of investments in high interest savings accounts recorded at face value. Accrued interest is included in accounts receivable.

*(ix) Financial instruments*

Financial instruments reported on the Town's statement of financial position are measured as follows.

| Financial Instrument | Measurement Method |
|---|---|
| Cash and cash equivalents | Cost |
| Investments | Cost |
| Taxes receivable | Cost |
| Accounts receivable | Cost |
| Loan receivable | Amortized cost |
| Accounts payable and accrued liabilities | Cost |
| Long-term payable | Cost |
| Municipal debt | Amortized cost |

Financial instruments measured at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Write-downs on financial assets are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

*(x) Inventory*

Inventory is valued at cost which is determined on a weighted-average basis.

*(xi) Loans receivable*

Loans receivable are recorded at cost less any amount for valuation allowance.

A valuation allowance would be made if collection is in doubt. Interest on loans receivable is accrued in accordance with the terms of the agreements, to the extent that it is considered collectible.

## 1. Summary of significant accounting of policies (continued)

*Basis of accounting (continued)*

(b) *Basis of accounting (continued)*

(xii) *Tangible capital assets ("TCA")*

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

| | |
|---|---|
| Land improvements | 15–40 years |
| Buildings | 20–50 years |
| Computer hardware/software | 5 years |
| Vehicles and rolling equipment | 7–20 years |
| Furniture fixtures and equipment | 5–20 years |
| Road network | 20–75 years |
| Storm water network | 25–75 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. Land is not amortized.

Tangible capital assets received as contributions, excluding road allowances, are recorded at their fair value at the date contributed, and that amount is also recorded as revenue. Contributed road allowances are recorded at nominal value.

(xiii) *Intangible assets*

Intangible assets are not recognized as assets in the consolidated financial statements.

(xiv) *Asset retirement obligations*

Asset retirement obligations (ARO's) are provisions for legal obligations for the retirement of the Town's tangible capital assets that are either in productive use or no longer in productive use.

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

(a) there is a statutory, contractual, or legal obligation to incur retirement costs in relation to a tangible capital asset;

(b) the past transaction or event giving rise to the liability has occurred;

(c) it is expected that future economic benefits will be given up; and

(d) a reasonable estimate of the amount can be made.

The Town recognizes asset retirement obligations in the period in which it incurs a statutory, contractual, or legal obligation associated with the retirement of tangible capital assets resulting from acquisition, construction, development, and or normal operation of tangible capital assets.

## 1. Summary of significant accounting of policies (continued)

*Basis of accounting (continued)*

*(b) Basis of accounting (continued)*

*(xiv) Asset retirement obligations (continued)*

The liabilities are measured initially at management's best estimate of the cost required to settle the retirement obligation. For tangible capital assets that are still in productive use, the estimated retirement costs are capitalized and amortized on the same basis as the related tangible capital asset. For assets that are no longer in productive use, the liability is expensed in the period.

In subsequent periods, the asset retirement obligations estimates are adjusted, if necessary, for changes in the liability estimate or timing of the future cash flows, as applicable. Actual costs incurred are charged against the asset retirement obligation to the extent of the liability recorded. Differences between actual costs incurred and the liability, if any are recognized in the Consolidated Statement of Operations when remediation is complete.

*(xv) Liability for contaminated sites*

A liability for the remediation of a contaminated site is recognized as the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Town is either directly responsible or accepts responsibility, it is expected that the future economic benefit will be given up, and a reasonable estimate of the amount is determinable. If the likelihood of the Town's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the consolidated financial statements.

*(xvi) Deferred revenue*

*Obligatory reserve funds*

Deferred revenue related to obligatory reserve funds represent development charges, payments in lieu of parkland, building code net revenues and the Canada Community Building fund. These amounts have been collected or are receivable but the related expenditures for which the funds were collected have not yet been incurred. These amounts will be recognized as revenue in the fiscal period in which the related expenditures are incurred.

*General*

General deferred revenue represents user charges and other which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

*(xvii) Post-employment benefits*

The present value of the cost of providing employees with future benefit programs is recognized as employees earn these entitlements through service. Actuarial gains and losses are amortized over the estimated average remaining service life ("EARSL").

## 1. Summary of significant accounting of policies (continued)

*Basis of accounting (continued)*

(b) *Basis of accounting (continued)*

(xvii) *Post-employment benefits (continued)*

The Town is an employer member of the Ontario Municipal Employee Retirement Fund ("OMERS"), which is a multi-employer, defined benefit pension plan (the "Plan"). The OMERS Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Town uses defined contribution plan accounting principles for this Plan. The Town records as pension expense the amount paid to OMERS for the year plus any amounts owing to OMERS at the end of the year.

(xviii) *Use of estimates*

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Accounts involving significant estimates include allowance for doubtful accounts, accrued liabilities, employee benefits payable, asset retirement obligations, liability for contaminated sites and estimates relating to tangible capital assets. Actual results could differ from these estimates.

## 2. Operations of school boards and the Region of Durham

Further to Note 1 (a) (iii) requisitions are made by the Region of Durham and School Boards requiring the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized as follows:

| | Region<br>$ | School board<br>$ |
|---|---|---|
| Taxation | **172,614,091** | **50,579,235** |
| Payments in lieu of taxes | **874,486** | **413,726** |
| | **173,488,577** | **50,992,961** |

## 3. Cash and cash equivalents

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Unrestricted | | |
| Cash | **6,512,124** | 3,326,982 |
| High Interest Savings Accounts | **61,050,803** | 47,911,433 |
| | **67,562,927** | 51,238,414 |
| Restricted (Note 5) | | |
| Cash | **843,374** | 16,415,199 |
| High Interest Savings Accounts | **71,798,053** | 17,397,341 |
| | **72,641,427** | 33,812,540 |
| | **140,204,354** | 85,050,954 |

## 3. Cash and cash equivalents (continued)

Cash is held on deposit and in High Interest Savings Accounts ("HISA") with the Royal Bank and Bank of Nova Scotia. Cash earns interest on a monthly basis at an interest rate based on average balances or day end balances depending on each bank and will fluctuate based on the bank's prime rate. The rate of return on the HISA accounts ranged from 2.9% to 3.9% in 2025 (3.9% to 5.7% in 2024).

## 4. Investments

| | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| Unrestricted | | |
| Guaranteed Investment Certificates | **—** | 20,380,507 |
| Pooled funds - equity | **107,921,579** | 86,852,749 |
| | **107,921,579** | 107,233,256 |
| Restricted (Note 5) | | |
| Guaranteed Investment Certificates | **—** | 38,525,026 |
| | **—** | 38,525,026 |
| | **107,921,579** | 145,758,282 |

Throughout the year the Corporation held nine Guaranteed Investment Certificates: six purchased from the Bank of Montreal and one purchased from each of Scotiabank, DUCA Credit Union and Meridian Credit Union. The rate of return on the GICs held throughout the year ranged between 4.45% to 5.95% in 2025 (3.9% to 5.7% in 2024). Pooled investment fund units have a market value of $122,933,729 as at December 31, 2025 ($93,478,871 in 2024).

## 5. Restricted assets

| | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| Cash and cash equivalents (Note 3) | **72,641,427** | 33,812,540 |
| Investments (Note 4) | **—** | 38,525,026 |
| Interest receivable | **—** | 74,255 |
| Due to operating fund | **(725,552)** | (985,340) |
| | **71,915,875** | 71,426,481 |

Restricted assets represent assets of obligatory reserve funds and certain deferred grants (Note 9).

## 6. Loan receivable

The Town of Ajax holds a loan receivable of $2,058,046 ($1,978,129 in 2024) bearing interest at 4%. The loan, including interest, was initially due on August 31, 2019, and is secured by a registered first mortgage. As at December 31, 2025, the loan remains outstanding, and the Town anticipates it will be collectible. Given that the loan is secured against real property, the value of which is expected to be adequate to cover the amount outstanding, the Town does not anticipate any collectability issues with the balance.

## 7. Investment in government business enterprise

(a) *The Town has a 22.7609% (21.828% in 2024) interest in Elexicon Corporation as of the end of the year*

Elexicon Corporation serves as the electrical distribution utility for a number of communities and conducts non-regulated utility service ventures through its subsidiaries. Elexicon Corporation, as a government business enterprise, is accounted for on the modified equity basis in these consolidated financial statements. The following table provides condensed supplementary consolidated financial information for the corporation and its subsidiaries for the year ended December 31. The amounts are disclosed in thousands of dollars:

| | **2025 (000's) $** | 2024 (000's) $ |
|---|---|---|
| Assets | | |
| Current | **134,275** | 124,314 |
| Capital and intangibles | **858,960** | 786,041 |
| Other | **168** | 701 |
| Total assets | **993,403** | 911,056 |
| Regulatory balances | **60,426** | 53,757 |
| Total assets and regulatory balances | **1,053,829** | 964,813 |
| Liabilities | | |
| Current | **134,517** | 193,653 |
| Long-term debt | **340,341** | 283,463 |
| Other | **232,891** | 218,555 |
| Total liabilities | **707,749** | 695,671 |
| Shareholders' equity | | |
| Share capital | **159,844** | 97,692 |
| Contributed capital | **25** | 25 |
| 2019 Contributed surplus | **79,301** | 79,301 |
| Accumulated other comprehensive loss | **244** | 2,420 |
| Retained earnings | **79,064** | 75,025 |
| Total equity | **318,478** | 254,463 |
| Regulatory balances | **27,602** | 14,679 |
| Total liabilities, equity and regulatory balances | **1,053,829** | 964,813 |
| Comprehensive income | | |
| Commodity revenue | **485,257** | 464,462 |
| Commodity expenses | **(472,656)** | (454,320) |
| Distribution revenue | **105,038** | 100,500 |
| Operating expenses | **(109,556)** | (94,044) |
| Other expense | **1,546** | (5,115) |
| Accumulated other comprehensive loss | **(2,176)** | (91) |
| Net movements in regulatory balances, net of tax | **(6,255)** | (5,850) |
| Total comprehensive income for the year | **1,198** | 5,542 |

## 7. Investment in government business enterprise (continued)

*(b) Equity in Elexicon Corporation*

The Town's equity in Elexicon Corporation is as follows:

| | 2025 $ | 2024 $ |
|---|---|---|
| Balance, beginning of year | **75,163,599** | 75,666,655 |
| Conversion of Promissory notes to shares | **(798,917)** | — |
| Equity share of net earnings for the year from Elexicon Corporation (21.828%) | **261,499** | 1,209,708 |
| Dividend reimbursed (received) | **145,344** | (1,712,764) |
| Balance, end of year | **74,771,525** | 75,163,599 |

*(c) Promissory notes receivable*

The following promissory notes are receivable and form part of the investment in government business enterprise:

| | 2025 $ | 2024 $ |
|---|---|---|
| Elexicon Corporation | — | 5,550,000 |
| Elexicon Connections Inc. | — | 14,060,000 |
| | — | 19,610,000 |

As per the Memorandum of Understanding dated September 15, 2025, the participating shareholders agreed to suspend the payment of dividends by Elexicon Corporation to all Shareholders as well as to refund the overpayment of 2024 dividends. Elexicon repaid promissory notes to participating shareholders and simultaneously the participating shareholders purchased newly issued shares from Elexicon Corporation. As a result, the Town of Ajax's interest in Elexicon Corporation increased from 21.828% in 2024 to 22.7609% in 2025 as at December 29, 2025. An amount of $798,917 was received in cash for the collection of the promissory notes net of the purchase price of the new shares.

*(d) Contingencies and guarantees of Elexicon Corporation (the "Corporation") as disclosed in their financial statements are as follows*

*(i) Insurance claims*

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE") which was created on January 1, 1987. A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE provides general liability insurance to member electric utilities. MEARIE also provides vehicle and property insurance to the Corporation.

Insurance premiums charged to each member utility consist of a levy per $1,000 of service revenue subject to a credit or surcharge based on each electric utility's claims experience.

## 7. Investment in government business enterprise (continued)

*(d) Contingencies and guarantees of Elexicon Corporation (the "Corporation") as disclosed in their financial statements are as follows (continued)*

*(ii) Contractual obligation*

*Hydro One Networks Inc.*

Whitby transformer station:

The Corporation's subsidiary, Elexicon Energy Inc. ("EEI"), is party to a connection and cost recovery agreement with Hydro One related to the construction by Hydro One of a transformer station designated to meet EEI's anticipated electricity load growth. Construction of the project was completed during 2007 and EEI connected to the transformer station during 2008.

To the extent that the cost of the project is not recoverable from future transformation connection revenues, EEI is obliged to pay a capital contribution equal to the difference between these revenues and the construction costs allocated to EEI. The construction costs allocated to EEI for the project are $19,950,000.

Hydro One has performed a final true-up in 2024 based on actual load at the end of the fifteenth anniversary of the in-service date. The shortfall of connection transformation revenue for Hydro One resulted in an accrual recorded in 2024 of $4,062,000 and EEI recognized this amount as an intangible asset. This final true-up payment was made in January 2025 and there is no further obligation with respect to this agreement.

*Seaton transformer station*

The Corporation constructed a transformer station designated to meet the Corporation's anticipated electricity load growth and connected the transformer station to Hydro One's transmission system in December 2022. The Corporation entered into a connection and cost recovery agreement with Hydro One for the 230kV transmission supply to the transformer station. The construction costs allocated to the Corporation for the transmission supply project are $10,003,000 and a capital contribution of $3,244,000 was required due to increase in cost and lower incremental load forecast. EEI accrued $3,244,000 in 2024 and recognized this as an intangible asset. EEI paid this capital contribution in January 2025.

To the extent that the cost of the project is not recoverable from future transformation connection revenue, the Corporation is obligated to pay additional capital contributions equal to the difference between this revenue and the construction costs allocated to the Corporation. Hydro One will perform a true-up based on actual load at the end of the fifth, tenth and fifteenth anniversary of the in-service date December 2022. These anniversary dates are in December of 2027, 2032, and 2037 respectively.

*(iii) Contractual obligation - Cloud Computing Arrangements*

The Corporation entered into a cloud computing arrangement in December 2024 with an established Canadian supplier for licensing and to implement an integrated technology platform solution implementing electrical utility industry leading standard operating models and business processes for a 10-year term with a cost of $48,799,000 and a remaining obligation as at December 31,2025 of $42,328,000.

## 7. Investment in government business enterprise (continued)

*(d) Contingencies and guarantees of Elexicon Corporation (the "Corporation") as disclosed in their financial statements are as follows (continued)*

*(iv) Prudential support*

Purchasers of electricity in Ontario, through the Independent Electricity System Operator ("IESO"), are required to provide security to mitigate the risk of default based on their expected activity in the market. The IESO could draw on this security if the Corporation fails to make the payment required on a default notice issued by the IESO. The Corporation has provided a $64,000,000 guarantee to the IESO on behalf of EEI.

*(v) General claims*

From time to time, the Corporation is involved in various lawsuits, claims and regulatory proceedings in the normal course of business. In the opinion of management, the outcome of such matters will not have a material adverse effect on the Corporation's consolidated financial position and results of operations or cash flows.

*(vi) Lease commitments*

The Corporation is committed to lease agreements for various vehicles.

When measuring the lease liabilities for leases, the Corporation discounted lease payments using the implicit rate of each lease agreement with a range of 5.65% to 7.20%.

Future minimum non-cancellable lease payment obligations under finance leases are as follows:

| | $ |
|---|---|
| 2026 | 71,000 |
| 2027 | 44,000 |
| | 115,000 |

As at December 31, 2025, a lease obligation of $71,000 (2024 - $95,000) is recorded as a current liability and $44,000 (2024 - $115,000) is recorded as a non-current liability

## 8. Accounts payable and other liabilities

*(a) Liability for contaminated site*

The Town has recorded an unfunded liability of $647,000 ($647,000 in 2024) in accounts payable and accrued liabilities for the estimated remediation costs associated with a Town owned site with identified contaminates in the soil. The liability estimate for the site identified was based on an environmental assessment conducted by a third party engineering firm. At this time, the Town does not anticipate obtaining any recoveries in respect of the estimated liability.

*(b) Obligation payable*

The Town has an interest free obligation payable of $511,403 ($511,403 in 2024) to a third party in relation to a development agreement.

## 9. Deferred revenue

The obligatory reserve funds and other deferred revenue balances are summarized below:

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Obligatory reserve funds | | |
| Development charges | **51,647,971** | 46,006,795 |
| Canada Community-Building Fund | **11,612,414** | 9,941,015 |
| Recreational land | **8,100,947** | 7,929,795 |
| Cash-in-lieu of parking | **12,704** | 8,235 |
| Community benefit charges | **693,515** | 732,482 |
| Building approvals | **843,374** | 2,129,482 |
| | **72,910,925** | 66,747,804 |
| Other unearned revenues | **11,399,999** | 7,260,397 |
| | **84,310,924** | 74,008,201 |

The other changes during the year 2025 in obligatory reserve funds which are reflected directly in the deferred revenue balance are analyzed as follows:

| 2025 | Development Charges Act | Canada Community Building Fund | Recreational land | Cash-in-lieu of parking | Community benefit charges | Building approvals | 2025 Total |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| Opening balance | 46,006,795 | 9,941,015 | 7,929,795 | 8,235 | 732,482 | 2,129,482 | 66,747,804 |
| Restricted funds received/receivable | 8,633,703 | 4,148,327 | 355,000 | 4,130 | — | — | 13,141,160 |
| Interest earned | 1,822,720 | 381,186 | 268,638 | 339 | 25,066 | — | 2,497,949 |
| Revenue recognized | (4,815,247) | (2,858,114) | (452,486) | — | (64,033) | (1,286,108) | (9,475,988) |
| Closing balance | 51,647,971 | 11,612,414 | 8,100,947 | 12,704 | 693,515 | 843,374 | 72,910,925 |

| 2024 | Development Charges Act | Canada Community Building Fund | Recreational land | Cash-in-lieu of parking | Community benefit charges | Building approvals | 2024 Total |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| Opening balance | 47,670,532 | 7,910,986 | 5,445,190 | 7,833 | 265,611 | 3,505,327 | 64,805,479 |
| Restricted funds received/receivable | 814,368 | 4,041,524 | 2,847,195 | — | 559,263 | — | 8,262,350 |
| Interest earned | 2,710,448 | 504,005 | 377,176 | 402 | 19,661 | — | 3,611,692 |
| Revenue recognized | (5,188,553) | (2,515,500) | (739,766) | — | (112,053) | (1,375,845) | (9,931,717) |
| Closing balance | 46,006,795 | 9,941,015 | 7,929,795 | 8,235 | 732,482 | 2,129,482 | 66,747,804 |

## 10. Municipal debt

The municipality has assumed responsibility for the payment of principal and interest charges on certain debt issued by the Regional Municipality of Durham and internally.

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Amount to be recovered from future revenue | **14,695,000** | 14,611,000 |
| Amount owed to operating fund | **(2,556,000)** | (3,130,000) |
| Net municipal debt | **12,139,000** | 11,481,000 |

The above long-term debt has interest rates ranging from 2.5% to 4.70% per annum (2.5% to 4.50% in 2024) and maturity dates in 2026, 2028, 2033, 2034, 2037, 2039 and 2045. The annual required payment for 2025 was $1,656,836 ($1,167,957 in 2024) including principal and interest, and the timing of principal repayments are as follows to be paid from general municipal revenues:

## 10. Municipal debt (continued)

| | $ |
|---|---|
| 2026 | 1,464,000 |
| 2027 | 1,510,000 |
| 2028 | 1,559,000 |
| 2029 | 958,000 |
| 2030 | 986,000 |
| 2031 and beyond | 5,662,000 |
| | 12,139,000 |

The above debt issued in the name of the Town has been approved by by-law as required by legislation. 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. Interest paid or payable in 2025 and included in expenses is $407,395 ($260,210 in 2024).

## 11. Employee benefits payable

The Town provides certain employee benefits which will require funding in the future.

| | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| Vacation payable | **3,188,043** | 2,658,410 |
| Post-employment benefits | **7,330,756** | 6,936,956 |
| Council severance | **392,700** | 316,800 |
| | **10,911,499** | 9,912,166 |
| Less: amount already funded from operations to mitigate the future impact of these obligations | **(714,223)** | (636,018) |
| Unfunded portion | **10,197,276** | 9,276,148 |

*(a) Vacation payable*

Vacation pay owing at December 31, 2025, has been partially funded from operations and is included in employee benefits payable in these consolidated financial statements.

*(b) Post-employment benefits*

The Town sponsors a defined benefit plan for retirement benefits other than pensions for substantially all of its employees and Councilors. The plan provides extended health and dental as well as vision coverage to full-time employees and Councilors. The plan is unfunded and requires no contribution from employees or Councilors. Total employer contributions to retiree benefits during the year were $373,200 ($450,000 in 2024).

Actuarial valuations for accounting purposes are performed triennially using the projected benefit method prorated on services. An actuarial full valuation was completed as at December 31, 2025, and an accrued benefit obligation of $6,704,100 is based on an extrapolation from that valuation to December 31, 2025.

## 11. Employee benefits payable (continued)

*(b) Post-employment benefits (continued)*

The post-employment benefit liability at December 31, 2025, includes the following components:

| | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| Actuarially determined accrued benefit obligation | **6,704,100** | 7,137,243 |
| Unamortized actuarial (losses) gains | **626,656** | (200,287) |
| | **7,330,756** | 6,936,956 |

The current actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases, and employee turnover and mortality. The assumptions used reflect the Town's best estimates; however actual experience may vary from these estimates. The main actuarial assumptions employed for the valuation and current year extrapolation are as follows:

| | |
|---|---|
| Expected inflation rate | 2.50% |
| Discount rate | 4.80% |
| Medical cost increases | |
| First year | 6.00% |
| Decreasing over 5 years to | 4.00% |
| Expected rate of dental cost increase | 4.00% |
| Estimated average remaining service life of the employee group | 13.8 years |

The post-employment benefit expense is reported on the consolidated statement of operations in the various functional categories. Composition of the amount is as follows:

| | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| Current year benefit cost | **423,200** | 343,724 |
| Amortization of actuarial gains | **14,300** | (19,000) |
| Interest on post-employment benefit liability | **329,500** | 306,026 |
| | **767,000** | 630,750 |

*(c) Pension agreement*

The Town makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), a multi-employer pension plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefits to be received by the employees based on the length of service and rates of pay. The Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to 665,000 active, deferred and retired members and over 1,000 employers.

## 11. Employee benefits payable (continued)

*(c) Pension agreement (continued)*

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of this valuation disclosed total actuarial liabilities of $151,365 million in respect of benefits accrued for service with net assets at that date of $150,0043 million indicating an funding deficit of $1,322 million. As OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for 2025 was $6,284,982 ($5,878,294 in 2024).

*(d) Council severance*

Part of the remuneration package includes eligibility of all Councilors to receive a severance payment of one month salary per year of continuous service, with a minimum of four years of continuous service, to a maximum payment of 24 months (24 months in 2024) should they not be re-elected. The estimated liability based on service and salary levels as at December 31, 2025, totaling $392,700 ($316,800 in 2024) has been fully funded from operations and included in employee benefits payable in these consolidated financial statements.

## 12. Asset retirement obligations

*(a) Landfill obligation*

The Town owns one closed landfill site requiring post-closure care including monitoring of ground and surface water, leachate and gas, as well as ongoing maintenance and annual reporting to comply with environmental legislation. This liability is unfunded and is therefore shown as a separate component of accumulated surplus.

The estimate is based on assumptions regarding the nature and amount of annual expenses, an inflation factor of 2%, a 40-year future monitoring requirement and discounted at fluctuating rates ranging from 2.5% to 5.0%, with the 2025 rate being 4.8% (4.60% in 2024). Actual experience may vary from these assumptions and as new information becomes available. Based on an extrapolation of that valuation, the estimated present value of costs as at December 31, 2025, is $416,250 ($414,536 in 2024).

*(b) Asbestos obligation*

The Town owns buildings which contain asbestos and is legally required to perform abatement activities upon renovation or demolition of the asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The total estimated liability for abatement activities is based on the estimated cost required to settle the obligation, adjusted in 2025 at a rate of 4.8% (4.6% in 2024). Actual experience may vary from these assumptions and as new information becomes available. The estimated present value of costs as at December 31, 2025, is $175,873 ($167,818 in 2024).

## 12. Asset retirement obligations (continued)

*(b) Asbestos obligation (continued)*

| | Landfill $ | Asbestos $ | Balance 2025 $ | Balance 2024 $ |
|---|---|---|---|---|
| Opening balance ARO | **414,536** | **167,818** | **582,354** | 581,151 |
| Liabilities settled | **(18,631)** | **—** | **(18,631)** | (56,704) |
| Accretion expense | **20,345** | **8,055** | **28,400** | 26,800 |
| Increase (decrease) reflecting change in the estimate of liability | **—** | **—** | **—** | 31,107 |
| | **416,250** | **175,873** | **592,123** | 582,354 |

## 13. Accumulated surplus

| | 2025 $ | 2024 $ |
|---|---|---|
| Surplus - Library | **693,247** | 531,838 |
| Invested in tangible capital assets (Note 16) | **590,519,021** | 591,317,073 |
| Invested in construction in progress (Note 16) | **14,659,837** | 14,860,549 |
| Municipal debt and obligation payable (Note 8b and Note 10) | **(12,650,403)** | (11,992,403) |
| Internal debt - owing to operating fund (Note 10) | **(2,556,000)** | (3,130,000) |
| Internal capital fund | **10,177,326** | 15,262,078 |
| Reserve/reserve fund balances | **175,767,392** | 147,327,977 |
| Equity in govemment business enterprise (Note 7) | **74,771,525** | 75,163,599 |
| Liability for contaminated sites (Note 8a) | **(647,000)** | (647,000) |
| Employee benefits payable (Note 11) | **(10,197,276)** | (9,276,148) |
| Asset retirement obligations (Note 12) | **(592,123)** | (582,354) |
| | **839,945,546** | 818,835,209 |

## 14. Contingencies and commitments

*(a) Capital project commitments*

The Town has committed to many capital projects expected to be completed over several years including the rehabilitation of Ajax Community Centre Pads 3 and 4 as well as the Reconstruction of Range Line Road from Pickering Beach Road to Cherry Road. As at December 31, 2025, the Town had awarded contracts in the amount of $47,600,940 ($42,255,111 in 2024) and $25,430,277 ($25,056,919 in 2024) of those awarded amounts have been spent. The remaining contractual commitments of $22,170,663 ($17,198,192 in 2024) will be incurred as capital expenditures as the work is completed. Funding for the completion costs is expected to include the use of funds from various discretionary and obligatory reserve funds.

*(b) Legal matters*

The Town has been named in litigation matters, the outcome of which is undeterminable and accordingly, no provision has been provided for any potential liability in these financial statements. Should any loss result from these claims, which is not covered by insurance, such loss would be charged to operations in the year of resolution or earlier if the loss is likely and measurable.

## 14. Contingencies and commitments (continued)

*(c) Participation in Durham Municipal Insurance Pool*

The Town is a member of the Durham Municipal Insurance Pool ("DMIP"), which was created in July 2000. DMIP provides insurance coverage to seven member municipalities.

The annual contributions from each member municipality are based on the value of its insured assets, claims experience, population and risk management philosophy. Future levies depend on the experience of the pool. Beyond the $10,000 Town deductible, DMIP covers eligible insurance claims up to $500,000. DMIP has outside coverage in place for claims over $500,000.

Because DMIP is a multi-municipality insurance pool, surpluses or deficits are a joint responsibility of the member municipalities through future levies. The Town does not recognize any share of the DMIP surplus or deficit but has made provisions for estimated deductible amounts of $125,239 ($135,000 in 2024) for all outstanding Town claims.

## 15. Budget figures

The 2025 Budget adopted under strong mayor legislation on December 13, 2024, was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures treated all tangible capital asset additions as expenses and did not include amortization expense on tangible capital assets, post-employment benefits or landfill costs. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets represent the adopted budget with adjustments as follows:

| | 2025 budget adopted by council $ | Non TCA expenditures from capital $ | Amortization/ post emp ben/ landfill costs $ | 2025 budget presented in statements $ |
|---|---|---|---|---|
| Revenue | | | | |
| Taxation | 102,397,100 | — | — | 102,397,100 |
| Obligatory reserve funds earned | 10,372,300 | — | — | 10,372,300 |
| Other | 34,543,700 | — | — | 34,543,700 |
| | 147,313,100 | — | — | 147,313,100 |
| Expenses | | | | |
| General government | 24,265,000 | 599,000 | 2,075,300 | 26,939,300 |
| Protection to persons and property | 28,185,000 | 88,000 | 1,265,300 | 29,538,300 |
| Transportation services | 21,965,700 | 2,283,600 | 10,860,000 | 35,109,300 |
| Environmental services | 895,000 | 350,000 | 3,443,100 | 4,688,100 |
| Health, social and family services | 210,500 | — | — | 210,500 |
| Recreation and culture services | 34,634,100 | 700,000 | 9,739,500 | 45,073,600 |
| Planning and development | 6,265,500 | 120,000 | 22,200 | 6,407,700 |
| | 116,420,800 | 4,140,600 | 27,405,400 | 147,966,800 |
| Annual surplus | 30,892,300 | (4,140,600) | (27,405,400) | (653,700) |
| Capital expenditures | (22,817,800) | | | |
| Transfers to (from) reserve/reserve funds | (5,245,600) | | | |
| Debt repayment | (1,907,100) | | | |
| Budgeted use of prior year surplus | 921,800 | | | |
| Consists of Ajax Public Library | (921,800) | | | |
| | — | | | |

## 16. Tangible capital assets

| | General assets | | | | | | Infrastructure assets | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Land** | **Land improv.** | **Buildings** | **Vehicles & rolling equipment** | **Computer hardware & software** | **Furniture, fixtures & equipment** | **Land** | **Road network** | **Storm water network** | **Vehicles & rolling equipment** | **Furniture, fixtures & equipment** | **2025 Total** |
| | **$** | **$** | **$** | **$** | **$** | **$** | **$** | **$** | **$** | **$** | **$** | **$** |
| Cost, beginning of year | **136,106,057** | **95,157,010** | **176,823,769** | **17,259,521** | **3,409,947** | **25,773,685** | **14,971,026** | **351,225,284** | **133,981,516** | **8,429,878** | **102,412** | **963,240,105** |
| Additions | **846,934** | **6,076,486** | **1,699,189** | **6,153,134** | **2,740,619** | **1,529,298** | **11** | **5,393,982** | **2,190,606** | **1,131,417** | **12,718** | **27,774,394** |
| Disposals | **(746,456)** | **(68,280)** | **(402,136)** | **(1,769,447)** | **(620,092)** | **(977,414)** | **—** | **(1,155,193)** | **(569,947)** | **(291,927)** | **—** | **(6,600,892)** |
| Cost, end of year | **136,206,535** | **101,165,216** | **178,120,822** | **21,643,208** | **5,530,474** | **26,325,569** | **14,971,037** | **355,464,073** | **135,602,175** | **9,269,368** | **115,130** | **984,413,607** |
| Accumulated amortization, beginning of year | **—** | **52,586,611** | **60,697,939** | **11,173,783** | **1,923,057** | **15,294,800** | **—** | **170,596,635** | **55,724,552** | **3,825,602** | **100,053** | **371,923,032** |
| Amortization | **—** | **4,289,095** | **4,950,068** | **1,150,238** | **786,022** | **2,093,352** | **—** | **10,173,238** | **3,430,711** | **657,902** | **3,632** | **27,534,258** |
| Disposals | **—** | **(68,282)** | **(267,445)** | **(1,767,729)** | **(620,092)** | **(977,414)** | **—** | **(1,058,091)** | **(569,947)** | **(233,704)** | **—** | **(5,562,704)** |
| Accumulated amortization, end of year | **—** | **56,807,424** | **65,380,562** | **10,556,292** | **2,088,987** | **16,410,738** | **—** | **179,711,782** | **58,585,316** | **4,249,800** | **103,685** | **393,894,586** |
| Net book value, beginning of year | **136,106,057** | **42,570,399** | **116,125,830** | **6,085,738** | **1,486,890** | **10,478,885** | **14,971,026** | **180,628,649** | **78,256,964** | **4,604,276** | **2,359** | **591,317,073** |
| Net book value, end of year | **136,206,535** | **44,357,792** | **112,740,260** | **11,086,916** | **3,441,487** | **9,914,831** | **14,971,037** | **175,752,291** | **77,016,859** | **5,019,568** | **11,445** | **590,519,021** |

| | General assets | | | | | | Infrastructure assets | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Land | Land improv. | Buildings | Vehicles & rolling equipment | Computer hardware & software | Furniture, fixtures & equipment | Land | Road network | Storm water network | Vehicles & rolling equipment | Furniture, fixtures & equipment | 2024 Total |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Cost, beginning of year | 136,106,251 | 91,466,614 | 167,653,947 | 16,770,874 | 3,063,499 | 24,157,019 | 14,971,026 | 344,961,221 | 132,081,021 | 7,902,094 | 102,412 | 939,235,978 |
| Additions | — | 4,698,438 | 10,679,149 | 922,439 | 777,122 | 2,909,538 | — | 6,944,838 | 1,957,405 | 2,140,668 | — | 31,029,597 |
| Disposals | (194) | (1,008,042) | (1,509,327) | (433,792) | (430,674) | (1,292,872) | — | (680,775) | (56,910) | (1,612,884) | — | (7,025,470) |
| Cost, end of year | 136,106,057 | 95,157,010 | 176,823,769 | 17,259,521 | 3,409,947 | 25,773,685 | 14,971,026 | 351,225,284 | 133,981,516 | 8,429,878 | 102,412 | 963,240,105 |
| Accumulated amortization, beginning of year | — | 49,419,451 | 56,721,488 | 10,658,425 | 1,827,607 | 14,303,606 | — | 161,030,889 | 52,311,684 | 4,826,967 | 97,056 | 351,197,173 |
| Amortization | — | 4,168,732 | 5,096,035 | 923,457 | 526,124 | 2,212,707 | — | 10,245,536 | 3,469,778 | 563,281 | 2,997 | 27,208,647 |
| Disposals | — | (1,001,572) | (1,119,584) | (408,099) | (430,674) | (1,221,513) | — | (679,790) | (56,910) | (1,564,646) | — | (6,482,788) |
| Accumulated amortization, end of year | — | 52,586,611 | 60,697,939 | 11,173,783 | 1,923,057 | 15,294,800 | — | 170,596,635 | 55,724,552 | 3,825,602 | 100,053 | 371,923,032 |
| Net book value, beginning of year | 136,106,251 | 42,047,163 | 110,932,459 | 6,112,449 | 1,235,892 | 9,853,413 | 14,971,026 | 183,930,332 | 79,769,337 | 3,075,127 | 5,356 | 588,038,805 |
| Net book value, end of year | 136,106,057 | 42,570,399 | 116,125,830 | 6,085,738 | 1,486,890 | 10,478,885 | 14,971,026 | 180,628,649 | 78,256,964 | 4,604,276 | 2,359 | 591,317,073 |

## 16. Tangible capital assets (continued)

The net book value of tangible capital assets not being amortized because they are under construction is $14,659,837 ($14,860,549 in 2024).

Assets contributed to the Town in 2025, consisting of Land, had a fair market value of $nil ($5,678,787 in 2024). The 2024 asset contributions included Land, Land Improvements, Road Network and Storm Water Network assets.

The Town holds various works of art and historical treasures pertaining to the heritage and history of the Town of Ajax. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

Under agreement with Toronto Region Conservation Authority ("TRCA"), the Town has the right to use certain lands owned by TRCA for recreational purposes and enjoyment of the general public. Within the terms of the agreement, the Town is responsible for the full cost of construction and maintenance of assets which are situated on the property as well as maintenance and improvements to the land.

The following table summarizes the value of assets located on TRCA land.

| | Buildings<br>$ | Land improvement<br>$ | Furniture, fixtures and equipment<br>$ | Storm water network<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| Cost, beginning of year | 2,543,257 | 8,479,879 | 255,473 | 616,130 | 11,894,739 |
| Additions | — | — | — | — | — |
| Disposals | — | — | — | — | — |
| Cost, end of year | **2,543,257** | **8,479,879** | **255,473** | **616,130** | **11,894,739** |
| Accumulated amortization, beginning of year | 1,031,487 | 5,005,047 | 167,240 | 616,130 | 6,819,904 |
| Amortization | 52,106 | 336,095 | 22,206 | — | 410,407 |
| Disposals | — | — | — | — | — |
| Accumulated amortization, end of year | **1,083,593** | **5,341,142** | **189,446** | **616,130** | **7,230,311** |
| Net book value, beginning of year | 1,511,770 | 3,474,832 | 88,233 | — | 5,074,835 |
| Net book value, end of year | **1,459,664** | **3,138,737** | **66,027** | **—** | **4,664,428** |

## 17. Segmented information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

*General government*

This item relates to revenues and expenses of the Town itself and are not directly attributed to specific segments.

## 17. Segmented information (continued)

*Protection to persons and property*

Protection includes fire services, animal control and building inspection/enforcement of building code to ensure the safety and protection of citizens and their property.

*Transportation services*

Transportation includes construction and maintenance of the Municipality's roadways, including snow removal, asphalt patching and sidewalk repairs.

*Environmental services*

Environmental services include urban storm water management costs, litter pickup and closed landfill site monitoring costs.

*Health, social and family services*

Health and social services for assistance or services for seniors.

*Recreation and culture services*

Recreation and cultural services are actively supported by the municipality and include recreation programs, current and new facilities, parks, maintenance and construction and library services.

*Planning and development*

Planning and development provides a number of services including municipal planning and review of all property development plans through its application processes.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Where revenues are not directly attributable to a segment, they are prorated as a percentage of the segment's expenses versus total expenses.

## 17. Segmented information (continued)

| | General government $ | Protection to persons and property $ | Transportation services $ | Environmental services $ | Health, social and family services $ | Recreation and culture services $ | Planning and development $ | Unallocated $ | 2025 Total $ |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | | | |
| Taxation | 21,762,746 | 19,875,424 | 20,380,740 | 3,268,750 | 158,844 | 32,567,392 | 4,773,934 | — | 102,787,830 |
| User charges | 1,188,631 | 2,379,225 | 2,106,425 | — | 101,524 | 8,854,500 | 6,857,961 | — | 21,488,266 |
| Government grants | 3,114,786 | 181,416 | 2,743,775 | 18,346 | 62,427 | 3,896,234 | 666,178 | — | 10,683,162 |
| Gaming and casinos | 788,689 | 720,292 | 738,605 | 118,461 | 5,757 | 1,180,253 | 173,007 | — | 3,725,064 |
| Investment income | 3,536,009 | 3,229,357 | 3,311,461 | 531,106 | 25,809 | 5,291,546 | 775,668 | — | 16,700,956 |
| Obligatory reserve funds earned | 42,450 | 1,576,301 | 4,117,864 | 23,864 | — | 3,684,722 | 30,787 | — | 9,475,988 |
| Penalties and interest on taxes receivable | 1,032,833 | 943,263 | 967,245 | 155,131 | 7,539 | 1,545,608 | 226,564 | — | 4,878,183 |
| Donations and contributed assets | — | — | — | — | — | 11 | — | — | 11 |
| Government business enterprise | — | — | — | — | — | — | — | 261,499 | 261,499 |
| Gain /(Loss) on disposal of TCA | 2,803,544 | — | (151,003) | — | — | — | — | — | 2,652,541 |
| Other | 2,867,585 | 51,477 | 2,395,334 | 118,890 | 2,500 | 156,322 | 36,292 | — | 5,628,400 |
| | 37,137,273 | 28,956,755 | 36,610,446 | 4,234,548 | 364,400 | 57,176,588 | 13,540,391 | 261,499 | 178,281,900 |
| Expenses | | | | | | | | | |
| Salaries, wages and benefits | 19,373,671 | 26,048,464 | 9,547,303 | 425,586 | 105,672 | 28,441,382 | 5,352,365 | — | 89,294,443 |
| Materials, supplies and services | 4,343,518 | 1,352,053 | 6,483,225 | 492,597 | 87,730 | 6,747,335 | 655,168 | — | 20,161,626 |
| Contracted services | 4,496,716 | 1,606,915 | 2,652,172 | 595,873 | 38,212 | 4,157,805 | 729,169 | — | 14,276,862 |
| Rents and financial expenses | 158,197 | 161,380 | 1,517,790 | 1,714 | 11,272 | 643,934 | 175,592 | — | 2,669,879 |
| Amortization | 2,050,233 | 1,222,447 | 10,963,440 | 3,482,434 | — | 9,807,929 | 7,775 | — | 27,534,258 |
| Other | 2,854,804 | — | — | — | — | — | 379,691 | — | 3,234,495 |
| | 33,277,139 | 30,391,259 | 31,163,930 | 4,998,204 | 242,886 | 49,798,385 | 7,299,760 | — | 157,171,563 |
| Annual surplus (deficit) | 3,860,134 | (1,434,504) | 5,446,516 | (763,656) | 121,514 | 7,378,203 | 6,240,631 | 261,499 | 21,110,337 |

## 17. Segmented information (continued)

| | General government $ | Protection to persons and property $ | Transportation services $ | Environmental services $ | Health, social and family services $ | Recreation and culture services $ | Planning and development $ | Unallocated $ | 2024 Total $ |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | | | |
| Taxation | 21,674,284 | 18,792,429 | 17,782,148 | 3,864,009 | 68,859 | 30,375,217 | 3,801,700 | — | 96,358,646 |
| User charges | 1,332,482 | 2,834,693 | 1,000,211 | — | 84,571 | 8,175,264 | 5,456,833 | — | 18,884,054 |
| Government grants | 3,901,375 | 979,290 | 5,818 | 650,000 | 45,000 | 2,761,455 | 19,652 | — | 8,362,590 |
| Gaming and casinos | 881,510 | 764,303 | 723,214 | 157,152 | 2,801 | 1,235,384 | 154,617 | — | 3,918,981 |
| Investment income | 4,393,387 | 3,809,234 | 3,604,449 | 783,236 | 13,958 | 6,157,070 | 770,606 | — | 19,531,940 |
| Obligatory reserve funds earned | 637,360 | 1,532,108 | 2,510,766 | 73,780 | — | 5,169,066 | 8,637 | — | 9,931,717 |
| Penalties and interest on taxes receivable | 882,202 | 764,904 | 723,783 | 157,276 | 2,803 | 1,236,356 | 154,740 | — | 3,922,064 |
| Donations and contributed assets | — | — | 3,545,219 | 1,836,907 | — | 296,661 | — | — | 5,678,787 |
| Government business enterprise | — | — | — | — | — | — | — | 1,209,708 | 1,209,708 |
| (Loss) on disposal of TCA | | | (387,167) | | | | | | (387,167) |
| Other | 644,923 | 55,174 | 1,282,864 | 148,260 | 2,500 | 173,880 | 67,192 | — | 2,374,793 |
| | 34,347,523 | 29,532,135 | 30,791,305 | 7,670,620 | 220,492 | 55,580,353 | 10,433,977 | 1,209,708 | 169,786,113 |
| Expenses | | | | | | | | | |
| Salaries, wages and benefits | 17,773,436 | 24,617,752 | 8,103,055 | 471,041 | 33,089 | 26,910,654 | 4,810,113 | — | 82,719,140 |
| Materials, supplies and services | 5,002,700 | 2,012,468 | 4,671,897 | 1,370,333 | 51,408 | 6,247,343 | 372,437 | — | 19,728,586 |
| Contracted services | 4,083,703 | 1,281,386 | 2,587,394 | 634,357 | 9,931 | 3,550,723 | 414,773 | — | 12,562,267 |
| Rents and financial expenses | 594,782 | 41,137 | 1,330,924 | 1,383 | 12,471 | 624,909 | 304,562 | — | 2,910,168 |
| Amortization | 1,731,716 | 1,221,244 | 10,912,326 | 3,521,501 | — | 9,821,860 | — | — | 27,208,647 |
| Other | 4,461,538 | — | — | — | — | — | — | — | 4,461,538 |
| | 33,647,875 | 29,173,987 | 27,605,596 | 5,998,615 | 106,899 | 47,155,489 | 5,901,885 | — | 149,590,346 |
| Annual surplus (deficit) | 699,648 | 358,148 | 3,185,709 | 1,672,005 | 113,593 | 8,424,864 | 4,532,092 | 1,209,708 | 20,195,767 |