



Township of Admaston / Bromley
477 Stone Road
Renfrew, Ontario
K7V 3Z5

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the **CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY** (the Township) is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within the Financial Report. Management believes that the consolidated financial statements present fairly the Township's financial position as at December 31, 2025 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The Township's Council carries out its responsibilities for review of the consolidated financial statements principally through its regular meetings. The Township's Council meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Township's Council with and without the presence of management. The Township's Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Welch LLP, Chartered Professional Accountants, independent external auditors appointed by the Township. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

Chief Administrative Officer/Clerk
May 21, 2026
Renfrew, Canada

Treasurer - Deputy CAO/Clerk
May 21, 2026
Renfrew, Canada

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the
CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Admaston/Bromley (the Township), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations and change in net financial debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Township'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 Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Township's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 Township'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 Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the organizations or business activities within the Township to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

Welch LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Pembroke, Ontario
May 21, 2026

Welch LLP

An Independent Member of BKR International

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
FINANCIAL ASSETS		
Cash	\$ 1,075,329	\$ 1,354,610
Taxes receivable (Note 2)	373,381	241,728
Accounts receivable	<u>398,096</u>	<u>362,805</u>
	<u>1,846,806</u>	<u>1,959,143</u>
 LIABILITIES		
Accounts payable and accrued liabilities	526,834	499,117
Deferred revenue - general	19,850	48,455
Deferred revenue - obligatory (Note 3)	336,828	606,058
Asset retirement obligation (Note 4)	343,554	382,096
Long-term debt (Note 5)	<u>2,665,277</u>	<u>2,944,915</u>
	<u>3,892,343</u>	<u>4,480,641</u>
 NET FINANCIAL DEBT	 <u>(2,045,537)</u>	 <u>(2,521,498)</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	13,258,926	13,334,614
Inventory for consumption	88,447	76,266
Prepaid expenses	<u>76,310</u>	<u>73,680</u>
	<u>13,423,683</u>	<u>13,484,560</u>
 ACCUMULATED SURPLUS (Note 8)	 <u>\$ 11,378,146</u>	 <u>\$ 10,963,062</u>

(See accompanying notes and schedules)

Welch LLP

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Budget</u> <u>2025</u>	<u>Actual</u> <u>2025</u>	<u>Actual</u> <u>2024</u>
REVENUE			
Property taxation	\$ 3,692,881	\$ 3,711,609	\$ 3,462,545
Payment in lieu of taxes	14,790	15,104	14,629
User charges	70,124	139,602	133,596
Provincial and other government transfers	704,160	760,281	644,159
Canada Community Building Fund	230,200	214,854	109,383
Ontario Community Infrastructure Fund	720,000	595,801	343,631
Investment income	40,000	41,742	46,325
Penalties and interest	27,300	45,926	35,031
Fees, service charges, donations and miscellaneous	65,296	124,126	83,860
Gain (loss) on disposal of tangible capital assets	-	27,741	(152,975)
	<u>5,564,751</u>	<u>5,676,786</u>	<u>4,720,184</u>
EXPENSES			
General government	901,954	838,811	788,647
Protection to persons and property	1,023,305	1,124,707	947,006
Transportation services	1,647,332	2,804,199	2,724,780
Environmental services	364,706	334,079	321,314
Recreation and cultural services	102,167	102,285	133,309
Planning and development	86,450	57,621	79,538
	<u>4,125,914</u>	<u>5,261,702</u>	<u>4,994,594</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	1,438,837	415,084	(274,410)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>10,963,062</u>	<u>10,963,062</u>	<u>11,237,472</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 12,401,899</u>	<u>\$ 11,378,146</u>	<u>\$ 10,963,062</u>

(See accompanying notes and schedules)

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Budget</u> <u>2025</u>	<u>Actual</u> <u>2025</u>	<u>Actual</u> <u>2024</u>
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE)	\$ <u>1,438,837</u>	\$ <u>415,084</u>	\$ <u>(274,410)</u>
Acquisition of tangible capital assets	(1,484,500)	(1,476,834)	(1,246,601)
Change in construction-in-progress	-	134,562	(36,469)
Proceeds on disposal of tangible capital assets	60,000	77,213	17,178
Amortization of tangible capital assets	-	1,346,313	1,540,386
Gain (loss) on disposal of tangible capital assets	-	(27,741)	152,975
Adjustment to opening asset retirement obligation	-	22,175	(23,207)
Acquisition of inventory for consumption	-	(12,181)	(19,272)
Changes in level of prepaid expenses	-	(2,630)	(26,752)
	<u>(1,424,500)</u>	<u>60,877</u>	<u>358,238</u>
CHANGE IN NET FINANCIAL DEBT	14,337	475,961	83,828
NET FINANCIAL DEBT, BEGINNING OF YEAR	<u>(2,521,498)</u>	<u>(2,521,498)</u>	<u>(2,605,326)</u>
NET FINANCIAL DEBT, END OF YEAR	\$ <u>(2,507,161)</u>	\$ <u>(2,045,537)</u>	\$ <u>(2,521,498)</u>

(See accompanying notes and schedules)

Welch LLP

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CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenses (expenses over revenue)	\$ 415,084	\$ (274,410)
Non-cash items included in excess of revenue over expenses (expenses over revenue):		
Amortization of tangible capital assets	1,346,313	1,540,386
(Gain) loss on disposal of tangible capital assets	(27,741)	152,975
Accretion of asset retirement obligation	13,878	15,997
Change in asset retirement obligation on closed landfill sites	<u>(30,245)</u>	<u>(9,236)</u>
	1,717,289	1,425,712
Change in the level of:		
Taxes receivable	(131,653)	(27,607)
Accounts receivable	(35,291)	22,657
Inventory for consumption	(12,181)	(19,272)
Prepaid expenses	(2,630)	(26,752)
Accounts payable and accrued liabilities	27,717	82,980
Deferred revenue - general	(28,605)	40
Deferred revenue - obligatory	<u>(269,230)</u>	<u>169,362</u>
	<u>1,265,416</u>	<u>1,627,120</u>
CASH FLOWS FROM (USED IN) CAPITAL ACTIVITIES		
Proceeds from disposal of tangible capital assets	77,213	17,178
Acquisition of tangible capital assets	(1,476,834)	(1,246,601)
Change in construction-in-progress	<u>134,562</u>	<u>(36,469)</u>
	<u>(1,265,059)</u>	<u>(1,265,892)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	-	305,740
Repayment of long-term debt	<u>(279,638)</u>	<u>(263,323)</u>
	<u>(279,638)</u>	<u>42,417</u>
NET CHANGE IN CASH	(279,281)	403,645
CASH, BEGINNING OF YEAR	<u>1,354,610</u>	<u>950,965</u>
CASH, END OF YEAR	<u>\$ 1,075,329</u>	<u>\$ 1,354,610</u>

(See accompanying notes and schedules)

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**CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2025**

SCHEDULE 1

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Linear Assets</u>	<u>Construction in Progress</u>	<u>2025</u>	<u>2024</u>
COST								
Balance, beginning of year	\$ 896,506	\$ 1,653,168	\$ 656,790	\$ 3,298,426	\$ 52,336,476	\$ 135,834	\$ 58,977,200	\$ 58,282,422
Acquisition of tangible capital assets	-	508,564	146,059	175,461	646,750	-	1,476,834	1,246,601
Disposal of tangible capital assets	-	(23,045)	(79,280)	(137,560)	(993,249)	-	(1,233,134)	(611,499)
Construction-in-progress	-	-	-	-	-	(134,562)	(134,562)	36,469
Adjustment to opening asset retirement obligation	(22,175)	-	-	-	-	-	(22,175)	23,207
Balance, end of year	<u>874,331</u>	<u>2,138,687</u>	<u>723,569</u>	<u>3,336,327</u>	<u>51,989,977</u>	<u>1,272</u>	<u>59,064,163</u>	<u>58,977,200</u>
ACCUMULATED AMORTIZATION								
Balance, beginning of year	114,806	674,411	342,343	1,650,405	42,860,621	-	45,642,586	44,543,546
Annual amortization	18,228	32,235	43,736	214,174	1,037,940	-	1,346,313	1,540,386
Accumulated amortization on disposal of tangible capital assets	-	(21,663)	(79,280)	(119,047)	(963,672)	-	(1,183,662)	(441,346)
Balance, end of year	<u>133,034</u>	<u>684,983</u>	<u>306,799</u>	<u>1,745,532</u>	<u>42,934,889</u>	<u>-</u>	<u>45,805,237</u>	<u>45,642,586</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 741,297</u>	<u>\$ 1,453,704</u>	<u>\$ 416,770</u>	<u>\$ 1,590,795</u>	<u>\$ 9,055,088</u>	<u>\$ 1,272</u>	<u>\$ 13,258,926</u>	<u>\$ 13,334,614</u>
2024 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 781,700</u>	<u>\$ 978,757</u>	<u>\$ 314,447</u>	<u>\$ 1,648,021</u>	<u>\$ 9,475,855</u>	<u>\$ 135,834</u>	<u>\$ 13,334,614</u>	

(See accompanying notes)

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
YEAR ENDED DECEMBER 31, 2025

SCHEDULE 2

	<u>General Government</u>	<u>Protection to Persons and Property</u>	<u>Transportation Services</u>	<u>Environmental Services</u>	<u>Recreation and Cultural Services</u>	<u>Planning and Development</u>	<u>Total</u>
REVENUE							
Property taxation	\$ 3,711,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,711,609
Payment in lieu of taxes	15,104	-	-	-	-	-	15,104
User charges	3,455	90,276	904	35,128	638	9,201	139,602
Provincial and other government transfers	494,850	164,423	33,791	52,517	14,700	-	760,281
Canada Community Building Fund	-	-	214,854	-	-	-	214,854
Ontario Community Infrastructure Fund	-	-	595,801	-	-	-	595,801
Investment income	41,742	-	-	-	-	-	41,742
Penalties and interest	45,926	-	-	-	-	-	45,926
Fees, service charges, donations and miscellaneous	51,595	64,156	200	-	8,175	-	124,126
Gain on disposal of tangible capital assets	-	-	27,741	-	-	-	27,741
	<u>4,364,281</u>	<u>318,855</u>	<u>873,291</u>	<u>87,645</u>	<u>23,513</u>	<u>9,201</u>	<u>5,676,786</u>
EXPENSES							
Salaries, wages and benefits	562,788	369,598	620,286	86,386	34,090	-	1,673,148
Materials, supplies and contracted services	249,062	670,464	842,374	243,044	23,544	57,621	2,086,109
Interest expense	85	5,866	97,148	63	-	-	103,162
Rent and external transfers	6,900	20,126	-	-	42,311	-	69,337
Accretion of asset retirement obligation	-	-	-	13,878	-	-	13,878
Change in asset retirement obligation on closed landfill sites	-	-	-	(30,245)	-	-	(30,245)
	<u>818,835</u>	<u>1,066,054</u>	<u>1,559,808</u>	<u>313,126</u>	<u>99,945</u>	<u>57,621</u>	<u>3,915,389</u>
NET REVENUE (EXPENSES) BEFORE AMORTIZATION	3,545,446	(747,199)	(686,517)	(225,481)	(76,432)	(48,420)	1,761,397
Amortization expense	19,976	58,654	1,244,390	20,953	2,340	-	1,346,313
NET REVENUE (EXPENSES)	<u>\$ 3,525,470</u>	<u>\$ (805,853)</u>	<u>\$ (1,930,907)</u>	<u>\$ (246,434)</u>	<u>\$ (78,772)</u>	<u>\$ (48,420)</u>	<u>\$ 415,084</u>

(See accompanying notes)

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

The Corporation of the Township of Admaston/Bromley is an incorporated municipality in the Province of Ontario. The Township conducts its operations as described by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Township of Admaston/Bromley are the representations of management, prepared in accordance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Township are as follows:

Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Township and include the activities of all committees of Council and the Township of Admaston/Bromley Public Library.

Inter-organizational transactions and balances have been eliminated in the preparation of these consolidated financial statements.

Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions which include asset retirement obligations and the estimated useful life of tangible capital assets are based on management's information and judgment. Actual results could differ from those estimates.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for Council to incur retirement costs, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The asset retirement cost is amortized over the useful life of the related asset. Asset retirement obligations which are incurred incrementally with use of the asset are recognized in the period incurred with a corresponding asset retirement cost expensed in the period.

At each financial reporting date, Council reviews the carrying amount of the liability. Council recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. Council continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the consolidated 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 determined.

Inventory for consumption

Inventory for consumption was valued at the lower of cost and net realizable value with cost being determined substantially on a first in, first out basis.

Deferred revenue - obligatory

Deferred revenue - obligatory consists of funding received with respect to services and expenditures which have yet to be provided and/or incurred. Deferred revenue - obligatory will be recognized as income in the year the related services are provided or expenditures incurred.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contaminated sites liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

Revenue recognition

Revenue from property taxation, payment in lieu of taxes and penalties and interest are recognized in the period in which they are levied and collection is reasonably assured. User charges are recognized as the service is provided and collection is reasonably assured. Government transfers are recognized when the related expenditure is incurred. Revenue from the sale of assets and concessions are recognized at the point of sale. Investment income is recognized as it is earned. Fees, service charges, donations, and miscellaneous are recognized when collection is reasonably assured.

Non-financial assets

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

i) **Tangible capital assets**

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

	<u>Years</u>
Landfill (included in land)	20
Buildings	50
Machinery and equipment	5-20
Vehicles	5-20
Linear assets	10-40

Annual amortization is charged in the year after acquisition and the year of disposal. Assets under construction are not amortized until the asset is in service.

ii) **Contributions of tangible capital assets**

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

iii) **Natural resources**

Natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 2 TAXES RECEIVABLE

	<u>2025</u>	<u>2024</u>
Current year taxes	\$ 242,127	\$ 167,059
Prior year taxes	92,505	50,898
Penalties	38,749	23,771
	<u>\$ 373,381</u>	<u>\$ 241,728</u>

NOTE 3 DEFERRED REVENUE - OBLIGATORY

Deferred revenue - obligatory consists of the following:

	<u>2025</u>	<u>2024</u>
Canada Community Building Fund (CCBF)	\$ 7,258	\$ 120,595
Ontario Community Infrastructure Fund (OCIF)	<u>329,570</u>	<u>485,463</u>
	<u>\$ 336,828</u>	<u>\$ 606,058</u>

Continuity of deferred revenue - obligatory is as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 606,058	\$ 436,696
Government funding received - CCBF	98,087	95,613
- OCIF	418,473	492,321
Investment income	24,865	34,442
Government funding recognized - CCBF	(214,854)	(109,383)
- OCIF	<u>(595,801)</u>	<u>(343,631)</u>
Balance, end of year	<u>\$ 336,828</u>	<u>\$ 606,058</u>

NOTE 4 ASSET RETIREMENT OBLIGATION

Landfill

The Township of Admaston/Bromley owns three land fill sites and is legally required to perform closure and post-closure activities upon retirement of these sites. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. A liability for the total obligation, which was incurred when the site started accepting waste, irrespective of volume of waste accepted has been accrued. Council estimates that no obligation is incurred incrementally due to the volume of waste accepted, therefore, no further obligation is being accrued based on volume of waste accepted.

Undiscounted future cash flows expected for the Osceola site are a closure cost in year 2045 of \$50,000 with annual post-closure activities starting in year 2046 of \$33,000 per year, for 10 years to the year 2055. Annual post-closure activities for the Stone Road and Douglas sites are estimated at \$10,500 and \$6,100 respectively and expected to be incurred over the next 10 years to 2035 for the Stone Road site and the next 5 years to 2030 for the Douglas site. All costs are expected to increase at an annual inflation rate of 2.1%.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 4 ASSET RETIREMENT OBLIGATION (cont'd)

The estimated total liability of \$343,554 (2024 - \$382,096) is based on the sum of discounted future cash flows for closure and post-closure activities using a discount rate of 4.21% and assuming annual inflation of 2.1%.

	<u>2025</u>	<u>2024</u>
Asset Retirement Obligation Liability		
Balance, beginning of year	\$ 382,096	\$ 352,128
Accretion expense	13,878	15,997
Adjustment to opening asset retirement obligation - open site	(22,175)	23,207
- closed sites	<u>(30,245)</u>	<u>(9,236)</u>
Estimated total liability	<u>\$ 343,554</u>	<u>\$ 382,096</u>

NOTE 5 LONG-TERM DEBT

The terms of the long-term debt and how the principal payments will be recovered are as follows:

	<u>2025</u>	<u>2024</u>
From general taxation, a debenture, due 2032, payable in semi-annual installments of \$51,390 with interest payable semi-annually at 2.81% per annum.	606,739	690,697
From general taxation, a debenture, due 2042, payable in semi-annual installments of \$52,611 including interest at 3.32% per annum.	1,328,500	1,388,127
From general taxation, a debenture, due 2033, payable in principal semi-annual installments of \$23,050 plus interest at 5.18%.	368,800	414,900
From general taxation, a capital lease, due 2028 payable in annual installments of \$36,207 including interest at 6.75% per annum.	65,689	95,451
From general taxation, a debenture, due 2054, payable in principal semi-annual installments of \$5,096 plus interest at 4.37%.	295,549	305,740
Debenture repaid in year.	<u>-</u>	<u>50,000</u>
	<u>\$ 2,665,277</u>	<u>\$ 2,944,915</u>

Payments on existing debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 236,020	\$ 95,787	\$ 331,807
2027	242,671	86,303	328,974
2028	213,398	76,607	290,005
2029	218,185	68,915	287,100
2030	223,118	61,149	284,267
Thereafter	<u>1,531,885</u>	<u>358,789</u>	<u>1,890,674</u>
	<u>\$ 2,665,277</u>	<u>\$ 747,550</u>	<u>\$ 3,412,827</u>

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

NOTE 5 LONG-TERM DEBT (cont'd)

Interest on long-term debt amounted to \$103,161 (2024 - \$100,123). The Township's total cash payments in 2025 were \$366,192 (2024 - \$364,530).

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.

NOTE 6 CONTAMINATED SITES LIABILITIES

The Township has adopted PS3260 Liability for Contaminated Sites. The Township did not identify any financial liabilities in 2025 (2024 - \$NIL) as a result of this standard.

NOTE 7 EQUITY IN TANGIBLE CAPITAL ASSETS

	<u>2025</u>	<u>2024</u>
Tangible capital assets, cost (Schedule 1)	\$ 59,064,163	\$ 58,977,200
Accumulated amortization (Schedule 1)	(45,805,237)	(45,642,586)
Long-term debt (Note 5)	(2,665,277)	(2,944,915)
Long-term debt related to operations	-	13,500
	<u>\$ 10,593,649</u>	<u>\$ 10,403,199</u>

NOTE 8 ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	<u>2025</u>	<u>2024</u>
Unrestricted surplus		
General	\$ 413,042	\$ 341,148
The Admaston/Bromley Public Library	4,207	2,508
	<u>417,249</u>	<u>343,656</u>
Unfinanced building	<u>(156,000)</u>	<u>-</u>
Internally restricted reserves	<u>866,802</u>	<u>598,303</u>
Unfinanced asset retirement obligations	<u>(343,554)</u>	<u>(382,096)</u>
Equity in tangible capital assets (Note 7)	<u>10,593,649</u>	<u>10,403,199</u>
	<u>\$ 11,378,146</u>	<u>\$ 10,963,062</u>

Subsequent to year end, the Township obtained a debenture from Infrastructure Ontario for \$156,000 to finance the building. This debenture is due in 2041 and payable in semi-annual installments of \$5,200 plus interest at 4.21% per annum.

NOTE 9 OPERATING LOAN

The operating line of credit is at an interest rate of prime, is secured by a general security agreement and has a limit of \$300,000. The line of credit has a balance of \$NIL (2024 - \$NIL) as at the year end.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 10 EXPENSES BY OBJECT

The consolidated statement of operations reports expenses for the Township by function. The following is a summary of expenses by object.

	<u>Budget</u>	<u>2025</u>	<u>2024</u>
Salaries, wages and benefits	\$ 1,656,150	\$ 1,673,148	\$ 1,536,995
Material and supplies and contracted services	2,293,526	2,086,109	1,727,011
Interest expense	98,931	103,162	100,123
Transfers and donations	77,307	69,337	83,318
Accretion of asset retirement obligation	-	13,878	15,997
Change in asset retirement obligation on closed landfill sites	-	(30,245)	(9,236)
Amortization of tangible capital assets	-	1,346,313	1,540,386
	<u>\$ 4,125,914</u>	<u>\$ 5,261,702</u>	<u>\$ 4,994,594</u>

NOTE 11 OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF RENFREW

During 2025, requisitions were made by school boards and the County of Renfrew requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	<u>School Boards</u>	<u>County of Renfrew</u>
Property taxes	\$ 824,103	\$ 1,686,236
Taxation from other governments	88	4,609
Amount requisitioned	<u>\$ 824,191</u>	<u>\$ 1,690,845</u>

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

NOTE 12 COMMITMENTS

The municipality has a contract with the Province of Ontario for policing services. The contract cost for 2025 was \$403,416 (2024 - \$389,838).

NOTE 13 FINANCIAL INSTRUMENTS

The Township's financial instruments consist of cash, taxes receivable, accounts receivable, accounts payable and accrued liabilities and long-term debt.

Risk

It is management's opinion that the Township is not exposed to significant interest, market, liquidity, currency, credit or other price risks arising from its financial instruments. The Township is subject to credit risk with respect to taxes and accounts receivable. Credit risk arises from the possibility that taxpayers and entities to which the Township provides services may experience financial difficulty and be unable to fulfill their obligations. It is management's opinion that the large number and diversity of taxpayers and users minimizes credit risk.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 13 FINANCIAL INSTRUMENTS (cont'd)

Fair market value

Except for the following, the fair value of the Township's financial instruments approximates their carrying value due to their short-term nature. It is not practicable to determine the fair market value of the long-term debt. The terms and conditions of the long-term debt are disclosed in Note 5 to the consolidated financial statements.

NOTE 14 BUDGET FIGURES

Budget figures reported on the consolidated statement of operations and the consolidated statement of change in net financial debt are based on 2025 operating and capital budgets as approved by Council on February 6, 2025 (By-law 2025-03).

NOTE 15 PENSION AGREEMENT

The Township makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of permanent members of its staff. The plan is a defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. OMERS is financed by employer and employee contributions and by investment earnings of the OMERS Fund.

Contributions for current service are recorded as expenses in the year in which they became due.

The Township is required to make current service contributions to OMERS of 9% of pensionable earnings up to the years maximum pensionable earnings under the Canada Pension Plan and 14.6% on pensionable earnings above the amount. Employees are required to make current service contributions of the same amount.

Total current service contributions by the Township to OMERS in 2025 were \$103,914 (2024 - \$99,464). These contributions were matched with identical employee contributions for both years.

At December 31, 2025, OMERS disclosed an actuarial deficit of \$6.127 billion.

CORPORATION OF THE TOWNSHIP OF ADMASTON/BROMLEY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

NOTE 16 SEGMENTED DISCLOSURES

The Township of Admaston/Bromley provides a range of services to its ratepayers. For each segment as reported in Schedule 2, revenue and expenses represent amounts that are directly attributable to the segment. Amounts not directly attributable to a segment are reported in general government. 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.

The activities that are included in each functional line of services are as follows:

- General government consists of the Mayor and Council, the Chief Administrative Officer/Clerk and administrative services which include the Treasurer-Deputy CAO/Clerk and finance clerks.
- Protection to persons and property consists of Fire, Police, By-law Enforcement, Animal Control and Building Departments.
- Transportation services include engineering, storm sewer, road and sidewalk construction and maintenance, street lighting and winter control.
- Environmental services consist of solid waste disposal and recycling.
- Recreation and cultural services is comprised primarily of parks services, operation of recreational facilities, library and recreational services.
- Planning and development consists of planning and zoning and economic development.

NOTE 17 CONTINGENT LIABILITIES

The Municipality is contingently liable for debt with respect to tile drainage loans made by landowners with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). The Township collects the loan repayments from the owners and remits them to OMAFRA. The Township does not have any history of default payments on the loans. The total amount outstanding as at December 31, 2025 is \$43,660 (2024 - \$52,583) and is not recorded on the consolidated statement of financial position.

NOTE 18 COMPARATIVE FIGURES

Comparative figures have been reclassified to reflect the presentation adopted for the current year.