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**THE CORPORATION OF THE TOWNSHIP OF PERRY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

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**THE CORPORATION OF THE TOWNSHIP OF PERRY**  
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# Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Township of Perry

## Opinion

We have audited the consolidated financial statements of The Corporation of the Township of Perry ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations and accumulated surplus, 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.

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

## Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these 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 Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 Municipality'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 Municipality'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 Municipality 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of 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.

*Doane Grant Thornton LLP*

North Bay, Canada  
May 20, 2026

Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF PERRY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2025**

	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash (Note 4)	\$ 3,008,117	\$ 3,250,599
Investments	-	182,448
Taxes receivable (Note 5)	281,134	338,336
Accounts receivable	712,266	325,930
Inventory held for resale	6,397	6,658
	<b>4,007,914</b>	<b>4,103,971</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	733,253	626,553
Deferred revenue-general (Note 6)	168,109	188,670
Deferred revenue-obligatory reserve funds (Note 7)	53,774	40,433
Long-term debt (Note 8)	1,536,132	1,327,073
Employee benefits payable (Note 10)	47,229	40,886
Asset retirement obligations (Note 11)	646,262	535,526
	<b>3,184,759</b>	<b>2,759,141</b>
<b>NET FINANCIAL ASSETS</b>	<b>823,155</b>	<b>1,344,830</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets - net (Note 14)	15,752,677	14,524,324
Inventories of supplies	263,758	238,972
Prepaid expenses	61,729	44,997
	<b>16,078,164</b>	<b>14,808,293</b>
<b>ACCUMULATED SURPLUS (Note 15)</b>	<b>\$ 16,901,319</b>	<b>\$ 16,153,123</b>

Contingencies (see Notes 2, 13)  
Contractual Obligations (see Note 12)

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_ Mayor

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF PERRY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budget 2025 <i>(see Note 18)</i>	Actual 2025	Actual 2024
<b>REVENUE</b>			
Property taxes	\$ 4,184,944	\$ 4,200,628	\$ 3,934,802
User charges	92,150	146,846	100,831
Government transfers	1,647,046	1,935,143	1,574,331
Gain on disposal of tangible capital assets	-	8,577	9,268
Restructuring net revenue (expense) <i>(Note 17)</i>	-	3,295	(1,790)
Other	435,024	442,590	438,078
<b>TOTAL REVENUE</b>	<b>6,359,164</b>	<b>6,737,079</b>	<b>6,055,520</b>
<b>EXPENSES</b>			
General government	1,043,234	1,005,949	1,013,594
Protection to persons and property	1,479,139	1,452,904	1,181,379
Transportation services	1,794,116	1,514,127	1,418,235
Environmental services	444,647	436,180	545,120
Health services	261,212	254,931	248,075
Social and family services	413,767	413,423	399,775
Recreation and cultural services	902,833	825,963	784,414
Planning and development	112,323	85,406	121,159
<b>TOTAL EXPENSES</b>	<b>6,451,271</b>	<b>5,988,883</b>	<b>5,711,751</b>
<b>ANNUAL SURPLUS (DEFICIT) <i>(Note 15)</i></b>	<b>(92,107)</b>	<b>748,196</b>	<b>343,769</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>16,153,123</b>	<b>16,153,123</b>	<b>15,809,354</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 16,061,016</b>	<b>\$ 16,901,319</b>	<b>\$ 16,153,123</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF PERRY**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Budget 2025 <i>(see Note 18)</i>	Actual 2025	Actual 2024
Annual surplus (deficit)	\$ (92,107)	\$ 748,196	\$ 343,769
Acquisition of tangible capital assets	(5,410,960)	(2,084,981)	(1,239,540)
Contributed tangible capital assets, net	-	(2,899)	(541)
Revaluation of tangible capital assets - ARO	-	(164,687)	(13,704)
Amortization of tangible capital assets	1,011,655	1,011,655	968,553
Gain on disposal of tangible capital assets	-	(8,577)	(9,268)
Proceeds from disposal of tangible capital assets	-	21,136	20,536
Change in supplies inventories	-	(24,786)	(25,229)
Change in prepaid expenses	-	(16,732)	(23,590)
<b>Increase (decrease) in net financial assets</b>	<b>(4,491,412)</b>	<b>(521,675)</b>	<b>20,986</b>
<b>Net financial assets, beginning of year</b>	<b>1,344,830</b>	<b>1,344,830</b>	<b>1,323,844</b>
<b>Net financial assets (net debt), end of year</b>	<b>\$ (3,146,582)</b>	<b>\$ 823,155</b>	<b>\$ 1,344,830</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE TOWNSHIP OF PERRY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	2025	2024
<b>Operating transactions</b>		
Annual surplus	\$ 748,196	\$ 343,769
Non-cash charges to operations:		
Amortization of tangible capital assets	1,011,655	968,553
Accretion expense on ARO liability	23,061	19,526
Revaluation of tangible capital assets - ARO	(164,687)	(13,704)
Change in ARO liability excluding accretion and settlements	187,882	32,245
Contributed tangible capital assets (net)	(2,899)	(541)
Gain on disposal of tangible capital assets	(8,577)	(9,268)
Change in employee benefits payable	6,343	6,330
	<b>1,800,974</b>	<b>1,346,910</b>
Changes in non-cash items:		
Taxes receivable	57,202	(91,815)
Accounts receivable	(386,336)	95,457
Inventory held for resale	261	260
Accounts payable and accrued liabilities	106,700	88,620
Deferred revenue-general	(20,561)	167,361
Deferred revenue-obligatory reserve funds	13,341	(26,435)
Settlement of asset retirement obligations	(100,207)	(13,522)
Inventories of supplies	(24,786)	(25,229)
Prepaid expenses	(16,732)	(23,590)
	<b>(371,118)</b>	<b>171,107</b>
Cash provided by operating transactions	<b>1,429,856</b>	<b>1,518,017</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(2,084,981)	(1,239,540)
Proceeds from disposal of tangible capital assets	21,136	20,536
Cash applied to capital transactions	<b>(2,063,845)</b>	<b>(1,219,004)</b>
<b>Investing transactions</b>		
Change investments	182,448	(5,829)
Cash provided by (applied to) investing transactions	<b>182,448</b>	<b>(5,829)</b>
<b>Financing transactions</b>		
Proceeds from long-term debt	340,000	-
Debt principal repayments	(130,941)	(126,421)
Cash provided by (applied to) financing transactions	<b>209,059</b>	<b>(126,421)</b>
<b>Net change in cash</b>	<b>(242,482)</b>	<b>166,763</b>
<b>Cash, beginning of year</b>	<b>3,250,599</b>	<b>3,083,836</b>
<b>Cash, end of year</b>	<b>\$ 3,008,117</b>	<b>\$ 3,250,599</b>
<b>Cash flow supplementary information:</b>		
Cash paid for interest	\$ 54,749	\$ 59,269

The accompanying notes are an integral part of these financial statements

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

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### MANAGEMENT RESPONSIBILITY

The consolidated financial statements of the Corporation of the Township of Perry (the "Municipality") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

### 1. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Municipality are as follows:

#### (a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

#### (i) Consolidated and proportionally consolidated entities

The following local board is consolidated:

Perry Township Public Library

The following local boards and committees are proportionally consolidated:

Kearney-Perry Joint Waste Management Committee  
Almaguin Community Economic Development

Inter-organizational transactions and balances between these organizations are eliminated.

#### (ii) Non-consolidated entities

The following joint boards are not consolidated:

North Bay Parry Sound District Health Unit  
Parry Sound District Social Services Administration Board  
District of Parry Sound (East) Home for the Aged

#### (iii) Accounting for school board transactions

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

#### (iv) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Basis of Accounting

##### (i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payer. Performance obligations are defined as enforceable promises to provide specific goods or services to a specific payer. Revenue from transactions with no performance obligations is recognized when the Municipality has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

##### (ii) Cash

Cash includes cash on hand and balances held at financial institutions.

##### (iii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

##### (a) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset, as well as any asset retirement obligation related to the asset. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements - 20 years  
Buildings - 50 years  
Machinery, equipment and furniture - 5 to 20 years  
Vehicles - 8 to 20 years  
Roads - 5 to 60 years  
Bridges - 60 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.

Estimated closure and post-closure expenses for active landfill sites as well as the land occupied by the sites are amortized annually on the basis of capacity used during the year as a percentage of the estimated total capacity of the landfill site.

Interest related to the acquisition of capital assets is not capitalized, but is expensed in the year incurred.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Inventories of supplies

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

(iv) Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Consolidated Statement of Financial Position. The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specific purpose.

(v) Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.

(vi) Government transfers

Government transfers are recognized in the financial statements as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

(vii) Taxation and related revenue

Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Municipality based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

(viii) Pensions and employee benefits

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. Sick leave benefits are accrued as the employees render the services necessary to earn the benefits.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (ix) Financial instruments

Financial instruments are classified as either fair value, amortized cost or cost.

Financial instruments classified as fair value are initially recognized at cost and subsequently carried at fair value. Financing fees and transaction costs on financial instruments measured at fair value are expensed as incurred. Unrealized gains and losses on financial assets are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Consolidated Statement of Operations. A Consolidated Statement of Remeasurement Gains and Losses has not been included as there are no matters to report therein.

Financial instruments classified as amortized cost are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. The effective interest rate method allocates interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the Consolidated Statement of Operations.

Financial liabilities (or part of a financial liability) are removed from the Consolidated Statement of Financial Position when, and only when, they are discharged, cancelled or expire.

The Municipality's financial instruments are measured according to the following methods:

<u>Financial instrument</u>	<u>Measurement method</u>
Cash	Amortized cost
Investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Asset retirement obligations

A liability for an asset retirement obligation is recognized when, at the financial reporting date, all of the following criteria are met:

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

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

(xi) Use of estimates

The preparation of 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 financial statements, and the reported amounts of revenue and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Municipality may undertake in the future. Significant accounting estimates include valuation allowances for taxes and accounts receivable, estimated useful lives of tangible capital assets, employee sick leave benefits liability, estimated costs and timing of asset retirement obligations and supplementary taxes. Actual results could differ from these estimates.

There is a measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$646,262. These estimates are subject to uncertainty because of several factors including, but not limited to estimated settlement dates, estimated costs and change in the discount rate. These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended December 31, 2025

## 2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

Further to Note 1(a)(ii), the following contributions were made by the Municipality to these boards:

	2025	2024
District of Parry Sound Social Services Administration Board	\$ 233,394	\$ 223,865
North Bay Parry Sound District Health Unit	74,655	71,100
District of Parry Sound (East) Home for the Aged	180,029	175,910
	<b>\$ 488,078</b>	<b>\$ 470,875</b>

The Municipality is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Municipality is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Municipality's share of these long-term liabilities has not been determined at this time.

## 3. TRANSACTIONS ON BEHALF OF OTHERS

- (a) During the year, \$910,697 of taxation was levied on behalf of school boards (2024 - \$887,566).
- (b) The Municipality administers care and maintenance trust funds totaling \$28,630 (2024 - \$27,710) which are funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance at the Municipality's cemeteries. The trust funds are not included in these consolidated financial statements, as they are being held in trust for the benefit of others.

## 4. CASH

Cash is comprised of:

	2025	2024
Unrestricted cash	\$ 2,954,343	\$ 3,210,166
Restricted cash	53,774	40,433
	<b>\$ 3,008,117</b>	<b>\$ 3,250,599</b>

Federal, Provincial and Municipal legislation restricts how restricted cash related to obligatory reserve funds, reported in Note 7, may be used.

## THE CORPORATION OF THE TOWNSHIP OF PERRY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

#### 5. TAXES RECEIVABLE

Taxes receivable are comprised of the following:

	2025	2024
Taxes and amounts added for collection purposes-current year	\$ 217,901	\$ 264,383
Penalties and interest-current year	11,223	14,249
Taxes and amounts added for collection purposes-previous year	48,593	47,056
Penalties and interest-previous year	3,800	7,664
Taxes and amounts added for collection purposes-prior years	2,962	5,383
Penalties and interest-prior years	755	1,601
Valuation allowance	(4,100)	(2,000)
	<b>\$ 281,134</b>	<b>\$ 338,336</b>

#### 6. DEFERRED REVENUE-GENERAL

Details of the deferred revenue reported on the Consolidated Statement of Financial Position are as follows:

	2025	2024
Balance, beginning of year:		
Ontario Cannabis Legalization Implementation Fund	\$ 20,333	\$ 20,333
Building permits	154,309	-
Planning application fees	10,683	-
Other	3,345	976
	188,670	21,309
Deferred in the year:		
Building permits	49,568	154,309
Planning application fees	5,567	10,683
Other	1,620	3,045
	56,755	168,037
Recognized in revenue during the year	(77,316)	(676)
<b>Balance, end of year</b>	<b>\$ 168,109</b>	<b>\$ 188,670</b>
Ontario Cannabis Legalization Implementation Fund	\$ 20,333	\$ 20,333
Building permits	137,856	154,309
Planning application fees	8,067	10,683
Other	1,853	3,345
<b>Balance, end of year</b>	<b>\$ 168,109</b>	<b>\$ 188,670</b>

## THE CORPORATION OF THE TOWNSHIP OF PERRY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

#### 7. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The Municipality receives payments in lieu of parkland under the Planning Act, building permit revenue under the Building Code Act and development charges under the Development Charges Act. Legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

In the case of payments in lieu of parkland and building permit revenue, revenue recognition occurs when the Municipality has approved eligible expenditures for public recreation and building department purposes. Development charges are recognized in revenue when the Municipality has approved the expenditures for the capital works for which the development charges were raised.

Details of the deferred revenue-obligatory reserve funds reported on the Consolidated Statement of Financial Position are as follows:

	2025	2024
Balance, beginning of year:		
Development Charges	\$ 6,763	\$ 6,763
Recreational land (the Planning Act)	33,670	44,491
Building Code Act	-	15,614
	40,433	66,868
Received during the year:		
Recreational land (the Planning Act)	26,376	26,025
Interest earned	1,017	2,433
	27,393	28,458
Recognized in revenue during the year	(14,052)	(54,893)
<b>Balance, end of year</b>	<b>\$ 53,774</b>	<b>\$ 40,433</b>
Development Charges	\$ 6,763	\$ 6,763
Recreational land (the Planning Act)	47,011	33,670
<b>Balance, end of year</b>	<b>\$ 53,774</b>	<b>\$ 40,433</b>

## THE CORPORATION OF THE TOWNSHIP OF PERRY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

#### 8. LONG-TERM DEBT

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

	2025	2024
Ontario Infrastructure and Lands Corporation amortizing debenture, due April 2029, repayable in monthly payments of \$7,618 including interest calculated at 2.71%, secured by future Provincial funding	\$ 291,057	\$ 373,375
Ontario Infrastructure and Lands Corporation amortizing debenture, due December 2038, repayable in monthly payments of \$7,856 including interest calculated at 4.90%, secured by future Provincial funding	905,075	953,698
Ontario Infrastructure and Lands Corporation amortizing debenture, due December 2030, repayable in monthly payments of \$6,124 including interest calculated at 3.1%, secured by future Provincial funding	340,000	-
	<b>\$ 1,536,132</b>	<b>\$ 1,327,073</b>

(b) Future estimated principal and interest payments on long-term debt are as follows:

	Principal	Interest
2026	\$ 199,492	\$ 59,692
2027	206,379	52,805
2028	213,522	45,662
2029	159,500	38,738
2030	134,364	33,400
2031 onwards	622,875	116,311
	<b>\$ 1,536,132</b>	<b>\$ 346,608</b>

(c) Total charges for the year for long-term debt which are reported in the financial statements are as follows:

	2025	2024
Principal payments	\$ 130,941	\$ 126,421
Interest	54,827	58,899
	<b>\$ 185,768</b>	<b>\$ 185,320</b>

## THE CORPORATION OF THE TOWNSHIP OF PERRY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

#### 9. FINANCIAL INSTRUMENTS

##### Risks arising from financial instruments and risk management

The Municipality is exposed to various risks through its financial instruments. The Municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Municipality's financial performance.

##### Credit risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to honour its contractual obligations. The Municipality is exposed to this risk as a result of its cash, investments and accounts receivable. The carrying amounts of these financial assets on the Consolidated Statement of Financial Position represent the maximum credit risk of the Municipality as at the reporting date.

The Municipality holds its cash and investments with federally regulated chartered banks and a provincially regulated credit union who are insured, respectively, by the Canadian Deposit Insurance Corporation ("CDIC") and the Financial Services Regulatory Authority of Ontario ("FSRA"). The CDIC insurance is up to \$100,000 per deposit account and the FSRA insurance is up to \$250,000 in aggregate.

Accounts receivable are primarily due from other levels of government and municipal ratepayers. Credit risk is mitigated by the financial solvency of the governments, the highly diversified nature of the ratepayer population and the potential for the Municipality to transfer unpaid ratepayer receivables to taxes receivable. The amounts outstanding at year-end were as follows:

<b>2025</b>				
	Current	Past Due	Indeterminate Due Date	TOTAL
Federal	\$ 381,678	\$ -	\$ -	\$ 381,678
Provincial	250,492	-	-	250,492
Other municipalities	638	-	14,051	14,689
Ratepayers - planning-related	-	-	2,521	2,521
Other	62,886	-	-	62,886
<b>Net receivables</b>	<b>\$ 695,694</b>	<b>\$ -</b>	<b>\$ 16,572</b>	<b>\$ 712,266</b>

<b>2024</b>				
	Current	Past Due	Indeterminate Due Date	TOTAL
Federal	\$ 266,914	\$ -	\$ -	\$ 266,914
Provincial	36,178	9,900	-	46,078
Other municipalities	2,468	-	10,444	12,912
Ratepayers - planning-related	-	-	-	-
Other	26	-	-	26
<b>Net receivables</b>	<b>\$ 305,586</b>	<b>\$ 9,900</b>	<b>\$ 10,444</b>	<b>\$ 325,930</b>

There has been a significant change from the previous year in exposure to credit risk, as the Municipality has no investments at the end of the current year. There have been no significant changes from the previous year in the policies, procedures and methods used to measure the risk.

## THE CORPORATION OF THE TOWNSHIP OF PERRY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

#### 9. FINANCIAL INSTRUMENTS (Continued)

##### Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they become due. The Municipality is exposed to this risk with respect to its accounts payable and accrued liabilities and long-term debt. The Municipality maintains sufficient cash balances to meet its obligations, and does not believe it is subject to significant liquidity risk.

The table below sets out the payable dates of the Municipality's accounts payable and accrued liabilities. This includes planning-related accounts which have an indeterminate payable date as they are settled when the related planning application has been finalized. The long-term debt repayment schedule is disclosed in Note 8.

<b>2025</b>					
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities	\$ 557,915	\$ 51,000	\$ 10,511	\$ 113,827	\$ 733,253

<b>2024</b>					
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities	\$ 531,415	\$ 9,198	\$ -	\$ 85,940	\$ 626,553

There have been no significant changes from the previous year in exposure to liquidity risk or policies, procedures and methods used to measure the risk.

##### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk. The Municipality is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments, but it is exposed to interest rate risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk on its long-term debt, and in the prior year, its interest-bearing investments. Fixed rate instruments subject the Municipality to a fair value risk while floating-rate instruments subject it to a cash flow risk.

There has been a significant change from the prior year in exposure to market risk, as the Municipality does not hold investments at the end of the current year. There has been no significant changes from the prior year in the policies, procedures and methods used to measure the risk.

#### 10. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, unused sick leave can accumulate to a prescribed maximum and employees may become entitled to a cash payment when they leave the Municipality's employment. The sick leave benefit liability estimates use of accumulated sick leave prior to retirement as well as lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for these accumulated days amounted to \$47,229 (2024 - \$40,886) at the end of the year.

**THE CORPORATION OF THE TOWNSHIP OF PERRY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 Year Ended December 31, 2025

11. ASSET RETIREMENT OBLIGATIONS

The Municipality has recorded asset retirement obligations with respect to its landfill closure and post-closure care requirements, which have been defined in accordance with industry standards and include final cover and landscaping of the landfill site, management of groundwater and leachates, and ongoing environmental monitoring and site inspection.

When initially recording this obligation, the estimated present value of future cash flows for closure and post-closure costs for active sites are capitalized to the carrying amount of the associated assets, and amortized over the operating life of the site, in proportion to its utilized capacity. Subsequent revisions to the estimated cost are also capitalized and amortized as part of the asset. When a site becomes inactive, the related assets are derecognized. For both active and inactive sites, accretion of the discounted liability due to the passage of time is recorded as an in-year expense.

The Municipality is currently responsible for two waste disposal sites as follows:

The Township of Perry landfill site stopped accepting waste in 2001 and is now in the monitoring stage. The liability for this site represents the total discounted future cash flows for post-closure care using an estimated long-term borrowing rate of 3.19% (2024 - 3.53%) and inflation rate of 2.7% (2024 - 2.6%). Post-closure care is estimated to be required until 2029 (2024 - 2027).

The Township of Perry and the Town of Kearney jointly operate a landfill site through the Kearney-Perry Joint Waste Management Committee. The liability for this site represents the total discounted future cash flows for closure and post-closure care using an estimated long-term borrowing rate of 4.37% (2024 - 4.37%) and inflation rate of 2.6% (2024 - 2.6%). The estimated remaining capacity of the site is approximately 91,400 (2024 - 93,200) cubic metres, estimated to be filled in 51 years (2024 - 52 years). Post-closure care is estimated to be required for a period of 25 years. The Committee has closure reserves of \$177,173 (2024 \$293,530) to fund this liability.

The continuity of the asset retirement obligation for these sites is shown below:

	2025	2024
Balance, beginning of year	\$ 535,526	\$ 497,277
Increase in liability reflecting changes in the estimated cash flows, inflation and discount rate	187,882	31,444
Increase in liability due to accretion (the passage of time)	23,061	19,526
Decrease in liability due to settlement	(100,207)	(13,522)
Increase in liability due to change in Municipal proportionate share	-	801
<b>Balance, end of year</b>	<b>\$ 646,262</b>	<b>\$ 535,526</b>

## THE CORPORATION OF THE TOWNSHIP OF PERRY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

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#### 12. CONTRACTUAL OBLIGATIONS

In 2025, the Municipality awarded a contract to Greystone Project Management Inc. for the construction of a covered rink at the Novar community park at a contract price of \$3,952,187. To the end of 2025, \$372,044 of work had been performed. The balance of the work is expected to be completed in 2026.

During the year, the Municipality awarded a contract for the supply of of a 2026 Western Star to Currie Truck Centre at a cost of \$429,688. The vehicle is expected to be delivered in 2026.

#### 13. CONTINGENCIES

The Municipality is involved from time to time in litigation, which arises in the normal course of business. With respect to outstanding claims, the Municipality believes insurance coverage is adequate and that no material exposure exists on the eventual settlement of the claim. Therefore, no provision has been made in the accompanying financial statements.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

### 14. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the Municipality by major asset class are outlined below.

<b>2025</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 2,494,462	\$ 7,609,356	\$ 2,758,462	\$ 1,865,347	\$ 12,977,505	\$ 49,479	\$ 27,754,611
Additions and betterments	58,488	76,413	95,496	640,913	718,649	495,022	2,084,981
Contributed assets	1,805	-	1,770	-	-	-	3,575
Revaluation - ARO	164,687	-	-	-	-	-	164,687
Disposals and writedowns	(60,748)	(23,359)	(76,311)	(97,556)	(666,739)	-	(924,713)
Transfer between classes	-	20,732	-	-	-	(20,732)	-
<b>BALANCE, END OF YEAR</b>	<b>2,658,694</b>	<b>7,683,142</b>	<b>2,779,417</b>	<b>2,408,704</b>	<b>13,029,415</b>	<b>523,769</b>	<b>29,083,141</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	370,666	1,218,653	1,060,473	1,031,594	9,548,901	-	13,230,287
Annual amortization	100,966	152,901	185,761	203,108	368,919	-	1,011,655
Accumulated amortization - contributed assets	676	-	-	-	-	-	676
Amortization disposals	(56,793)	(16,061)	(75,006)	(97,556)	(666,738)	-	(912,154)
<b>BALANCE, END OF YEAR</b>	<b>415,515</b>	<b>1,355,493</b>	<b>1,171,228</b>	<b>1,137,146</b>	<b>9,251,082</b>	<b>-</b>	<b>13,330,464</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 2,243,179</b>	<b>\$ 6,327,649</b>	<b>\$ 1,608,189</b>	<b>\$ 1,271,558</b>	<b>\$ 3,778,333</b>	<b>\$ 523,769</b>	<b>\$ 15,752,677</b>
<b>2024</b>							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
<b>COST</b>							
Balance, beginning of year	\$ 2,519,543	\$ 7,550,422	\$ 2,521,615	\$ 1,823,347	\$ 12,310,124	\$ -	\$ 26,725,051
Additions and betterments	50,985	69,404	335,738	58,740	675,194	49,479	1,239,540
Contributed assets	270	34	366	-	-	-	670
Revaluation - ARO	13,704	-	-	-	-	-	13,704
Disposals and writedowns	(90,040)	(10,504)	(99,257)	(16,740)	(7,813)	-	(224,354)
<b>BALANCE, END OF YEAR</b>	<b>2,494,462</b>	<b>7,609,356</b>	<b>2,758,462</b>	<b>1,865,347</b>	<b>12,977,505</b>	<b>49,479</b>	<b>27,754,611</b>
<b>ACCUMULATED AMORTIZATION</b>							
Balance, beginning of year	300,082	1,071,927	974,337	882,454	9,245,891	-	12,474,691
Annual amortization	160,577	151,566	179,707	165,880	310,823	-	968,553
Accumulated amortization - contributed assets	47	12	70	-	-	-	129
Amortization disposals	(90,040)	(4,852)	(93,641)	(16,740)	(7,813)	-	(213,086)
<b>BALANCE, END OF YEAR</b>	<b>370,666</b>	<b>1,218,653</b>	<b>1,060,473</b>	<b>1,031,594</b>	<b>9,548,901</b>	<b>-</b>	<b>13,230,287</b>
<b>TANGIBLE CAPITAL ASSETS-NET</b>	<b>\$ 2,123,796</b>	<b>\$ 6,390,703</b>	<b>\$ 1,697,989</b>	<b>\$ 833,753</b>	<b>\$ 3,428,604</b>	<b>\$ 49,479</b>	<b>\$ 14,524,324</b>

## THE CORPORATION OF THE TOWNSHIP OF PERRY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

#### 15. ACCUMULATED SURPLUS

The 2025 continuity of accumulated surplus reported on the Consolidated Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
<b>RESERVES AND RESERVE FUNDS</b>			
Working capital	\$ 436,837	\$ 13,500	\$ 450,337
Election	18,734	1,000	19,734
Fire	163,914	(108,348)	55,566
Roads	1,832,617	240,000	2,072,617
Muskoka Algonquin Health Centre	156,651	106,671	263,322
Library	1,962	930	2,892
Replacement of building and equipment	60,834	15,545	76,379
Future Needs	51,807	-	51,807
Joint Waste Management Committee (2025: 55.8% ; 2024: 55.8%)	243,221	(62,724)	180,497
	<b>2,966,577</b>	<b>206,574</b>	<b>3,173,151</b>
<b>OTHER</b>			
Consolidated tangible capital assets	14,524,324	1,228,353	15,752,677
General operating surplus -			
Municipality	552,470	(364,307)	188,163
Joint Waste Management Committee (2025: 55.8% ; 2024: 55.8%)	5,135	(5,135)	-
Almaguin Community Economic Development (2025: 25.922% ; 2024: 20.454%)	8,102	8,849	16,951
Unfunded amounts -			
Long-term debt	(1,327,073)	(209,059)	(1,536,132)
Employee benefits	(40,886)	(6,343)	(47,229)
Asset retirement obligations	(535,526)	(110,736)	(646,262)
	<b>\$ 16,153,123</b>	<b>\$ 748,196</b>	<b>\$ 16,901,319</b>

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

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### 16. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

#### General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

#### Protection to Persons and Property

This segment includes fire, police, building inspection, conservation authority, emergency measures and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

#### Transportation Services

Transportation services include roadway systems and winter control.

#### Environmental Services

This segment includes solid waste management.

#### Health Services

This segment includes cemeteries as well as payments to the district health unit.

#### Social and Family Services

This segment consists primarily of payments made to the district social services administration board and home for the aged for the provision of social services such as childcare, social housing, general assistance and assistance to the elderly.

#### Recreation and Culture

This segment includes parks, recreation programs, recreation facilities and cultural services such as museums.

#### Library

This segment includes the consolidated library transactions of the Municipality and its Library Board.

#### Planning and Development

This segment includes activities related to planning, zoning and economic development.

#### Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and unconditional grants such as the Municipality's annual Ontario Municipal Partnership Fund grant.

In the preparation of segmented financial information, some allocation of expenses is made. This generally includes charges of administrative time and office expenses to specific segments.

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2025

### 16. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (Continued)

#### FOR THE YEAR ENDED DECEMBER 31, 2025

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Library Services	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200,628	\$ 4,200,628
User charges	3,967	41,029	2,754	51,832	30	-	2,589	1,248	43,397	-	146,846
Government transfers -											
Canada	-	-	174,055	-	-	-	-	-	19,934	-	193,989
Ontario	-	100,939	236,103	24,776	-	-	230,869	8,086	11,816	1,121,600	1,734,189
Other municipalities	-	459	6,506	-	-	-	-	-	-	-	6,965
Gain (loss) on disposal of capital assets	-	17,999	(2,382)	(4,916)	-	-	(1,412)	(712)	-	-	8,577
Restructuring net revenue	-	-	-	-	-	-	-	-	3,295	-	3,295
Other	345	157,727	6,919	67,562	7,634	-	31,585	2,847	4,160	163,811	442,590
<b>TOTAL REVENUE</b>	<b>4,312</b>	<b>318,153</b>	<b>423,955</b>	<b>139,254</b>	<b>7,664</b>	<b>-</b>	<b>263,631</b>	<b>11,469</b>	<b>82,602</b>	<b>5,486,039</b>	<b>6,737,079</b>
<b>EXPENSES</b>											
Salaries, wages and benefits	648,640	499,919	506,076	178,129	-	-	216,738	98,894	51,209	-	2,199,605
Long-term debt charges (interest)	-	9,377	-	-	-	-	31,361	14,089	-	-	54,827
Materials	138,735	203,873	374,038	67,037	-	-	180,224	33,210	17,346	-	1,014,463
Contracted services	172,175	567,368	71,191	145,227	178,277	-	11,681	7,539	1,865	-	1,155,323
Rents and financial expenses	8,334	3,721	-	-	-	-	11,008	94	14,639	-	37,796
External transfers	1,075	-	-	2,000	75,655	413,423	-	-	-	-	492,153
Interfunctional adjustments	(14,783)	14,783	-	-	-	-	-	-	-	-	-
Amortization	51,773	153,863	562,822	20,726	999	-	149,319	71,806	347	-	1,011,655
Accretion of ARO liability	-	-	-	23,061	-	-	-	-	-	-	23,061
<b>TOTAL EXPENSES</b>	<b>1,005,949</b>	<b>1,452,904</b>	<b>1,514,127</b>	<b>436,180</b>	<b>254,931</b>	<b>413,423</b>	<b>600,331</b>	<b>225,632</b>	<b>85,406</b>	<b>-</b>	<b>5,988,883</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (1,001,637)</b>	<b>\$ (1,134,751)</b>	<b>\$ (1,090,172)</b>	<b>\$ (296,926)</b>	<b>\$ (247,267)</b>	<b>\$ (413,423)</b>	<b>\$ (336,700)</b>	<b>\$ (214,163)</b>	<b>\$ (2,804)</b>	<b>\$ 5,486,039</b>	<b>\$ 748,196</b>

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

### 16. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (Continued)

#### FOR THE YEAR ENDED DECEMBER 31, 2024

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Library Services	Planning and Development	Unallocated Amounts	Consolidated
<b>REVENUE</b>											
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,934,802	\$ 3,934,802
User charges	3,194	4,210	4,691	64,138	25	-	1,048	1,208	22,317	-	100,831
Government transfers -											
Canada	-	-	169,284	-	-	-	-	-	34,502	-	203,786
Ontario	-	19,956	221,928	115,307	-	-	-	8,221	9,823	989,600	1,364,835
Other municipalities	319	3,751	1,640	-	-	-	-	-	-	-	5,710
Gain (loss) on disposal of capital assets	(4,723)	-	14,920	(795)	-	-	(134)	-	-	-	9,268
Restructuring net revenue (expense)	-	-	-	-	-	-	-	-	(1,790)	-	(1,790)
Other	720	73,425	12,932	25,102	6,974	-	58,091	1,140	4,414	255,280	438,078
<b>TOTAL REVENUE</b>	<b>(490)</b>	<b>101,342</b>	<b>425,395</b>	<b>203,752</b>	<b>6,999</b>	<b>-</b>	<b>59,005</b>	<b>10,569</b>	<b>69,266</b>	<b>5,179,682</b>	<b>6,055,520</b>
<b>EXPENSES</b>											
Salaries, wages and benefits	671,478	369,466	498,257	176,537	-	-	224,720	102,932	69,126	-	2,112,516
Long-term debt charges (interest)	-	11,118	-	-	-	-	32,968	14,813	-	-	58,899
Materials	110,292	142,345	352,090	33,698	-	-	134,284	40,925	31,973	-	845,607
Contracted services	180,437	524,292	71,132	231,613	169,628	-	4,979	500	7,469	-	1,190,050
Rents and financial expenses	6,538	3,648	-	-	-	-	8,704	4,993	12,218	-	36,101
External transfers	926	-	-	2,000	77,448	399,775	350	-	-	-	480,499
Interfunctional adjustments	(9,434)	9,434	-	-	-	-	-	-	-	-	-
Amortization	53,357	121,076	496,756	81,746	999	-	142,626	71,620	373	-	968,553
Accretion of ARO liability	-	-	-	19,526	-	-	-	-	-	-	19,526
<b>TOTAL EXPENSES</b>	<b>1,013,594</b>	<b>1,181,379</b>	<b>1,418,235</b>	<b>545,120</b>	<b>248,075</b>	<b>399,775</b>	<b>548,631</b>	<b>235,783</b>	<b>121,159</b>	<b>-</b>	<b>5,711,751</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (1,014,084)</b>	<b>\$ (1,080,037)</b>	<b>\$ (992,840)</b>	<b>\$ (341,368)</b>	<b>\$ (241,076)</b>	<b>\$ (399,775)</b>	<b>\$ (489,626)</b>	<b>\$ (225,214)</b>	<b>\$ (51,893)</b>	<b>\$ 5,179,682</b>	<b>\$ 343,769</b>

# THE CORPORATION OF THE TOWNSHIP OF PERRY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

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### 17. RESTRUCTURING NET REVENUE

In 2019 the Municipality entered into a joint services agreement between a group of local municipalities and the Almaguin Highlands Chamber of Commerce to provide economic development services under the name of Almaguin Community Economic Development ("ACED"). The Corporation of the Municipality of the Village of Burk's Falls and the Corporation of the Village of South River withdrew from ACED effective December 31, 2025. The assets, liabilities and surplus at the time of membership changes are retained by ACED, and the Municipality's proportionate share is recorded as restructuring net revenue.

The Municipality recorded net revenue of \$3,295 (2024 - net expense \$1,790) as a result of this restructuring. The value of the tangible assets received and forgone is recorded as a contributed asset in Note 14.

### 18. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. For unbudgeted items (amortization of tangible capital assets and asset retirement obligation accretion), the actual amounts for 2025 were used to adjust the reported budgeted amounts. A reconciliation of the adopted and reported budgets is presented below.

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	Budget
<b>ADOPTED BUDGET:</b>	
Decrease in general municipal operating surplus	\$ (552,470)
Decrease in Joint Waste Management Committee operating surplus	(5,135)
Increase in consolidated reserves and reserve funds	181,300
<b>ADJUSTMENTS:</b>	
Acquisition of tangible capital assets	5,410,960
Amortization of tangible capital assets	(1,011,655)
Accretion of asset retirement obligations	(23,061)
Settlement of asset retirement obligations	102,560
Increase in long-term debt	(4,194,606)
<b>ANNUAL DEFICIT</b>	<b>\$ (92,107)</b>

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## THE CORPORATION OF THE TOWNSHIP OF PERRY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

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#### 19. PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. 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 with respect to benefits accrued for service with actuarial assets at that date of \$150,043 million indicating an actuarial deficit of \$1,322 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2025 was \$158,743 (2024 - \$151,979) for current service. These contributions are included as an expense on the Consolidated Statement of Operations.