TOWNSHIP OF HURON-KINLOSS
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

SEEBACH & COMPANY
Chartered Professional Accountants

The Corporation of the Township of Huron-Kinloss
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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of The Corporation of the Township of Huron-Kinloss (the "Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada, as described in Note 1 to the consolidated financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded from loss, transactions are properly authorized and recorded, and reliable information is available on a timely basis for preparation of the consolidated financial statements. These statements are monitored and evaluated by the Municipality's management. Council meets with management and the external auditor to review the consolidated financial statements and discuss and significant financial reporting or internal control matters prior to their approval.

The financial statements have been audited by Seebach & Company, independent external auditors appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

CORPORATION OF THE TOWNSHIP OF HURON-KINLOSS

original signed by

Jodi MacArthur
CAO

original signed by

Christine Heinisch
Treasurer

September 21, 2026

Seebach & Company
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Huron-Kinloss

Opinion

We have audited the accompanying financial statements of the Corporation of the Township of Huron-Kinloss ("the Entity"), which are comprised of the consolidated statement of financial position as at December 31, 2025 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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 the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
September 21, 2026

TOWNSHIP OF HURON-KINLOSS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31		2025	2024
Financial assets			
Cash and cash equivalents	Note 3	**12,877,916**	11,070,926
Taxes receivable		**1,362,936**	1,574,119
Accounts receivable		**4,090,489**	5,252,338
Long-term receivables	Note 4	**246,392**	288,699
Long-term investments	Note 5	**400,000**	400,000
		18,977,733	18,586,082
Liabilities			
Accounts payable and accrued liabilities		**2,593,650**	2,477,721
Deferred revenue	Schedule 2	**658,483**	623,517
Municipal debt	Note 7	**50,924**	103,116
Asset retirement obligations	Note 8	**1,644,209**	1,644,202
Post-employment benefits liability	Note 9	**240,373**	216,034
		5,187,639	5,064,590
Net financial assets		**13,790,094**	13,521,492
Non-financial assets			
Tangible capital assets	Note 10	**86,548,516**	83,856,979
Prepaid expenses		**238,092**	233,000
Inventory for resale		**2,772**	10,200
Total non-financial assets		**86,789,380**	84,100,179
Accumulated surplus	Note 11	**$ 100,579,474**	$ 97,621,671

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF HURON-KINLOSS
CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31		2025 Budget	2025 Actual	2024 Actual
Revenue				
Taxation for municipal purposes		11,614,553	**11,739,668**	11,159,332
User fees		6,205,104	**7,221,624**	6,678,211
Government transfers	Note 12	2,478,613	**2,828,557**	3,088,581
Other	Note 13	537,059	**1,523,503**	2,296,721
		20,835,329	**23,313,352**	23,222,845
Expenditure				
General government		2,112,671	**2,107,650**	2,080,605
Protection services		3,125,799	**3,442,772**	3,195,789
Roadways		3,671,586	**5,820,909**	5,081,385
Environmental services		3,575,108	**4,820,578**	4,472,914
Health services		169,298	**525,835**	86,596
Recreation and culture		2,227,031	**2,525,836**	2,253,736
Planning and development		750,194	**1,111,969**	1,974,819
		15,631,687	**20,355,549**	19,145,844
Annual surplus		5,203,642	**2,957,803**	4,077,001
Accumulated surplus beginning of year		$ 93,544,670	**$ 97,621,671**	$ 93,544,670
Accumulated surplus end of year		$ 98,748,312	**$ 100,579,474**	$ 97,621,671

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF HURON-KINLOSS

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	2025 Actual	2024 Actual
Annual surplus	**2,957,803**	4,077,001
Amortization of tangible capital assets	**3,708,489**	3,541,100
Acquisition of tangible capital assets	**(6,418,861)**	(6,120,193)
Proceeds from sale of tangible capital assets	**67,201**	21,053
(Gain) loss on disposition of tangible capital assets	**(48,366)**	108,163
Decrease (increase) in prepaid expenses and inventory for resale	**2,336**	153,013
Increase (decrease) in net financial assets	**268,602**	1,780,137
Net financial assets beginning of year	**$ 13,521,492**	$ 11,741,355
Net financial assets end of year	**$ 13,790,094**	$ 13,521,492

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF HURON-KINLOSS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31	2025	2024
Operating activities		
Annual surplus	**2,957,803**	4,077,001
Decrease (increase) in taxes receivable	**211,183**	(209,345)
Decrease (increase) in accounts receivable	**1,161,849**	801,504
Decrease (increase) in non-financial assets	**2,336**	153,013
Increase (decrease) in accounts payable	**115,929**	(560,117)
Increase (decrease) in deferred revenue	**34,966**	(304,360)
Increase (decrease) in asset retirement obligations	**7**	18,741
Increase (decrease) in post-employment benefits liability	**24,339**	(5,083)
	1,550,609	(105,647)
Non-cash charges to operations		
Amortization	**3,708,489**	3,541,100
Loss (gain) on disposal of capital assets	**(48,366)**	108,163
Working capital from operations	**3,660,123**	3,649,263
	8,168,535	7,620,617
Capital		
Acquisition of tangible capital assets	**(6,418,861)**	(6,120,193)
Proceeds from sale of tangible capital assets	**67,201**	21,053
Net investment in tangible capital assets	**(6,351,660)**	(6,099,140)
Investing activities		
Issuance of loans receivable	**-**	-
Repayments of loans receivable	**42,307**	455,108
Cash provided by (used for) investing activities	**42,307**	455,108
Financing activities		
Loan proceeds	**-**	-
Payments on long-term debt	**(52,192)**	(31,372)
Cash provided by (used for) financing activities	**(52,192)**	(31,372)
Increase (decrease) in cash position	**1,806,990**	1,945,213
Cash beginning of year	**11,070,926**	9,125,713
Cash end of year	**$ 12,877,916**	$ 11,070,926

The accompanying notes are an integral part of these financial statements

1. Accounting policies

Management responsibility

The consolidated financial statements of the Corporation of the Township of Huron-Kinloss are the representation of management prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant accounting policies adopted by the township are as follows:

a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, operating revenue and expenditures, reserves and reserve funds and changes in investment in tangible capital assets of the reporting entity. The reporting entity is comprised of all organizations, committees and boards which are owned and controlled by the township. In addition to general government tax-supported operations, they include any water systems operated by the township and the township's proportionate share of joint local boards.

These consolidated financial statements include the proportional share of the financial position and operating activities of the following joint local boards:

Bruce Area Solid Waste Recycling - 12.42%
Mid-Huron Landfill Site Board - 4.9%
Saugeen Mobility and Regional Transit - 4.7%
Lucknow and District Fire Department Joint Board of Management - 50%
Lucknow Community Health Centre Board - 50%
Lucknow and District Joint Recreation Board - 50%

Inter-departmental and inter-organizational transactions and balances are eliminated.

The statements do not include trust funds that are administered for the benefit of external parties. The financial activity and position of the trust funds are reported separately.

b) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures 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.

c) Cash and cash equivalents

Cash and cash equivalents are represented by cash on hand, cash on deposit in chartered banks and short term investments.

d) Long-term investments

Investments are recorded at cost plus accrued interest less amounts written off to reflect a permanent decline in value.

e) 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 ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

1. Accounting policies (cont'd)

e) cont'd

- 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 are amortized on a straight-line basis over their estimated useful lives as follows:

Category	Amortization Period	Capitalization Threshold
Land	Not applicable	$ 0
Land improvements	20 years	5,000
Buildings	30 years	5,000
Vehicles and equipment	5 - 20 years	5,000
Transportation roads infrastructure		
Road base and earthwork	100 years	25,000
Road surfaces	8 - 20 years	25,000
Bridges and culverts	40 - 80 years	25,000
Sidewalks	40 years	5,000
Water and sewer underground networks	75 years	25,000
Water and sewer plants and facilities	20 - 90 years	25,000

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized. Asset retirement obligations are amortized using the same basis and useful life as the underlying asset.

The township has a capitalization threshold of $0 - $25,000 dependent on the category, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are computer systems, equipment, furniture and fixtures.

- Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

- Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

- Inventories

Inventories held for consumption are recorded at the lower of average cost and net realizable value.

f) Pension and employee benefits

The township is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The township has adopted defined contribution plan accounting principals for this plan because insufficient information is available to apply defined benefit plan accounting principles. The township records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.

1. Accounting policies (cont'd)

g) Deferred revenue

Amounts received and required by legislation, regulation or agreement to be set aside for specific, restricted purposes are reported in the consolidated statement of financial position as deferred revenue until the obligation is discharged. These amounts will be recognized as revenues in the period in which related expenditures are incurred or service is performed.

h) 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 dates of the financial statements, the reported amounts of revenue and expenditures during the period and the accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

i) Reserves for future expenditures

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital expenditures. Transfers to or from reserves are reflected as adjustments to the respective appropriated equity.

j) Asset retirement obligations

Asset retirement obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This 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.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

k) Amounts to be recovered in future years

Future years recoveries represent the requirement of the township to raise funds in subsequent periods to finance unfunded liabilities. A portion of the amounts to be recovered in future years will be recovered from deferred revenues earned.

l) Revenue recognition

- Tax levies

  Tax levies, based on assessment rolls issued by the Municipal Property Assessment Corporation and tax rates established by council, are recognized as revenue when the tax billings are issued.

- Government transfers

  Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria are met, and reasonable estimates can be made

- User fees and service charges

  Revenues are recognized when the services are performed or goods are delivered and there is a reasonable assurance of collection

- Investment income

  Revenue earned on operating surplus funds and reserves and reserve funds are recorded as revenue in the period earned.

1. Accounting policies (cont'd)

m) Financial instruments

Financial instruments consist of cash and cash equivalents, investments, taxes receivable, accounts receivable, long-term receivables, accounts payable and accrued liabilities and municipal debt. The township classifies all of its financial instruments as measured at amortized cost. Financial assets measured at cost are recognized initially at fair value plus any directly attributable transaction costs. The carrying amount is subsequently written down to net realizable value when an impairment loss is known and there is no reasonable prospect of recovery.

n) County of Bruce and school board transactions

The township collects taxation revenue on behalf of the County of Bruce and the school boards. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these entities are not reflected in these financial statements.

3. Cash

	2025	**2024**
Unrestricted	11,876,812	10,057,403
Restricted	658,483	623,517
Cash held by others	342,621	390,006
	$ 12,877,916	$ 11,070,926

4. Long-term receivables

The balance of the long-term receivables reported on the consolidated statement of financial position consists of the following:

	2025	**2024**
Property owners for capital costs, 4-5% interest, due 2025 through 2028	198,136	194,375
Tile drain loans receivable 6% - 8%, principal and interest payments, due 2025 through 2031	48,256	94,324
	$ 246,392	$ 288,699

Principal payments due in the next five years are as follows:

2026	78,818
2027	66,408
2028	39,139
2029	34,643
2030	19,579
Thereafter	7,805
	$ 246,390

5. Long-term investments

	2025	2024
Common shares, Westario Power Holdings Inc.	$ 400,000	$ 400,000

The township owns 3.18% of the outstanding common shares of Westario Power Holdings Inc., a private company incorporated under the laws of the Province of Ontario. The shares have no fixed maturity dates and are generally not exposed to interest rate risk. The fair value of these shares is not practicable to determine in the absence of published market quotations.

6. Temporary borrowings

The township has an authorized line of credit at Meridian Credit Union. The outstanding amount as of December 31, 2025 was $ Nil (2024- $ Nil). The facility is secured by general borrowing by-laws.

7. Municipal debt

The balance of the long-term liabilities reported on the consolidated statement of financial position consists of the following:

	2025	2024
Trust fund loans, 4% interest, maturing in 2026	2,669	8,792
Tile drain loans payable to Ministry of Finance, responsibility for payment of principal and interest charges have been assumed by individuals, 6% - 8%, due 2026 through 2033	48,256	94,324
	$ 50,924	$ 103,116

Principal payments due on debt in the next five years are as follows:

2026	13,591
2027	11,578
2028	9,718
2029	3,997
2030	4,237
Thereafter	7,803
	$ 50,924

8. Asset Retirement Obligations

The Municipality's financial statements include an asset retirement obligation for the Huron Landfill and the Kinloss Landfill. The related asset retirement costs are being amortized on a straight line basis.

The liability for the Huron Landfill has been estimated using a net present value technique with a discount rate of 2% (2024: 2%). The estimated total undiscounted future expenditures are $783,764 (2024:$783,764), with closure costs expected to begin in 2030 and liabilities expected to be fully settled in 2049.

The liability for the Kinloss Landfill has been estimated using a net present value technique with a discount rate of 2% (2024: 2%). The estimated total undiscounted future expenditures are $563,110 (2024: $563,110), with closure costs expected to begin in 2045 and liabilities expected to be fully settled in 2064.

The liability for the Municipality's share of the Mid-Huron Landfill has been estimated using a net present value technique with a discount rate of 2% (2024: 2%). The estimated total undiscounted future expenditures are $841,512 (2024: $841,512), which are to be incurred over 50 years. The liability is expected to be fully settled in 50 years. The Mid-Huron Landfill Site Board has set aside reserve funds to fund post closure costs of which the Municipality's share is $232,575 (2024: $237,577). The Municipality has set aside a further reserve of $3,675 (2024: $3,700).

8. Asset Retirement Obligations (cont'd)

The Municipality owns facilities which contain asbestos, and therefore, the Municipality is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The estimated total undiscounted future expenditures are $40,416 (2024: $60,221) and abatement activities are expected to be performed in the next 5 to 10 years. The liability has been estimated using a net present value technique with a discount rate of 2% (2024: 2%).

The Municipality owns a gravel pit and is legally required to rehabilitate the site upon depletion. The estimated total undiscounted future expenditures are $120,000 (2024: $120,000). The site is currently depleted and rehabilitation is expected to be performed in 2 years. The liability has been estimated using a net present value technique with a discount rate of 2% (2024: 2%).

The future liability is expected to be funded through budget allocations and reserves.

The carrying amount of the liabilities are as follows:

	Township-Owned Landfills	Share of Mid-Huron Landfill	Asbestos	Gravel Pit	Total
Asset retirement obligation as at December 31, 2024	$ 946,449	$ 528,338	$ 54,075	$ 115,340	$ 1,644,202
Increase due to accretion expense	18,929	10,567	1,081	2,307	32,884
Settlements and adjustments		(14,215)	(18,662)		(32,877)
Asset retirement obligation as at December 31, 2025	$ 965,378	$ 524,690	$ 36,494	$ 117,647	$ 1,644,209

9. Post employment benefits liability

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the township's employment. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to $240,373 as at the year end (2024: $216,034).

10. Tangible capital assets

Schedule 3 provides information on the tangible capital assets of the township by major class and by business segment, as well as for accumulated amortization of the assets controlled.

I) Contributed tangible capital assets

The township records all tangible capital assets contributed by external parties at fair value.

ii) Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value of $1 because of the difficulty of determining a tenable valuation.

11. Schedule of accumulated surplus

The accumulated surplus consists of individual fund surplus/(deficit) amounts and reserve and reserve funds as follows:

	2025	2024
Invested in tangible capital assets		
Net tangible capital assets	86,548,516	83,856,979
Unexpended capital financing (Unfunded capital assets)	(2,974,858)	(2,159,231)
	83,573,658	81,717,748
Unfunded		
Asset retirement obligations	(1,644,209)	(1,644,202)
Post-employment benefits liability	(240,373)	(216,034)
Other surplus	411,017	406,489
	82,100,093	80,264,001
Reserves	18,479,381	17,357,670
Accumulated surplus	$ 100,579,474	$ 97,621,671

For additional information, see the Consolidated Schedule of Continuity of Reserves, Reserve Funds and Obligatory Deferred Revenue.

12. Government transfers

	2025	2024
Province of Ontario		
Ontario Municipal Partnership Fund	1,307,200	1,134,700
Ontario Community Infrastructure Fund	679,135	798,982
Skills Development Fund	-	32,553
Ministry of Agriculture, Food & Rural Affairs - municipal drains	201,435	36,143
Other capital	12,617	30,642
Other operating	297,544	289,713
	2,497,931	2,322,733
Government of Canada		
Canada Community Building Fund	277,492	622,222
Other capital	53,134	
Other operating	-	
	330,626	622,222
Other municipalities - capital	-	143,626
Total government transfers	$ 2,828,557	$ 3,088,581

13. Other revenue

	2025	2024
Penalties and interest on taxation	219,951	179,537
Investment income	475,186	535,964
Nuclear Waste Management	780,000	1,689,383
Gain (loss) on disposal of capital assets	48,366	(108,163)
	$ 1,523,503	$ 2,296,721

14. Operations of school boards and county

Taxation levied for school board and county purposes are not reflected in the financial statements. The amounts transferred were:

	2025	2024
County of Bruce	$ 8,122,243	$ 7,709,221
School Boards	2,724,879	2,792,961

15. Trust funds

Trust funds administered by the township amounting to $140,011 (2024: $136,695) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of financial activities.

	2025	2024
Cemetery Care and Maintenance	$ 138,011	$ 134,695
MacKenzie Scholarship Trust Fund	2,000	2,000

16. Pension agreements

The township makes contributions to a multi-employer pension plan on behalf of 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. The amount contributed for the year was $301,059 (2024: $272,776) for current services and is included as an expenditure on the consolidated statement of financial activities.

The contributions to OMERS are expensed when contributions are due. Any pension surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the township does not recognize any share of the OMERS pension surplus or deficit.

17. Contractual obligation

The township has contracted with Ontario Clean Water Agencyfor the operation of certain water and sewage systems until December 2029 at an annual fee of $856,413. plus tax.

The township has contracted with Bruce Area Solid Waste Rec ycling for garbage collection until March 2026 at an annual fee of $194,593 plus tax.

18. Contingent liability

In the ordinary course of business, various claims and lawsuits are brought against the township. Because settlement amounts, if any, cannot be determined or because claims are expected to be within the township's insurance coverage, no provision has been made for the contingency in the financial statements.

19. Financial instrument risk management

Credit risk

The township is exposed to credit risk through its cash, trade and other receivables, loans receivable, and long-term investments. There is the possibility of non-collection of its trade and other receivables. The majority of the township's receivables are from ratepayers and government entities. For trade and other receivables, the township measures impairment based on how long the amounts have been outstanding. For amounts outstanding considered doubtful or uncollectible, an impairment allowance is setup.

Liquidity risk

Liquidity risk is the risk that the township will not be able to meet its financial obligations as they fall due. The township has a planning and a budgeting process in place to help determine the funds required to support the township's normal operating requirements on an ongoing basis. The township ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain an available line of credit balance as approved by the appropriate borrowing bylaw to meet, at a minimum, expected requirements.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the township's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The township is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings and long-term liabilities and the value of fixed rate long-term liabilities.

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

20. Budget amounts

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statement of change in net financial assets and operations for comparative purposes. The 2025 budget amounts for the Corporation of the Township of Huron-Kinloss approved by Council are unaudited and have been restated to conform to the basis of presentation of the revenues and expenditures on the consolidated statement of operations. As a result, the budget figures presented in the statements of operations and changes in net financial assets represent the budget approved by council with the following adjustments:

Approved budget annual surplus (deficit)	-
Add: Acquisition of tangible capital assets	7,278,000
Less: Net transfers to reserves	(2,044,358)
Proceeds of disposition of capital assets	(30,000)
Unfunded capital projects in process	-
Budgeted surplus reported on statement of operations	$ 5,203,642

21. Segmented information

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

General government

General government is comprised of township council, administrative and clerk departments.

Protection services

Protection services department is comprised of police services, fire protection and protective inspection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs and education. Protective inspection provides services related to the enforcement of building and construction codes.

Transportation services

Transportation services department is responsible for the delivery of public works services related to maintenance of roadway systems, winter control and street lighting.

Environmental services

Environmental services department consists of water, wastewater and solid waste disposal utilities. The department provides drinking water, collecting and treating wastewater, and providing collection disposal and waste minimization programs and facilities.

Health services

Health services department is responsible for maintaining the township’s cemeteries and medical centre.

Social and family services

Social and family services department provides for child care services.

Recreation and cultural services

Recreation and cultural services department is responsible for the delivery and upkeep of all recreation programs and facilities including parks and library.

Planning and development

Planning and development services department provides planning, economic development and maintenance of the township’s drains.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers are measured on the basis of the actual cost of services provided. Taxation and grants attributable to a number of segments have been allocated to those segments based on the budgeted net operating revenue for the year.

TOWNSHIP OF HURON-KINLOSS

CONSOLIDATED SCHEDULE OF CONTINUITY OF RESERVES AND RESERVE FUNDS Schedule 1

For the Year Ended December 31, 2025

	Balance, beginning of year	Revenues and contributions: Interest	Revenues and contributions: From Operations	Revenues and contributions: Other	Revenues and contributions: Total	Transfers: To Operations	Transfers: To Capital Acquisitions	Transfers: Total	**Balance, end of year**
Reserves									
for general government	1,536,858	3,776	138,861		142,637	69,444	340,087	409,531	**1,269,964**
for protection services	273,223		89,208		89,208			-	**362,431**
for transportation services	1,314,893		241,647		241,647			-	**1,556,540**
for water and sewer	4,616,763	106,599	588,037		694,636	15,746	377,407	393,153	**4,918,246**
for landfill sites and recycling	396,532		16,193		16,193	48,796		48,796	**363,929**
for health services	22,138				-			-	**22,138**
for social and family services	-				-			-	**-**
for recreation and cultural services	136,438		174,889		174,889			-	**311,327**
for planning and development	4,015		3,600		3,600	2,987		2,987	**4,628**
for capital projects	5,015,642		235,692		235,692	68,989	942,136	1,011,125	**4,240,209**
	13,316,502	110,375	1,488,127	-	1,598,502	205,962	1,659,630	1,865,592	**13,049,412**
Reserve funds									
for general government	1,235,702	54,671	750,000		804,671	33,304		33,304	**2,007,069**
for environmental services	2,571,564	82,360	653,795		736,155	43,175	74,219	117,394	**3,190,325**
MidHuron landfill	233,902				-	1,327		1,327	**232,575**
	4,041,168	137,031	1,403,795	-	1,540,826	77,806	74,219	152,025	**5,429,969**
	17,357,670	247,406	2,891,922	-	3,139,328	283,768	1,733,849	2,017,617	**18,479,381**

CONSOLIDATED SCHEDULE OF DEFERRED REVENUE Schedule 2

For the Year Ended December 31, 2025

	Balance, beginning of year	Revenues and contributions: Interest	Revenues and contributions: From Operations	Revenues and contributions: Other	Revenues and contributions: Total	Transfers: To Operations	Transfers: To Capital Acquisitions	Transfers: Total	**Balance, end of year**
Canada Community Building Fund	274,016	19,990		252,929	272,919		277,492	277,492	**269,443**
Parklands and Development	349,501	10,433		29,106	39,539			-	**389,040**
	623,517	30,423	-	282,035	312,458	-	277,492	277,492	**658,483**

Township of Huron-Kinloss

Consolidated Schedule of Tangible Capital Assets

Schedule 3A

For the Year Ended December 31, 2025

	General				Infrastructure							
					Roads,			Water and sewer		Assets	**Total**	Total
	Land and land improvements	Buildings	Machinery & Equipment	Vehicles	Sidewalks Street lights	Bridges and Culverts	Storm Sewers	Plants and Facilities	Underground Networks	Under Construction	**Net Book Value 2025**	Net Book Value 2024
Cost												
Balance, beginning of year	5,608,692	9,069,588	4,735,496	8,982,152	36,410,472	9,433,363	10,956,347	15,903,145	36,814,108		**137,913,363**	132,493,001
Reallocations and adjustments					(12,768)			812,625	(900,207)	100,350	**-**	-
Additions during the year	966,132	126,422	671,800	310,770	1,511,140	39,990	1,028,906	36,091	20,875	1,706,735	**6,418,861**	6,120,193
Disposals and adjustments			(92,470)	(387,793)	(35,760)						**(516,023)**	(699,831)
Balance, end of year	6,574,824	9,196,010	5,314,826	8,905,129	37,873,084	9,473,353	11,985,253	16,751,861	35,934,776	1,807,085	**143,816,201**	137,913,363
Accumulated amortization												
Balance, beginning of year	1,469,025	4,313,465	2,616,563	3,938,719	17,841,046	4,168,723	2,174,604	6,074,304	11,459,935		**54,056,384**	51,085,899
Reallocations and adjustments	-	-	-					148,534	(148,534)		**-**	-
Amortization during the year	155,923	237,745	244,323	544,882	1,394,712	146,312	193,682	259,452	531,458		**3,708,489**	3,541,100
Adjustments and accumulated amortization on disposals		-	(73,635)	(387,793)	(35,760)						**(497,188)**	(570,615)
Balance, end of year	1,624,948	4,551,210	2,787,251	4,095,808	19,199,998	4,315,035	2,368,286	6,482,290	11,842,859	-	**57,267,685**	54,056,384
Net Book Value	4,949,876	4,644,800	2,527,575	4,809,321	18,673,086	5,158,318	9,616,967	10,269,571	24,091,917	1,807,085	**$ 86,548,516**	$ 83,856,979

Township of Huron-Kinloss

Consolidated Schedule of Tangible Capital Assets Schedule 3B

For the Year Ended December 31, 2025

	General Government	Protection	Roads	Storm Sewers	Water and sewer	Waste collection,disposal	Health	Recreation and Cultural	Planning and Development	Assets Under Construction	**Total Net Book Value 2025**	Total Net Book Value 2024
Cost												
Balance, beginning of year	1,135,402	4,943,014	54,082,290	10,961,351	54,519,871	1,530,082	1,231,017	9,484,901	25,435		**137,913,363**	132,493,001
Reallocations and adjustments			(12,769)		(87,581)			-		100,350	**-**	-
Additions during the year	31,744	312,068	1,880,726	1,028,905	56,966	869,838		531,879		1,706,735	**6,418,861**	6,120,193
Disposals during the year		(362,436)	(61,118)			(1,756)		(90,713)			**(516,023)**	(699,831)
Balance, end of year	1,167,146	4,892,646	55,889,129	11,990,256	54,489,256	2,398,164	1,231,017	9,926,067	25,435	1,807,085	**143,816,201**	137,913,363
Accumulated Amortization												
Balance, beginning of year	621,995	2,373,475	25,402,063	2,174,606	17,979,059	824,731	165,757	4,506,715	7,983		**54,056,384**	51,085,899
Reallocations and adjustments								-			**-**	-
Amortization during the year	38,757	252,594	1,978,713	193,681	844,254	48,678	16,874	334,488	450		**3,708,489**	3,541,100
Adjustments and accumulated amortization on disposals		(362,436)	(61,117)			(1,756)		(71,879)			**(497,188)**	(570,615)
Balance, end of year	660,752	2,263,633	27,319,659	2,368,287	18,823,313	871,653	182,631	4,769,324	8,433	-	**57,267,685**	54,056,384
Net Book Value	506,394	2,629,013	28,569,470	9,621,969	35,665,943	1,526,511	1,048,386	5,156,743	17,002	1,807,085	**$ 86,548,516**	$ 83,856,979

Township of Huron-Kinloss
Segmented Information
For the Year Ended December 31, 2025

Schedule 4

	General Government	Police Protection	Fire Protection	Inspections and controls	Other Protection	Roads and Street lights	Water and sewer	Waste Disposal	Health and social	Recreation and Culture	Zoning and Development	**Total 2025**	Total 2024
Revenue													
Taxation	11,739,668											**11,739,668**	11,159,332
User fees	161,230	13,044	69,630	419,172	309,709	70,475	3,460,041	912,191	41,458	1,153,890	610,785	**7,221,625**	6,678,211
Government transfers	1,398,152	-	12,617			983,121	-	159,842	-	61,341	213,484	**2,828,557**	3,088,581
Other	1,523,503											**1,523,503**	2,296,721
	14,822,553	13,044	82,247	419,172	309,709	1,053,596	3,460,041	1,072,033	41,458	1,215,231	824,269	**23,313,353**	23,222,845
Operating expenditure													
Wages, salaries and benefits	1,368,899	-	380,718	341,447	96,179	1,328,268	120,734	685,141	17,938	1,028,411	225,730	**5,593,465**	4,908,829
Contract services	341,079	1,327,580	66,732	122,349	617,567	1,350,098	1,537,128	556,696	451,095	249,440	784,981	**7,404,745**	6,925,962
Materials	358,914	-	167,663	64,556	5,388	970,149	606,936	421,011	39,928	913,497	100,808	**3,648,850**	3,769,958
Amortization	38,758	-	248,622	-	3,971	2,172,394	844,254	48,678	16,874	334,488	450	**3,708,489**	3,541,095
	2,107,650	1,327,580	863,735	528,352	723,105	5,820,909	3,109,052	1,711,526	525,835	2,525,836	1,111,969	**20,355,549**	19,145,844
Net revenue (expense)	12,714,903	(1,314,536)	(781,488)	(109,180)	(413,396)	(4,767,313)	350,989	(639,493)	(484,377)	(1,310,605)	(287,700)	**2,957,804**	4,077,001

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Huron-Kinloss

Opinion

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of Huron-Kinloss ("the Entity"), which are comprised of the statement of financial position as at December 31, 2025 and the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and the continuity of funds for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT (continued)

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

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

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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

September 21, 2026

TOWNSHIP OF HURON-KINLOSS
TRUST FUNDS

STATEMENT OF CONTINUITY

	Total		Cemetery Perpetual Care		MacKenzie Scholarship Trust Fund	
For the Year Ended December 31	**2025**	2024	**2025**	2024	**2025**	2024
Balance beginning of year	**136,695**	132,237	**134,695**	130,237	**2,000**	2,000
Receipts						
Perpetual care	**3,316**	4,458	**3,316**	4,458	**-**	-
Interest earned	**4,757**	6,708	**4,657**	6,608	**100**	100
	8,073	11,166	**7,973**	11,066	**100**	100
Expenditure						
Transfers to cemetery	**4,657**	6,608	**4,657**	6,608	**-**	-
Scholarship	**100**	100	**-**	-	**100**	100
	4,757	6,708	**4,657**	6,608	**100**	100
Balance end of year	**$ 140,011**	136,695	**$ 138,011**	134,695	**$ 2,000**	2,000

BALANCE SHEET

	Total		Cemetery Perpetual Care		MacKenzie Scholarship Trust Fund	
As at December 31	**2025**	2024	**2025**	2024	**2025**	2024
Assets						
Cash	**138,876**	132,012	**138,876**	132,012	**-**	-
Investments, cost	**2,669**	8,791	**2,669**	8,791	**-**	-
Due from municipality	**9,791**	2,500	**7,791**	500	**2,000**	2,000
Liabilities						
Due to cemetery	**(11,325)**	(6,608)	**(11,325)**	(6,608)	**-**	-
Net assets	**140,011**	136,695	**138,011**	134,695	**2,000**	2,000
Trust fund balances	**$ 140,011**	136,695	**$ 138,011**	134,695	**$ 2,000**	2,000

1. Accounting Policies

The financial statements of the Township of Ashfield-Colborne-Wawanosh Trust Funds are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Basis of Consolidation

These trust funds have not been consolidated with the financial statements of the Township of Ashfield-Colborne-Wawanosh .

Basis of Accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

2. Investments

Trust fund investments are stated at cost and have a market value approximately equal to cost.

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Lucknow and District Fire Department Joint Board of Management, Members of Council, Inhabitants and Ratepayers of the participating municipalities

Opinion

We have audited the accompanying statement of operations of the Lucknow and District Fire Department Joint Board of Management ("the Entity") for the year ended December 31, 2025 and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial operations of the Entity as at December 31, 2025 in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.

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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
September 21, 2026

LUCKNOW AND DISTRICT FIRE DEPARTMENT JOINT BOARD OF MANAGEMENT
STATEMENT OF OPERATIONS

For the year ended December 31	2025 Budget	2025 Actual	2024 Actual
Revenue			
Operating contributions from participating municipalities			
Township of Ashfield-Colborne-Wawanosh	199,700	**174,240**	185,120
Township of Huron-Kinloss	199,700	**174,240**	185,120
Fire calls	-	**22,200**	19,700
County of Bruce Modified First Response grant	5,000	**5,000**	5,000
Other revenue	-	**34,069**	26,091
Ontario grant	-	**8,411**	
	404,400	**418,159**	421,031
Expenditure			
Salaries	242,000	**239,916**	216,403
Vehicle operation	18,000	**21,990**	27,455
Equipment	34,000	**33,210**	47,994
Hydrant repairs	4,000	**4,030**	4,030
Building maintenance	16,400	**37,936**	23,815
Dispatch service	22,000	**20,201**	34,673
Training	19,500	**8,955**	10,100
Telephone	2,000	**2,899**	2,289
Utilities	10,200	**13,472**	11,622
Insurance	18,000	**19,817**	17,743
Licences, fees, administration	18,300	**15,733**	24,907
	404,400	**418,159**	421,031
Annual surplus	$ 0	**$ 0**	$ 0

For the year ended December 31, 2025

1. Accounting policies

The statement of operations of the Lucknow and District Fire Department Joint Board of Management is the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures 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) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

3. Related party transactions

Board administration cost of $2,500 was paid to the Township of Huron-Kinloss (2024: $2,500).

Seebach & Company
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Lucknow Community Health Centre Board , Members of Council, Inhabitants and Ratepayers of the participating municipalities

Opinion

We have audited the accompanying statement of operations of the Lucknow Community Health Centre Board ("the Entity") for the year ended December 31, 2025 and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial operations of the Entity as at December 31, 2025 in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.

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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
September 21, 2026

LUCKNOW COMMUNITY HEALTH CENTRE BOARD

STATEMENT OF OPERATIONS

For the year ended December 31	2025 Budget	2025 Actual	2024 Actual
Revenue			
Rentals	25,102	**25,102**	24,490
Operating contributions from participating municipalities			
Township of Ashfield-Colborne-Wawanosh	7,704	**4,457**	2,223
Township of Huron-Kinloss	7,704	**4,457**	2,223
	40,510	**34,016**	28,936
Expenditure			
Maintenance	21,500	**18,257**	13,909
Utilities	7,410	**6,617**	6,401
Property taxes	5,800	**5,640**	5,499
Insurance	2,800	**3,002**	2,627
Administration	3,000	**500**	500
	40,510	**34,016**	28,936
Annual surplus	$ 0	**$ 0**	$ 0

1. Accounting policies

The statement of operations of the Lucknow Community Health Centre Board is the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) Basis of accounting

I) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures 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) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

3. Related party transactions

During the year, the board paid property taxes of $5,640 (2024: $5,304) and water and sewer charges of $2,410 (2024: $2,564) to the Township of Huron-Kinloss, and $1,679 maintenance charges to the Township of Ashfield-Colborne-Wawanosh (2024: $2,969).

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Lucknow and District Joint Recreation Board , Members of Council, Inhabitants and Ratepayers of the participating municipalities

Opinion

We have audited the accompanying statement of operations of the Lucknow and District Joint Recreation Board ("the Entity") for the year ended December 31, 2025 and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial operations of the Entity as at December 31, 2025 in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.

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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
September 21, 2026

LUCKNOW AND DISTRICT JOINT RECREATION BOARD

STATEMENT OF OPERATIONS

For the year ended December 31	2025 Budget	2025 Actual	2024 Actual
Revenue			
Arena			
Ice rentals	150,000	**190,947**	151,871
Arena rentals	5,200	**11,070**	5,905
Bar sales	53,925	**47,029**	60,844
Public skating	8,000	**4,799**	9,330
Advertising boards	15,000	**14,075**	15,600
Grass cutting/watering	20,000	**26,460**	20,249
Grants	5,000	**11,018**	51,159
Donations and other revenue	56,575	**59,934**	8,816
	313,700	**365,332**	323,774
Recreation receipts			
Hockey insurance recovery	1,800	**1,575**	1,760
Skating program	5,500	**6,163**	5,493
Swimming pool	14,800	**18,689**	17,849
Baseball	14,500	**16,730**	18,132
Soccer	12,650	**17,542**	15,665
Daycamp	11,000	**15,657**	13,581
Other programs	1,000	**1,840**	1,260
	61,250	**78,196**	73,740
Total rentals and program revenue	374,950	**443,528**	397,514
Operating contributions from participating municipalities			
Township of Huron-Kinloss	209,475	**157,666**	153,991
Township of Ashfield-Colborne-Wawanosh	209,475	**157,666**	153,991
	418,950	**315,331**	307,982
Total revenue	793,900	**758,859**	705,496
Expenses			
Administration and general			
Salaries	197,000	**202,529**	183,078
Maintenance	64,300	**63,402**	55,401
Utilities	87,250	**89,849**	65,497
Insurance	25,000	**26,328**	23,621
Administration and training	34,750	**29,457**	17,582
	408,300	**411,565**	345,179
Arena and auditorium			
Salaries	159,475	**174,761**	147,591
Maintenance	33,200	**23,107**	56,302
Utilities	10,000	**9,664**	16,678
Bar purchases and profit share	49,550	**32,208**	39,997
	252,225	**239,740**	260,568
Recreation programs			
Skating program	2,500	**1,682**	1,447
Ball and soccer program	9,150	**6,192**	4,947
Daycamp program	10,350	**10,119**	9,611
Pool salaries	28,475	**28,204**	21,398
Pool expenses	29,100	**17,662**	18,101
Fitness program	800	**960**	1,080
Parks	53,000	**42,735**	43,165
	133,375	**107,554**	99,749
Total expenses	793,900	**758,859**	705,496
Annual surplus	$ 0	**$ 0**	$ 0

1. Accounting policies

The statement of operations of the Lucknow and District Joint Recreation Board is the representation of management prepared in accordance Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) Basis of accounting

I) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures 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) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

3. Related party transactions

Board administration cost of $ 10,000 (2024: $ nil) was paid to the Township of Ashfield-Colborne-Wawanosh. Water and sewer fees of $6,955 (2024: $6,600) were paid to the Township of Huron-Kinloss.