

**Corporation of the Municipality of
West Nipissing**

**Independent Auditor's Report and
Financial Report**

December 31, 2025

Corporation of the Municipality of West Nipissing

Financial Report

December 31, 2025

Management Report

Independent Auditor's Report

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Municipality of West Nipissing (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 of the Chartered Professional Accountants of Canada, as described in Note 1 to the consolidated financial statements.

The preparation of consolidated 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, transactions are properly authorized and recorded in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. Council meets with management and the external auditor to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Baker Tilly SNT LLP, independent external auditor 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.



Chief Administrative Officer
July 14, 2026



Treasurer
July 14, 2026

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of Corporation of the Municipality of West Nipissing

Opinion

We have audited the consolidated financial statements of the Corporation of the Municipality of West Nipissing, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations and accumulated surplus, cash flows and change in net debt for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Municipality of West Nipissing as at December 31, 2025, and its consolidated results of operations and its consolidated 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.

ACCOUNTING • TAX • ADVISORY

Baker Tilly SNT LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

COMPTABILITÉ • FISCALITÉ • SERVICES-CONSEILS

Baker Tilly SNT s.r.l. est membre de la Coopérative Baker Tilly Canada, qui fait partie du réseau mondial Baker Tilly International Limited. Les membres de la Coopérative Baker Tilly Canada et de Baker Tilly International Limited sont tous des entités juridiques distinctes et indépendantes.

Independent Auditor's Report (Continued)

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 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.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

North Bay, Ontario
July 14, 2026

Baker Tilly SNT LLP
CHARTERED PROFESSIONAL ACCOUNTANTS,
LICENSED PUBLIC ACCOUNTANTS

Corporation of the Municipality of West Nipissing
Consolidated Statement of Financial Position
December 31, 2025

	<u>2025</u>	<u>2024</u>
Financial Assets		
Cash and cash equivalents (note 3)	\$ 23,076,431	\$ 22,575,181
Taxes receivable	3,014,229	3,465,239
Accounts receivable (note 4)	6,291,057	5,762,910
Other current assets	<u>361,131</u>	<u>416,215</u>
	<u>32,742,848</u>	<u>32,219,545</u>
Liabilities		
Accounts payable and accrued liabilities (note 5)	12,658,377	11,649,379
Deferred revenues - other (note 6)	1,300,699	2,175,309
Deferred revenues - obligatory reserve funds (note 7)	164,794	531,150
Municipal debt (note 8)	20,861,359	24,579,860
Employee future benefits payable (note 9)	790,491	860,693
Asset retirement obligations (note 10)	<u>6,296,653</u>	<u>6,226,904</u>
	<u>42,072,373</u>	<u>46,023,295</u>
Net Debt	<u>(9,329,525)</u>	<u>(13,803,750)</u>
Non-Financial Assets		
Tangible capital assets (note 11)	160,432,196	156,992,306
Prepaid expenses	355,736	283,704
Inventories	<u>266,595</u>	<u>290,554</u>
	<u>161,054,527</u>	<u>157,566,564</u>
Accumulated Surplus (note 12)	<u>\$ 151,725,002</u>	<u>\$ 143,762,814</u>
Commitments (note 13)		
Contingencies (note 14)		

Approved by:





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

Corporation of the Municipality of West Nipissing
Consolidated Statement of Operations and Accumulated Surplus
For The Year Ended December 31, 2025

	2025		2024
	Budget	Actual	Actual
	(Unaudited)		
Revenues			
Net taxation	\$ 24,142,295	\$ 24,298,034	\$ 23,197,618
User charges	17,349,847	15,938,175	18,197,305
Government grants and transfers - Provincial	18,280,338	18,560,279	17,451,327
Government grants and transfers - Federal	63,543	58,445	39,145
Other	3,506,653	3,971,952	4,315,380
Total revenues	<u>63,342,676</u>	<u>62,826,885</u>	<u>63,200,775</u>
Expenses (note 22)			
General government	3,858,418	3,752,301	3,662,225
Protection services	7,501,607	6,742,646	6,916,111
Transportation services	8,987,239	9,353,913	8,704,259
Environmental services	12,579,862	12,360,852	12,951,666
Health services	557,955	551,083	509,594
Social and family services	20,046,862	20,211,797	19,017,088
Recreation and cultural services	6,705,825	6,137,180	6,122,580
Planning and development	1,283,729	1,661,369	1,013,533
Total expenses	<u>61,521,497</u>	<u>60,771,141</u>	<u>58,897,056</u>
Annual surplus before other	1,821,179	2,055,744	4,303,719
Other			
Government grants and transfers related to capital - Provincial	1,384,800	3,677,152	3,603,207
Government grants and transfers related to capital - Federal	<u>955,200</u>	<u>2,229,292</u>	<u>1,989,587</u>
Annual surplus	4,161,179	7,962,188	9,896,513
Accumulated surplus, beginning of year	<u>143,762,814</u>	<u>143,762,814</u>	<u>133,866,301</u>
Accumulated surplus, end of year	<u><u>\$ 147,923,993</u></u>	<u><u>\$ 151,725,002</u></u>	<u><u>\$ 143,762,814</u></u>

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

Corporation of the Municipality of West Nipissing
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
Operating transactions		
Annual surplus	\$ 7,962,188	\$ 9,896,513
Cash and cash equivalents provided by (applied to)		
Non-cash items:		
Amortization of tangible capital assets	7,425,022	7,224,242
Loss (gain) on disposal of tangible capital assets	415,001	(154,428)
Decrease in employee future benefits payable	(70,202)	(71,585)
Accretion expense	69,749	68,223
Decrease (increase) in taxes receivable	451,010	(526,344)
Increase in accounts receivable	(528,147)	(801,881)
Decrease (increase) in other current assets	55,084	(150,556)
Increase in accounts payable and accrued liabilities	1,008,998	2,889,847
Decrease in deferred revenues - other	(874,610)	(420,292)
Decrease in deferred revenues - obligatory reserve funds	(366,356)	(441,971)
Increase in prepaid expenses	(72,032)	(24,337)
Decrease (increase) in inventories	23,959	(27,923)
Cash and cash equivalents provided by operating transactions	<u>15,499,664</u>	<u>17,459,508</u>
Capital transactions		
Acquisition of tangible capital assets	(11,499,313)	(11,654,882)
Proceeds on disposal of tangible capital assets	219,400	196,277
Cash and cash equivalents applied to capital transactions	<u>(11,279,913)</u>	<u>(11,458,605)</u>
Financing transactions		
Municipal debt repaid	(3,718,501)	(3,754,489)
Cash and cash equivalents applied to financing transactions	<u>(3,718,501)</u>	<u>(3,754,489)</u>
Increase in cash and cash equivalents	501,250	2,246,414
Cash and cash equivalents, beginning of year	<u>22,575,181</u>	<u>20,328,767</u>
Cash and cash equivalents, end of year	<u><u>\$ 23,076,431</u></u>	<u><u>\$ 22,575,181</u></u>

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

Corporation of the Municipality of West Nipissing
Consolidated Statement of Change in Net Debt
For The Year Ended December 31, 2025

	2025		2024
	Budget	Actual	Actual
	(Unaudited)		
Annual surplus	\$ 4,161,179	\$ 7,962,188	\$ 9,896,513
Amortization of tangible capital assets	7,425,022	7,425,022	7,224,242
Loss (gain) on disposal of tangible capital assets	415,001	415,001	(154,428)
Acquisition of tangible capital assets	(11,017,595)	(11,499,313)	(11,654,882)
Proceeds from disposal of tangible capital assets	-	219,400	196,277
Change in prepaid expenses	-	(72,032)	(24,337)
Change in inventories	-	23,959	(27,923)
Decrease in net debt	983,607	4,474,225	5,455,462
Net debt, beginning of year	(13,803,750)	(13,803,750)	(19,259,212)
Net debt, end of year	\$ (12,820,143)	\$ (9,329,525)	\$ (13,803,750)

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

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

1. Significant Accounting Policies

These consolidated financial statements of the Municipality are the representation of management prepared in accordance with accounting policies recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic consolidated financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement.

(a) Basis of Consolidation

- (i) These consolidated financial statements reflect the financial assets, liabilities, non-financial assets, accumulated surplus, revenues and expenses of the Municipality and include the activities of all committees of Council, the West Nipissing Public Library Board, West Nipissing Power Generation Ltd, West Nipissing Power Distribution Ltd and The West Nipissing Environmental Services.

All interfund assets and liabilities and revenues and expenses have been eliminated.

- (ii) Activities in joint local boards are accounted for using the proportionate consolidation method. Under this method, the Municipality's proportionate share of joint local board revenues, expenses, assets and liabilities are included in the accounts. The following joint local board is proportionately consolidated:

Home for the Aged of West Nipissing

The Municipality's proportionate share of Home for the Aged of West Nipissing was 77.26% for 2025 (77.26% for 2024).

- (iii) Non-Consolidated Entities

The following joint local boards are not consolidated:

District of Nipissing Social Services Administration Board
North Bay Parry Sound District Health Unit

- (iv) Accounting for School Board Transactions

The Municipality is required to collect and remit education support levies in respect of residential and other properties on behalf of the area school boards. The Municipality has no jurisdiction or control over the school boards operations. Therefore, taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these consolidated financial statements.

- (v) Cemetery Care and Maintenance Fund

Cemetery Care and Maintenance Fund and their related operations administered by the Municipality are not consolidated, but are reported separately on the Cemetery Care and Maintenance Fund's Statement of Continuity and Statement of Financial Position.

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting

(i) Accrual Basis

The accrual basis of accounting recognizes revenues as they become available and measurable; 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 and Cash Equivalents

The Municipality's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with maturities of three months from the date of acquisition or less or those that can be readily convertible to cash.

(iii) Deferred Revenues

Deferred revenues represent user charges and fees that have been collected for which the related services have yet to be performed. Revenue is recognized in the period when the services are performed.

(iv) Deferred Revenues - Obligatory Reserve Funds

The Municipality receives certain government grants, transfers and other revenues under the authority of legislation. These funds, by their nature, are restricted in their use and, until applied to specific expenses, are recorded as deferred revenues. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

(v) Employee Future Benefits

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer contributory defined benefit program with contributions expensed as incurred. The costs of other retirement benefits are determined using the projected benefit method prorated on services and management's best estimate of retirement ages of employees and health benefits costs. The liabilities are discounted using current interest rates on long-term bonds.

(vi) 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 associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the consolidated financial statement date to the extent that all recognition criteria are met.

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(vi) Asset Retirement Obligations (Continued)

Asset retirement obligations are only recognized when there is a legal obligation for the Municipality to incur costs in relation to a specific tangible capital asset, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the Municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the consolidated statement of operations and accumulated surplus.

(vii) Segmented Information

The Municipality reports its segmented information on functional areas and programs in its consolidated financial statements similar to reporting reflected as part of the Ontario Financial Information Return. These functional areas represent segments for the Municipality:

General Government

General government is comprised of Council, administration, and Ontario Property Assessment.

Protection Services

Protection is comprised of police, fire and other protective services.

Transportation Services

Transportation services are responsible for road maintenance, culverts, bridges, winter control, traffic, signs, signals and streetlights.

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(vii) Segmented Information (Continued)

Environmental Services

Environmental services include water supply and distribution, wastewater treatment, waste and recycling services and power generation.

Health Services

Health services include public health services and cemetery services.

Social and Family Services

Social and family services include social assistance, long-term care, paramedic services, social housing and child care services.

Recreation and Cultural Services

Recreation and cultural services include parks and recreation, recreation facilities, culture and libraries.

Planning and Development

Planning and development manages development for residential and business interests as well as services related to the Municipality's economic development programs.

(viii) 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 annual surplus, provides the Consolidated Change in Net Debt for the year.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset and legally or contractually required retirement activities. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	10 to 20 years and landfill capacity
Roads and bridges	20 to 60 years
Buildings	50 years
Machinery and equipment	5 to 25 years
Vehicles	3 to 15 years
Water and sewer system	30 to 100 years
Furniture and fixtures	5 to 20 years
Computer hardware and software	3 to 10 years

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(viii) Non-Financial Assets (Continued)

i) Tangible Capital Assets (Continued)

Amortization commences the first full month the tangible capital asset is commissioned and ready for service.

Assets under construction are not amortized until the asset is available for productive use.

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

ii) Inventories

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

iii) Prepaid Expenses

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

(ix) Taxation and Other Revenues

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC") and in accordance with the provisions of the Municipal Act, 2001. 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.

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued.

Assessment and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known or based on management's best estimates.

The Municipality is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

User charges are recognized in the period in which the revenue relates.

Other income is recognized as revenue when earned. Fines and fees are recognized as revenue when collected.

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

1. Significant Accounting Policies (Continued)

(b) Basis of Accounting (Continued)

(x) Government Grants and Transfers

Government grants and transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that stipulations associated with the transfer give rise to a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. The transfer revenue is recognized in the consolidated statement of operations and accumulated surplus as the stipulations giving rise to the liabilities are settled.

(xi) Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions. These estimates and assumptions are based on management's best information and judgment and may differ significantly from actual results.

(xii) Financial Instruments

Financial instruments are classified at either fair value or amortized cost.

Financial instruments classified at amortized cost include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and municipal debt. They are initially recorded at their fair value and subsequently carried at amortized cost using the effective interest rate method, less impairment. Transaction costs are added to the carrying value of the instrument.

2. Measurement Uncertainty

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Municipality's best information and judgment.

- The amounts recorded for asset retirement obligations are based on the estimated amount required to ultimately remediate the liability and depend on estimates of usage, remaining life, inflation rates and discount rates.
- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.
- The amounts for pension and other retirement benefits are based on estimates of retirement ages of employees and health benefit costs.

By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

3. Cash and Cash Equivalents

The Municipality has an authorized line of credit of \$5,000,000, which is secured by a general security agreement. As at December 31, 2025, the Municipality has utilized \$- (2024 - \$-). The interest is calculated at the bank's prime lending rate.

4. Accounts Receivable

	<u>2025</u>	<u>2024</u>
Federal government	\$ 2,546,452	\$ 1,584,843
Province of Ontario	1,771,339	1,596,094
User charges	941,372	1,274,775
Other	1,031,067	1,307,198
Municipal	<u>827</u>	<u>-</u>
	<u><u>\$ 6,291,057</u></u>	<u><u>\$ 5,762,910</u></u>

5. Accounts Payable and Accrued Liabilities

	<u>2025</u>	<u>2024</u>
Federal government	\$ 126,970	\$ 173,683
Province of Ontario	5,429,957	4,387,144
School Boards	870,996	24,236
Trade payables	3,197,330	3,810,693
Other	2,676,592	2,776,301
Vacation payable	<u>356,532</u>	<u>477,322</u>
	<u><u>\$ 12,658,377</u></u>	<u><u>\$ 11,649,379</u></u>

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

6. Deferred Revenues - Other

Deferred revenue set aside for specific purposes, are comprised of the following:

	Balance as at December 31, 2024	Amounts received during the year	Recognized as revenues during the year	Balance as at December 31, 2025
Ontario Community Infrastructure Fund	\$ 825,776	\$ 951,533	\$ 1,676,486	\$ 100,823
Ontario Efficiency and Modernization Grant	307,879	-	24,219	283,660
Northern Ontario Resource Development Support Fund	557,639	319,784	877,423	-
Housing-Enabling Water Systems Fund	-	188,659	-	188,659
Other	<u>484,015</u>	<u>257,837</u>	<u>14,295</u>	<u>727,557</u>
Total Deferred Revenues - Other	<u>\$ 2,175,309</u>	<u>\$ 1,717,813</u>	<u>\$ 2,592,423</u>	<u>\$ 1,300,699</u>

7. Deferred Revenues - Obligatory Reserve Funds

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balance in the obligatory reserve funds of the Municipality are summarized below:

	Balance as at December 31, 2024	Amounts received during the year	Recognized as revenues during the year	Balance as at December 31, 2025
Canada Community - Building Fund	<u>\$ 531,150</u>	<u>\$ 965,742</u>	<u>\$ 1,332,098</u>	<u>\$ 164,794</u>

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

8. Municipal Debt

	<u>2025</u>	<u>2024</u>
Conditional loan, repayable with instalments in amounts equal to 6% of gross revenues from the Sturgeon River House Museum admission fees	\$ 204,818	\$ 204,818
Term loan, repayable in monthly instalments of \$16,851, including interest at the fixed rate of 3.89%, maturing May 26, 2025	-	84,923
Term loan, repayable in monthly instalments of \$13,108, including interest at the fixed rate of 6.04%, maturing March 11, 2026	463,108	588,299
Debenture, repayable in semi-annual instalments of \$56,752, including interest at the fixed rate of 2.15%, maturing July 4, 2026	111,699	221,035
Term loan, repayable in monthly instalments of \$4,252, including interest at the fixed rate of 3.48%, maturing February 6, 2027	58,175	106,262
Term loan, repayable in monthly instalments of \$39,815, plus interest at fixed rate of 4.97%, maturing April 29, 2027, secured by a letter of guarantee	3,025,938	3,503,718
Term loan, repayable in monthly instalments of \$69,158, including interest at the fixed rate of 5.21%, maturing August 17, 2027	1,309,021	2,030,533
Debenture, repayable in semi-annual instalments of \$53,846 including interest at the fixed rate of 3.01% maturing November 1, 2027	207,516	306,716
Term loan, repayable in monthly instalments of \$130,006, plus interest at fixed rate of 4.13%, maturing December 3, 2029, secured by a letter of guarantee	6,240,300	7,800,375
Term loan, repayable in monthly instalments of \$7,707, including interest at the fixed rate of 4.38%, maturing February 6, 2032	498,946	568,396
Debenture, repayable in semi-annual instalments of \$195,098, including interest at the fixed rate of 3.15%, maturing March 15, 2033	3,739,980	4,006,063
Debenture, repayable in semi-annual instalments of \$36,704, including interest at the fixed rate of 3.55%, maturing April 4, 2033	479,653	534,566
Debenture, repayable in semi-annual instalments of \$131,916, including interest at the fixed rate of 3.52%, maturing March 15, 2052	<u>4,522,205</u>	<u>4,624,156</u>
	<u>\$ 20,861,359</u>	<u>\$ 24,579,860</u>

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

8. Municipal Debt (continued)

Principal instalments required to be paid over the next five years are as follows:

2026	\$ 4,042,434
2027	5,288,993
2028	2,105,195
2029	2,124,193
2030	583,789
Thereafter	<u>6,716,755</u>
Total	<u>\$ 20,861,359</u>

9. Employee Future Benefits Payable

The Municipality provides certain employee benefits which will require funding in future periods. Under the sick-leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment.

The Municipality also provides drug benefits to certain employees after retirement. The drug benefits are impacted by factors including interest rates, adjustments arising from plan amendments, and changes in assumptions.

	<u>2025</u>	<u>2024</u>
Accumulated sick leave entitlements	\$ 498,780	\$ 536,354
Other post-employment benefits	<u>291,711</u>	<u>324,339</u>
	<u>\$ 790,491</u>	<u>\$ 860,693</u>

10. Asset Retirement Obligations

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 6,226,904	\$ 6,158,681
Accretion expense	<u>69,749</u>	<u>68,223</u>
Balance, end of year	<u>\$ 6,296,653</u>	<u>\$ 6,226,904</u>

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

10. Asset Retirement Obligations (continued)

The asset retirement obligations are as follows:

	<u>2025</u>	<u>2024</u>
Landfill	\$ 5,581,485	\$ 5,511,736
Asbestos removal	660,367	660,367
Septic systems and drinking water wells	20,244	20,244
Fuel tanks	<u>34,557</u>	<u>34,557</u>
Balance, end of year	<u>\$ 6,296,653</u>	<u>\$ 6,226,904</u>

Landfill

Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. The main components of the landfill closure plan are final capping and implementation of a drainage management plan. The post-closure maintenance requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring, inspections and annual reports.

The reported liability is based on estimates and assumptions with respect to events extending over the estimated remaining useful life using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable. The most recent waste capacity studies for the landfill site were performed in reports dated between 2018 and 2023.

	Estimated Remaining Capacity	Estimated Remaining Life	Post-Closure Care Activities	Inflation Rate	Discount Rate
2025					
Clear Lake	63% (25,207 m ³)	27 years	25 years	3.58%	2.24%
Caldwell	7% (7,025 m ³)	3 years	25 years	3.58%	2.24%
Kipling	82% (16,438 m ³)	40 years	25 years	3.58%	2.24%
Badgerow	69% (13,811 m ³)	40 years	25 years	3.58%	2.24%
River Valley	56% (22,302 m ³)	39 years	25 years	3.58%	2.24%
Lavigne	33% (13,088 m ³)	10 years	25 years	3.58%	2.24%
Sturgeon Falls	-% (- m ³)	- years	25 years	3.58%	2.24%

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

10. Asset Retirement Obligations (Continued)

Landfill (Continued)

2024

Clear Lake	65% (26,138 m ³)	28 years	25 years	3.58%	2.24%
Caldwell	9% (9,310 m ³)	4 years	25 years	3.58%	2.24%
Kipling	82% (16,499 m ³)	40 years	25 years	3.58%	2.24%
Badgerow	70% (13,929 m ³)	40 years	25 years	3.58%	2.24%
River Valley	57% (22,868 m ³)	40 years	25 years	3.58%	2.24%
Lavigne	36% (14,392 m ³)	11 years	25 years	3.58%	2.24%
Sturgeon Falls	-% (- m ³)	- years	25 years	3.58%	2.24%

Asbestos removal

The Municipality owns buildings 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 timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

Fuel tanks, septic systems, drinking water wells and monitoring wells

The Municipality owns fuel tanks, septic systems, drinking water wells and monitoring wells which represents an environmental hazard upon removal and decommissioning and there are legal obligations regarding how they must be removed. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

Corporation of the Municipality of West Nipissing
Notes to the Consolidated Financial Statements
December 31, 2025

11. Tangible Capital Assets

	Cost				Accumulated amortization				Net Book Value	
	Balance, beginning of year	Additions	Disposals / Transfers	Balance, end of year	Balance, beginning of year	Amortization	Disposals / Transfers	Balance, end of year	2025	2024
Land	\$ 9,175,605	\$ 17,340	\$ (233,206)	\$ 8,959,739	\$ -	\$ -	\$ -	\$ -	\$ 8,959,739	\$ 9,175,605
Land improvements	12,808,357	-	-	12,808,357	9,563,244	354,108	-	9,917,352	2,891,005	3,245,113
Roads and bridges	90,678,912	4,724,916	(516,462)	94,887,366	61,000,130	2,012,540	(180,966)	62,831,704	32,055,662	29,678,782
Buildings	77,506,903	1,102,414	(40,678)	78,568,639	33,424,997	1,668,450	(30,857)	35,062,590	43,506,049	44,081,906
Machinery and equipment	36,890,832	1,587,829	(168,171)	38,310,490	18,163,415	1,637,988	(168,170)	19,633,233	18,677,257	18,727,417
Vehicles	14,554,085	144,741	(613,075)	14,085,751	10,038,622	776,248	(597,340)	10,217,530	3,868,221	4,515,463
Water and sewer system	67,304,102	2,465,120	(84,787)	69,684,435	23,647,606	759,456	(44,644)	24,362,418	45,322,017	43,656,496
Furniture and fixtures	2,456,756	57,582	-	2,514,338	1,510,065	105,118	-	1,615,183	899,155	946,691
Computer hardware and software	1,493,081	121,706	(47,037)	1,567,750	1,284,818	111,114	(47,038)	1,348,894	218,856	208,263
Assets under construction	2,756,570	1,277,665	-	4,034,235	-	-	-	-	4,034,235	2,756,570
	<u>\$ 315,625,203</u>	<u>\$ 11,499,313</u>	<u>\$ (1,703,416)</u>	<u>\$ 325,421,100</u>	<u>\$ 158,632,897</u>	<u>\$ 7,425,022</u>	<u>\$ (1,069,015)</u>	<u>\$ 164,988,904</u>	<u>\$ 160,432,196</u>	<u>\$ 156,992,306</u>

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

12. Accumulated Surplus

	<u>2025</u>	<u>2024</u>
Surplus		
Invested in tangible capital assets	\$ 160,432,196	\$ 156,992,306
General surplus	3,411,072	5,014,952
Home for the Aged of West Nipissing	2,639,094	2,051,655
The West Nipissing Environmental Services	660,669	693,934
West Nipissing Power Distribution Ltd.	10	10
West Nipissing Power Generation Ltd.	(2,880,502)	(2,163,516)
Unfunded		
Employee future benefits payable	(790,491)	(860,693)
Asset retirement obligations	(6,296,653)	(6,226,904)
Municipal debt	<u>(20,861,359)</u>	<u>(24,579,860)</u>
Total surplus	<u>136,314,036</u>	<u>130,921,884</u>
Reserves		
Special purpose reserves		
Acquisition of tangible capital assets	1,020,001	2,028,488
Environmental services	2,860,924	2,275,629
Health services	2,168,581	1,638,053
Library services	326,369	350,470
Protection services	497,820	439,113
Recreation services	1,074,306	305,584
Sick leave benefits	199,276	192,995
Working capital	<u>7,263,689</u>	<u>5,610,598</u>
Total reserves	<u>15,410,966</u>	<u>12,840,930</u>
Accumulated Surplus	<u><u>\$ 151,725,002</u></u>	<u><u>\$ 143,762,814</u></u>

13. Commitments

The Municipality entered into various contracts in the year including improvements to existing roads infrastructure and water treatment plant upgrades for a total of approximately \$4,440,945. At December 31, 2025, there was approximately \$2,535,485 of work remaining to be completed and costs to be incurred on these contracts.

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

13. Commitments (Continued)

The Municipality entered into a five-year agreement with the North Bay and District Humane Society from January 1, 2023 to December 31, 2027 to provide animal control services. The minimum commitment for animal control services is \$96,146 per year.

The Municipality entered into a seven-year agreement with Fowler Construction Company from October 1, 2022 to April 30, 2029 to provide winter maintenance services. The minimum commitment for winter maintenance services is \$147,563 per year.

14. Contingencies

Northern Ontario Heritage Fund Corporation

Under the terms of an agreement between the Municipality and the Northern Ontario Heritage Fund Corporation, the Municipality obtained a loan in the amount of \$811,950 and was committed to increase annual museum visits to 20,000 and annual museum revenues to at least \$230,000 by December 31, 2001. The Northern Ontario Heritage Fund Corporation was to determine whether the Municipality had made every reasonable effort to increase museum annual visits and revenues to the required levels. If such determination is positive, then the outstanding balance of the loan shall be forgiven. If such determination is negative, then the Municipality shall commence paying interest at the prime rate quoted by the Royal Bank of Canada plus 2%, and the loan shall be due upon demand. At December 31, 2025, the Northern Ontario Heritage Fund Corporation had not made its determination.

Legal Matters

The Municipality is involved in certain legal matters and litigations, the outcomes of which are not presently determinable. The loss, if any, from these legal matters and litigations will be accounted for in the periods in which they are resolved.

Council is of the opinion that it is unlikely that any liability, to the extent not provided by insurance or otherwise, would be material in relation to the Municipality's consolidated financial position.

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

15. Operations of School Boards

Further to note 1(a)(iv), the taxation, other revenues and expenses of the school boards are comprised of the following:

	<u>2025</u>	<u>2024</u>
Taxation	<u>\$ 3,368,461</u>	<u>\$ 3,295,928</u>
Total amounts received or receivable	<u>3,368,461</u>	<u>3,295,928</u>
Requisitions	<u>3,368,461</u>	<u>3,295,928</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

16. Contributions to Unconsolidated Joint Local Boards

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

	<u>2025</u>	<u>2024</u>
District of Nipissing Social Services Administration Board	<u>\$ 3,723,484</u>	<u>\$ 3,608,468</u>
North Bay Parry Sound District Health Unit	<u>484,431</u>	<u>461,363</u>
	<u><u>\$ 4,207,915</u></u>	<u><u>\$ 4,069,831</u></u>

17. Cemetery Care and Maintenance Fund

Cemetery Care and Maintenance Fund administered by the Municipality amounting to \$194,801 (2024 - \$190,121) has not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

18. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time and qualifying part-time 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 OMERS Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to approximately 665,000 active and retired members and approximately 1,000 employers.

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

18. Pension Agreements (Continued)

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan ('the Plan') by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. On December 31, 2025, the estimated accrued pension obligation for all members of the Plan was \$149,575 million (2024 - \$140,766 million). The Plan had an actuarial value of net assets at that date of \$148,253 million (2024 - \$137,853 million) indicating an actuarial deficit of \$1,322 million (2024 - \$2,913 million). The Plan is a multi-employer plan, therefore any pension 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 OMERS pension surplus or deficit.

The amount contributed by the Municipality to OMERS for 2025 was \$1,706,009 (2024 - \$1,598,703) for current services and is included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

On January 1, 2025, the yearly maximum pension earnings increased to \$71,300 from \$68,500 in 2024. The contributions are calculated at a rate of 9.0% (2024 - 9.0%) for amounts up to the yearly maximum pension earnings stated above and at a rate of 14.6% (2024 - 14.6%) for amounts above the yearly maximum pension earnings.

19. Financial Instruments

Risks arising from financial instruments and risk management

The Municipality is exposed to a variety of financial risks including credit risk, liquidity risk and market risk.

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

Credit risk

Credit risk is the risk of losses resulting from a counterparty's failure to honour its contractual obligations. The Municipality is exposed to credit risk to the extent that accounts receivable are not collected in a timely manner. The Municipality's financial assets consisting of cash and cash equivalents, and accounts receivable are subject to credit risk. The carrying amounts of financial assets on the consolidated statement of financial position represent the maximum credit risk of the Municipality at the date of the consolidated statement of financial position. The Municipality does not believe it is subject to significant credit risk.

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's financial liabilities include accounts payable and accrued liabilities and municipal debt. The Municipality maintains sufficient resources to meet its obligations. The Municipality does not believe it is subject to significant liquidity risk.

Corporation of the Municipality of West Nipissing

Notes to the Consolidated Financial Statements

December 31, 2025

19. Financial Instruments (Continued)

Market risk

Market risk is the risk of changes in the fair value of financial instruments resulting from fluctuations in the market. The Municipality is exposed to currency risk, interest risk and price risk to the extent that the fair value of a financial instrument will fluctuate as a result of market factors. The Municipality's financial instruments consisting of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and municipal debt are subject to market risk. The Municipality does not believe it is subject to significant market risk.

20. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by Council. The budget approved by Council is based on a model used to manage departmental spending within the guidelines of the model. Given the differences between the model and generally accepted accounting principles established by the Public Sector Accounting Board, the budget figures presented have been adjusted to conform with the basis of accounting that is used to prepare the consolidated financial statements. The budget figures are unaudited.

	<u>2025</u>	<u>2024</u>
Budget By-law surplus for the year	\$ -	\$ -
Add: Acquisition of tangible capital assets	11,017,595	15,571,361
Municipal debt repaid	3,958,751	3,787,406
Less: Amortization of tangible capital assets	(7,425,022)	(7,222,797)
Contributions from reserves	<u>(3,390,145)</u>	<u>(4,260,812)</u>
Budget surplus per consolidated statement of operations and accumulated surplus	<u>\$ 4,161,179</u>	<u>\$ 7,875,158</u>

21. Comparative Figures

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

December 31, 2025

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated	2025 Total
Revenues										
Net taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,298,034	\$ 24,298,034
User charges	13,430	100,429	16,400	11,431,675	20,729	3,316,562	602,970	435,980	-	15,938,175
Government grants and transfers - Provincial	-	82,372	-	-	-	11,198,658	52,998	60,051	7,166,200	18,560,279
Government grants and transfers - Federal	-	-	4,809	2,408	-	12,460	38,768	-	-	58,445
Other	<u>842,957</u>	<u>417,033</u>	<u>(219,288)</u>	<u>434,081</u>	<u>20,172</u>	<u>438,185</u>	<u>1,361,335</u>	<u>243,271</u>	<u>434,206</u>	<u>3,971,952</u>
Total revenues	<u>856,387</u>	<u>599,834</u>	<u>(198,079)</u>	<u>11,868,164</u>	<u>40,901</u>	<u>14,965,865</u>	<u>2,056,071</u>	<u>739,302</u>	<u>31,898,440</u>	<u>62,826,885</u>
Expenses										
Salaries, wages and employee benefits	2,272,647	1,718,218	2,283,927	3,530,366	5,267	11,973,630	2,851,244	689,959	-	25,325,258
Materials	756,670	630,635	3,772,362	4,003,522	8,424	2,087,070	2,236,657	385,221	-	13,880,561
Contracted services	416,400	3,578,442	267,168	589,290	52,072	2,077,962	172,200	577,169	-	7,730,703
Rents and financial expenses	58,233	60,310	350,916	550,084	-	16,851	109,381	1,001	-	1,146,776
Transfers to other governments and the public	-	-	-	122,451	484,431	3,723,484	-	-	-	4,330,366
Amortization of tangible capital assets	244,183	469,048	2,679,540	2,975,332	889	332,800	715,211	8,019	-	7,425,022
Interest on municipal debt	<u>4,168</u>	<u>285,993</u>	<u>-</u>	<u>589,807</u>	<u>-</u>	<u>-</u>	<u>52,487</u>	<u>-</u>	<u>-</u>	<u>932,455</u>
Total expenses	<u>3,752,301</u>	<u>6,742,646</u>	<u>9,353,913</u>	<u>12,360,852</u>	<u>551,083</u>	<u>20,211,797</u>	<u>6,137,180</u>	<u>1,661,369</u>	<u>-</u>	<u>60,771,141</u>
Annual surplus (deficit) before other	(2,895,914)	(6,142,812)	(9,551,992)	(492,688)	(510,182)	(5,245,932)	(4,081,109)	(922,067)	31,898,440	2,055,744
Other										
Government grants and transfers related to capital - Provincial	-	-	2,929,552	747,600	-	-	-	-	-	3,677,152
Government grants and transfers related to capital - Federal	<u>-</u>	<u>-</u>	<u>1,332,098</u>	<u>897,194</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,229,292</u>
Annual surplus (deficit)	<u>\$ (2,895,914)</u>	<u>\$ (6,142,812)</u>	<u>\$ (5,290,342)</u>	<u>\$ 1,152,106</u>	<u>\$ (510,182)</u>	<u>\$ (5,245,932)</u>	<u>\$ (4,081,109)</u>	<u>\$ (922,067)</u>	<u>\$ 31,898,440</u>	<u>\$ 7,962,188</u>

December 31, 2025

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated	2024 Total
Revenues										
Net taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,197,618	\$ 23,197,618
User charges	18,096	80,551	125,955	13,999,160	28,798	3,233,105	588,084	123,556	-	18,197,305
Government grants and transfers - Provincial	-	141,899	-	-	-	10,732,355	52,998	13,156	6,510,919	17,451,327
Government grants and transfers - Federal	-	-	-	-	-	14,597	24,548	-	-	39,145
Other	<u>722,050</u>	<u>539,771</u>	<u>2,000</u>	<u>138,813</u>	<u>6,198</u>	<u>594,898</u>	<u>1,401,718</u>	<u>513,696</u>	<u>396,236</u>	<u>4,315,380</u>
Total revenues	<u>740,146</u>	<u>762,221</u>	<u>127,955</u>	<u>14,137,973</u>	<u>34,996</u>	<u>14,574,955</u>	<u>2,067,348</u>	<u>650,408</u>	<u>30,104,773</u>	<u>63,200,775</u>
Expenses										
Salaries, wages and employee benefits	1,967,223	1,788,235	2,241,922	3,555,387	5,818	11,146,390	2,883,846	666,329	-	24,255,150
Materials	930,106	647,210	3,450,220	3,684,129	1,805	1,804,514	2,177,276	98,609	-	12,793,869
Contracted services	446,618	3,663,614	231,259	793,051	39,475	2,129,699	172,177	243,813	-	7,719,706
Rents and financial expenses	62,121	63,749	345,367	549,728	359	16,457	159,133	834	-	1,197,748
Transfers to other governments and the public	-	-	-	574,247	461,363	3,608,468	-	-	-	4,644,078
Amortization of tangible capital assets	249,676	455,626	2,435,491	3,094,302	774	311,560	672,865	3,948	-	7,224,242
Interest on municipal debt	<u>6,481</u>	<u>297,677</u>	<u>-</u>	<u>700,822</u>	<u>-</u>	<u>-</u>	<u>57,283</u>	<u>-</u>	<u>-</u>	<u>1,062,263</u>
Total expenses	<u>3,662,225</u>	<u>6,916,111</u>	<u>8,704,259</u>	<u>12,951,666</u>	<u>509,594</u>	<u>19,017,088</u>	<u>6,122,580</u>	<u>1,013,533</u>	<u>-</u>	<u>58,897,056</u>
Annual surplus (deficit) before other	<u>(2,922,079)</u>	<u>(6,153,890)</u>	<u>(8,576,304)</u>	<u>1,186,307</u>	<u>(474,598)</u>	<u>(4,442,133)</u>	<u>(4,055,232)</u>	<u>(363,125)</u>	<u>30,104,773</u>	<u>4,303,719</u>
Other										
Government grants and transfers related to capital - Provincial	-	-	3,603,207	-	-	-	-	-	-	3,603,207
Government grants and transfers related to capital - Federal	<u>-</u>	<u>-</u>	<u>1,394,024</u>	<u>595,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,989,587</u>
Annual surplus (deficit)	<u>\$ (2,922,079)</u>	<u>\$ (6,153,890)</u>	<u>\$ (3,579,073)</u>	<u>\$ 1,781,870</u>	<u>\$ (474,598)</u>	<u>\$ (4,442,133)</u>	<u>\$ (4,055,232)</u>	<u>\$ (363,125)</u>	<u>\$ 30,104,773</u>	<u>\$ 9,896,513</u>

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of Corporation of the Municipality of West Nipissing

Opinion

We have audited the financial statements of the Cemetery Care and Maintenance Fund of the Corporation of the Municipality of West Nipissing, which comprise 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 Cemetery Care and Maintenance Fund of the Corporation of the Municipality of West Nipissing as at December 31, 2025, and the continuity of the Cemetery Care and Maintenance Fund 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 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 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.

ACCOUNTING • TAX • ADVISORY

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Independent Auditor's Report (Continued)

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

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

In preparing the financial statements, management is responsible for assessing the Municipality'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 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 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. 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 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 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.

North Bay, Ontario
July 14, 2026

Baker Tilly SNT LLP

CHARTERED PROFESSIONAL ACCOUNTANTS,
LICENSED PUBLIC ACCOUNTANTS

Corporation of the Municipality of West Nipissing
Cemetery Care and Maintenance Fund - Statement of Continuity
For The Year Ended December 31, 2025

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 190,121	\$ 181,116
Sale of plots and marker installations	<u>4,680</u>	<u>9,005</u>
	194,801	190,121
Expenses	<u>-</u>	<u>-</u>
Balance, end of year	<u><u>\$ 194,801</u></u>	<u><u>\$ 190,121</u></u>

The accompanying note is an integral part of these financial statements.

Corporation of the Municipality of West Nipissing
Cemetery Care and Maintenance Fund - Statement of Financial Position
December 31, 2025

	<u>2025</u>	<u>2024</u>
Financial Assets		
Cash and term deposits	\$ 644,801	\$ 599,775
Liabilities		
Due to the Corporation of the Municipality of West Nipissing	<u>(450,000)</u>	<u>(409,654)</u>
Net Financial Assets	194,801	190,121
Non-Financial Assets	<u>-</u>	<u>-</u>
Accumulated Surplus	<u><u>\$ 194,801</u></u>	<u><u>\$ 190,121</u></u>

The accompanying note is an integral part of these financial statements.

Corporation of the Municipality of West Nipissing
Cemetery Care and Maintenance Fund - Note to the Financial Statements
December 31, 2025

1. Accounting Policies

Basis of Accounting

Capital receipts and income are reported on the cash basis of accounting.

Expenses are reported on the cash basis of accounting with the exception of administrative expenses and capital expenses which are reported on the accrual basis of accounting, which recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.