



Consolidated financial statements of
**Corporation of the Township of
Alfred and Plantagenet**

December 31, 2025



Corporation of the Township of Alfred and Plantagenet

December 31, 2025

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Independent Auditor's Report

To the members of Council, Inhabitants and Ratepayers of
Corporation of the Township of Alfred and Plantagenet

Opinion

We have audited the consolidated financial statements of Corporation of the Township of Alfred and Plantagenet (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial 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.

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 PSAS, 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 qualified opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Hawkesbury ON
June 16, 2025

Chartered Professional Accountants
Licensed Public Accountants



Corporation of the Township of Alfred and Plantagenet

Consolidated statement of operations

For the year ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Taxation – all classes	17,076,071	17,652,126	16,337,376
Less: amounts received for the United Counties of Prescott and Russell and school boards (Note 3)	(7,505,571)	(7,974,325)	(7,532,089)
Net taxation for municipal purposes	9,570,500	9,677,801	8,805,287
User fees	5,856,197	6,432,958	6,602,781
Transfer payments			
Government of Canada	331,831	335,397	323,330
Province of Ontario	2,531,502	2,292,469	2,475,574
Other municipalities	385,430	383,180	497,997
Licenses and permits	142,500	119,984	56,172
Investment income	150,150	316,995	516,729
Penalties and interest	177,850	274,237	239,237
Equity earnings of Hydro 2000 Inc.	-	95,243	(102,298)
Rent	69,106	84,157	107,414
Donations	60,000	58,750	47,735
Gain (loss) on sale of tangible capital assets	-	24,545	(4,917)
Other	785,448	234,770	93,381
	20,060,514	20,330,486	19,658,422
Expenses (Schedule 4)			
General government	2,105,740	2,256,574	2,033,774
Protection to person and property	3,297,276	3,077,506	2,985,640
Transportation services	3,893,386	4,754,750	4,521,808
Environmental services	3,959,208	5,313,653	4,902,467
Recreation and cultural services	1,997,922	2,190,073	2,559,747
Planning and zoning	430,507	431,518	531,428
	15,684,039	18,024,074	17,534,864
Annual surplus	4,376,475	2,306,412	2,123,558
Accumulated surplus, beginning of year	63,029,669	63,029,670	60,906,112
Accumulated surplus, end of year (Schedule 2)	67,406,144	65,336,082	63,029,670

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

Corporation of the Township of Alfred and Plantagenet
Consolidated statement of financial position
 December 31, 2025



	2025	2024
	\$	\$
Assets		
Financial assets		
Cash	9,853,664	9,108,060
Accounts receivable	1,410,989	1,851,447
Taxes receivable	1,950,681	1,405,737
Investments (Note 4)	1,097,225	1,001,982
	14,312,559	13,367,226
Liabilities		
Accounts payable and accrued liabilities	2,397,337	2,921,014
Deferred revenues (Note 5)	1,713,288	1,315,956
Employee benefits payable	90,455	91,274
Debts (Note 6)	3,568,534	3,708,099
Asset retirement obligation liability (Note 7)	3,154,456	3,134,014
	10,924,070	11,170,357
Net financial assets	3,388,489	2,196,869
Commitments (Note 10)		
Non-financial assets		
Tangible capital assets (Schedule 1)	61,394,645	60,331,496
Inventories	440,956	370,492
Prepaid expenses	111,992	130,813
	61,947,593	60,832,801
Accumulated surplus (Schedule 2)	65,336,082	63,029,670

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

Approved on behalf of the Council

_____, Mayor

_____, Treasurer



Corporation of the Township of Alfred and Plantagenet
Consolidated statement of change in net financial assets
 For the year ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Annual surplus	4,376,475	2,306,412	2,123,558
(Gain) loss on sale of tangible capital assets	-	(24,545)	4,917
Amortization of tangible capital assets	-	2,444,822	2,575,881
Purchase of tangible capital assets	(4,301,418)	(3,518,420)	(4,268,889)
Proceeds from sale of tangible capital assets	-	34,994	49,843
Increase of inventories	-	(70,464)	(12,034)
Decrease in prepaid expenses	-	18,821	18,711
Asset retirement obligation	-	-	(459,298)
Increase in net financial assets	75,057	1,191,620	32,689
Net financial assets, beginning of year	2,196,869	2,196,869	2,164,180
Net financial assets, end of year	2,271,926	3,388,489	2,196,869

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

Corporation of the Township of Alfred and Plantagenet

Consolidated statement of cash flow

For the year ended December 31, 2025



	2025	2024
	\$	\$
Operating activities		
Annual surplus	2,306,412	2,123,558
Change in non-cash assets and liabilities		
Decrease (increase) in accounts receivable	440,458	(341,689)
(Increase) decrease in taxes receivable	(544,944)	201,078
(Decrease) increase in accounts payable and accrued liabilities	(65,729)	396,496
Increase (decrease) in deferred revenues	397,332	(159,276)
(Decrease) increase in employee benefits payable	(819)	5,322
Increase in inventories	(70,464)	(12,034)
Decrease in prepaid expenses	18,821	18,711
	174,655	108,608
Non-cash operating items		
Equity earnings of Hydro 2000 Inc.	(95,243)	102,298
(Gain) loss on sale of tangible capital assets	(24,545)	4,917
Amortization of tangible capital assets	2,444,822	2,575,881
Accretion expense related to asset retirement obligation	20,442	97,382
	2,345,476	2,780,478
Net increase in cash from operating activities	4,826,543	5,012,644
Capital activities		
Purchase of tangible capital assets	(3,976,368)	(3,798,051)
Proceeds from sale of tangible capital assets	34,994	49,843
	(3,941,374)	(3,748,208)
Financing activity		
Debt principal repayment	(139,565)	(165,758)
Net increase in cash	745,604	1,098,678
Cash, beginning of year	9,108,060	8,009,382
Cash, end of year	9,853,664	9,108,060

Additional information is presented in Note 8.

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



1. Future accounting standards

Effective on January 1, 2027

Conceptual Framework for Financial Reporting in the Public Sector

In December 2022, the Public Sector Accounting Board (PSAB) issued The Conceptual Framework for Financial Reporting in the Public Sector (the Conceptual Framework), which replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The Conceptual Framework establishes the fundamental concepts that underpin financial reporting in the public sector, including the characteristics of public sector entities, the objectives of financial reporting, the primary users of financial statements, qualitative characteristics of financial information, and general concepts related to recognition, measurement, and presentation.

The Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026, and will be effective for the Municipality beginning January 1, 2027. Early adoption is permitted. Adoption of the Conceptual Framework is expected to primarily affect the basis for developing accounting policies and financial statement presentation rather than recognition or measurement amounts.

GAAP Designation of Application Guidance – PSA Handbook Appendices

In February 2025, PSAB issued amendments to clarify the generally accepted accounting principles (GAAP) designation of certain application guidance appendices in the Public Sector Accounting Handbook. These amendments elevate the GAAP status of selected appendices related to revenue, government transfers, financial instruments, and disclosure of allocated expenses, and clarify that application guidance appendices form an integral part of the standards they support rather than being merely illustrative. Related amendments were also made to Section PS 1150, Generally Accepted Accounting Principles.

These amendments are effective for fiscal years beginning on or after April 1, 2026, and will be effective for the Municipality beginning January 1, 2027. The amendments are primarily clarifying in nature and are not expected to result in material changes to the Municipality's financial statements.

Financial Statement Presentation (Section PS 1202)

In October 2023, PSAB issued Section PS 1202, Financial Statement Presentation, which replaces Section PS 1201 and introduces a new financial reporting model based on the Conceptual Framework for Financial Reporting in the Public Sector. Section PS 1202 introduces changes to the presentation of the statement of financial position, including new categories of liabilities, the introduction of a statement of net financial assets or net financial liabilities, revisions to the statement of cash flows, and new requirements for presenting changes in net assets or net liabilities.

Section PS 1202 is effective for fiscal years beginning on or after April 1, 2026, and will be effective for the Municipality beginning January 1, 2027. Early adoption is permitted only if the Conceptual Framework is adopted at the same time, and comparative information will be restated upon adoption. Adoption of Section PS 1202 is expected to result in changes to the presentation of the Municipality's financial statements; however, no changes to recognition or measurement amounts are expected.



1. Future accounting standards (continued)

Effective on January 1, 2030

Tangible Capital Assets (Amendments to Section PS 3150)

In May 2025, PSAB issued amendments to Section PS 3150, Tangible Capital Assets. The amendments clarify definitions and guidance related to tangible capital assets, introduce new disclosure requirements for works of art, historical treasures and collections, and provide guidance for assets acquired at substantially below fair value.

These amendments are effective for fiscal years beginning on or after April 1, 2030, with earlier adoption permitted. The amendments are expected to be applied retroactively, with certain exceptions applied prospectively. Management does not expect these amendments to have a material impact on the Municipality's financial statements at this time but will continue to assess their impact prior to adoption.

2. Accounting policies

The consolidated financial statements of the Municipality are the responsibility of management and are prepared in accordance with PSAS as recommended by the PSAB.

The focus of PSAB consolidated financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position reports assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Net financial assets represent the difference between financial assets and liabilities. This information explains the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

Reporting entity

Consolidated financial statements

These consolidated financial statements reflect the assets, liabilities, operating revenues and expenses, reserves and reserve funds and changes in investment in tangible capital assets and include the activities of all committees of Council and the following board which is under the control of Council:

Township of Alfred and Plantagenet Public Library Board

Basis of accounting

Accrual basis

Expenses and related sources of financing are reported on the accrual basis of accounting. 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 an obligation to pay.

Financial instruments

The Municipality recognizes its financial instruments when the Municipality becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Municipality may irrevocably elect to subsequently measure any financial instrument at fair value. The Municipality has not made such an election during the year.



2. Accounting policies (continued)

Basis of accounting (continued)

Financial instruments (continued)

The Municipality subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Municipality has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They 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 change in net financial assets.

Tangible capital assets

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

Machinery and equipment	5 – 50 years
Vehicles	10 – 20 years
Roads	10 – 50 years
Land improvements	20 – 75 years
Buildings and facilities	20 – 90 years

The amortization starts in the month when the asset is put into service and ends in the month of sale. Assets under construction are not amortized until the TCA are available for productive use.

Land is not amortized due to its infinite life.

The Municipality has a capitalization threshold of \$25,000 for civil infrastructure systems and pooled assets and \$10,000 for all other assets. Items of lesser value are expensed, unless they are pooled because, collectively, they have significant value or for operational reasons. Examples of pools are desktop computer systems, meters, utility poles and fire hydrants.



2. Accounting policies (continued)

Basis of accounting (continued)

Contribution of tangible capital assets

TCA received as contributions are recorded in the consolidated statement of financial position at their fair value at the date of receipt and that fair value is also recorded as revenue. Transfers of TCA to the other organizations are recorded as an expense at the net book value as of the date of transfer.

Leases

Leases are classified as capital or operating leases. Leases, which transfer substantially all 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 cost or replacement cost. Cost is determined on the first-in, first-out basis.

Investment

The investment in the common shares of Hydro 2000 Inc. is accounted for by the modified equity method.

Deferred revenues

Funds received for specific purposes are accounted for as deferred revenues until the Municipality discharges its obligation, which led to receipt of the funds.

Government transfers

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

Segment disclosures

A segment is defined as a distinguishable activity or group of activities for which it is appropriate to separately report financial information. Management has determined that existing disclosures in the consolidated statement of operations and within the related notes sufficiently discloses information of all appropriate segments and therefore no additional disclosure is required.

Corporation of the Township of Alfred and Plantagenet

Notes to the consolidated financial statements

December 31, 2025



2. Accounting policies (continued)

Asset retirement obligation liability

The Municipality recognizes the liability for an asset retirement obligation arising from the acquisition, development, construction or normal operation of a long-lived asset, in the year in which it is incurred and when a reasonable estimate of the amount of the obligation can be made. The liability is measured at the best estimate of the expenditure required to settle the present obligation.

The corresponding cost is capitalized as part of the related asset and is amortized over the asset’s useful life.

In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate. The accretion of the liability as a result of the passage of time is charged to earnings while changes to the liability resulting from revisions to either the original estimate of the undiscounted cash flows or the discount rate are accounted for as an adjustment to the carrying amount of the related long-lived asset.

The Municipality continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Use of estimates

The preparation of consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful life of TCA and certain accrued liabilities. Actual results could differ from these estimates.

3. Operations of the United Counties of Prescott and Russell and the school boards

The taxation of the United Counties of Prescott and Russell and the school boards is comprised of the following:

	United Counties	School boards	Total
	\$	\$	\$
2025			
Taxation	5,631,491	2,171,554	7,803,045
Supplementary taxes	150,259	57,774	208,033
Taxes written off	(28,922)	(7,831)	(36,753)
	5,752,828	2,221,497	7,974,325
2024			
Taxation	5,363,237	2,142,334	7,505,571
Supplementary taxes	113,847	38,116	151,963
Taxes written off	(77,167)	(48,278)	(125,445)
	5,399,917	2,132,172	7,532,089



4. Investments

	2025	2024
	\$	\$
<i>Hydro 2000 Inc.</i>		
100% of the common shares	1,097,225	1,001,982

5. Deferred revenues

	2025	2024
	\$	\$
Development charges	1,544,153	1,259,155
Parkland	27,111	15,866
Other	142,024	40,935
	1,713,288	1,315,956

The net change during the year in deferred revenues is made up as follows:

Amounts received	1,243,635	1,298,830
Investment income	42,478	63,503
Deferred revenues recognized	(888,781)	(1,521,609)
	397,332	(159,276)
Deferred revenues, beginning of year	1,315,956	1,475,232
Deferred revenues, end of year	1,713,288	1,315,956



6. Debts

	2025	2024
	\$	\$
Debts incurred by the Municipality with interest between 2.16% and 4.53%, maturing between 2026 and 2037	3,568,534	3,708,099

Of the debts reported above, principal payments for the next fiscal years are as follows:

	General taxation	User charges	Total
	\$	\$	\$
2026	60,025	73,584	133,609
2027	61,798	76,848	138,646
2027	63,625	80,257	143,882
2028	65,505	83,820	149,325
Thereafter	288,267	2,714,805	3,003,072
	539,220	3,029,314	3,568,534

The annual principal and interest payments required to service these debts are within the annual debt repayment limits prescribed by the Ministry of Municipal Affairs.

7. Asset retirement obligation liability

The main obligations of the Municipality related to the decommissioning of tangible assets consist of the three landfill sites, which must be properly eliminated when they are sold or renovations are undertaken.

	2025	2024
	\$	\$
Opening balance	3,134,014	2,577,334
Impact of the application of Section PS 3280	-	459,298
Obligation settled	(120,878)	(39,501)
Accretion expense	141,320	136,883
	3,154,456	3,134,014

Asset retirement obligation liability is made up as follows:

Landfill post-closure activities	2,648,081	2,651,751
Buildings and facilities	506,375	482,263
	3,154,456	3,134,014

Landfill post-closure activities

Landfill post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, the monitoring of well development, groundwater and surface water sampling and analysis, groundwater level monitoring and reporting to the Ministry.

7. Asset retirement obligation liability (continued)

Landfill post-closure activities (continued)

The reported liability is based on estimates and assumptions with respect to events extending over a 25-year period using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

8. Additional information relating to the consolidated statement of cash flow

Non-cash transactions

During the year, TCA were acquired at an aggregate cost of \$3,518,420 (\$4,268,889 in 2024), of which \$116,516 (\$574,464 in 2024) were paid after year-end and \$3,401,904 (\$3,694,425 in 2024) were paid during the year.

9. Pension agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan which, for 2025, was on behalf of 60 members (61 in 2024) 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 to OMERS for 2025 was \$362,318 (\$328,426 in 2024) for current services and is included as an expense in the consolidated statement of operations.

10. Commitments

Waste and recycling collection

The Municipality has entered into an agreement for waste and recycling collection. The agreement was signed on April 1st, 2025 and expires in March 2029. The total estimated amount payable in the next four years is \$2,193,000.

Wastewater and landfill sites

The Municipality has entered into an agreement for the monitoring of landfill sites. The agreement was signed in December 2025 and expires in December 2027. The total estimated amount payable in the next two years is \$106,000.

Rental agreement

The Municipality has entered into an agreement for the rental of a wheel loader. The agreement was signed in October 2024 and expires in August 2026. The total estimated amount payable in the next year is \$28,000.

11. Contractual rights

Rental agreement

The Municipality has entered into two rental agreements for buildings. The agreements were signed between January 2022 and March 2024 and expire between January 2027 and February 2029. The total estimated amounts receivable in the next four years are \$31,000.

The Municipality has entered into lease agreements with communication companies for signal devices located in the township. The agreements were signed between September 2018 and January 2023 and expire between December 2027 and September 2028. The total estimated amounts receivable in next three years are \$27,000.

Solar panel

The Municipality has entered into an agreement with a solar panel company. The agreement was signed in November 2017 and expires in November 2037. The total estimated amounts receivable in the next twelve years are \$284,000.

12. Financial instruments

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Municipality is exposed to price risk arising from variations in interest rates due to its bank loan and its debts, which bear interest at fixed rates. Fixed interest rate instruments subject the Municipality to fair value risk since it varies inversely with variations in market interest rates.

Liquidity risk

The Municipality's objective is to have sufficient liquidity to meet its liabilities when due. The Municipality monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2025, the financial liabilities are the accounts payable and accrued liabilities and debts.

13. Budget amounts

The initial operating budget approved by the Municipality is reflected on the consolidated statement of operations. The budgets established for capital investment in TCA are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expense amounts. As well, the Municipality does not budget activity within reserves and reserve funds, with the exception being those transactions, which affect either operations or TCA.

14. Corresponding figures

Certain corresponding figures have been reclassified to conform to the current year's presentation.



Corporation of the Township of Alfred and Plantagenet

Consolidated tangible capital assets

For the year ended December 31, 2025

Schedule 1

	Machinery and equipment	Vehicles	Roads improvements	Land and land improvements	Buildings and facilities	Assets under construction	Asset retirement obligations	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Beginning of year	4,729,064	5,541,751	30,619,501	7,579,395	57,350,789	264,337	1,041,065	107,125,902	102,978,512
Purchases	196,466	641,106	1,531,036	240,199	481,257	428,356	-	3,518,420	4,728,187
Sales	-	(336,963)	(86,815)	-	-	-	-	(423,778)	(580,797)
End of year	4,925,530	5,845,894	32,063,722	7,819,594	57,832,046	692,693	1,041,065	110,220,544	107,125,902
Accumulated amortization									
Beginning of year	3,525,568	2,731,321	15,096,487	2,106,332	23,282,260	-	52,438	46,794,406	44,744,562
Amortization	233,575	302,822	809,854	119,418	942,437	-	36,716	2,444,822	2,575,881
Accumulated amortization on sales	-	(326,514)	(86,815)	-	-	-	-	(413,329)	(526,037)
End of year	3,759,143	2,707,629	15,819,526	2,225,750	24,224,697	-	89,154	48,825,899	46,794,406
Net book value	1,166,387	3,138,265	16,244,196	5,593,844	33,607,349	692,693	951,911	61,394,645	60,331,496



Corporation of the Township of Alfred and Plantagenet
Consolidated accumulated surplus
 For the year ended December 31, 2025

Schedule 2

	2025	2024
	\$	\$
Reserves (Schedule 3)		
Working capital	1,125,708	1,188,218
Ward future capital expenses	1,884,303	1,150,446
Waterworks	666,673	571,828
Sewers	16,851	238,538
	3,693,535	3,149,030

Reserve funds (Schedule 3)

Current purposes		
Waterworks	111,111	101,628
Sewers	-	706
Future capital expenses		
Waterworks	2,901,853	2,648,380
Sewers	5,290,787	4,700,703
Landfill site	1,599,936	1,498,693
	9,903,687	8,950,110
	13,597,222	12,099,140

Operating

. for increase of fees from water and sewer users	(232,208)	(302,954)
. for decrease (increase) of user charges of sewers	79,782	(46,296)
. Library Board	137,090	229,380
. Community Access Program	9,959	13,402
	(5,377)	(106,468)

Invested in tangible capital assets	57,826,111	56,623,397
Unfinanced tangible capital assets	(2,857,398)	(2,529,127)
Unfinanced asset retirement obligation liability	(3,154,456)	(3,134,014)
Unfinanced internal loan	(1,167,245)	(925,240)
Investments (Note 4)	1,097,225	1,001,982
	51,744,237	51,036,998
	65,336,082	63,029,670

The cumulated operating surplus for the year ended December 31, 2025, in the amount of \$326,075 (\$469,763 in 2024) was transferred to the following reserves:

Reserves

Working capital	130,430	187,905
Ward future capital expenses	195,645	281,858
	326,075	469,763



Corporation of the Township of Alfred and Plantagenet
Consolidated statement of change in reserves and reserve funds
For the year ended December 31, 2025

Schedule 3

	2025	2024
	\$	\$
Revenues		
Investments	303,196	413,248
User fees	549,240	690,016
	852,436	1,103,264
Net transfers to operating	645,646	858,026
Change in reserves and reserve funds	1,498,082	1,961,290
Reserves and reserve funds, beginning of year	12,099,140	10,137,850
Reserves and reserve funds, end of year	13,597,222	12,099,140



Corporation of the Township of Alfred and Plantagenet
Consolidated statement of expenses by object
 For the year ended December 31, 2025

Schedule 4

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Expenses			
Salaries, wages and benefits	5,816,612	5,602,799	5,251,359
Interest	228,065	201,805	214,583
Materials	4,468,007	4,436,978	4,355,071
Contracted services	5,054,970	5,199,673	4,902,410
Rents and financial expenses	40,240	41,410	66,931
External transfers	76,145	76,145	71,247
Amortization of tangible capital assets	-	2,444,822	2,575,881
Increase of the liability of ARO	-	20,442	97,382
	15,684,039	18,024,074	17,534,864