THE CORPORATION OF THE TOWN OF MINTO

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

THE CORPORATION OF THE TOWN OF MINTO

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

TRUST FUNDS

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants, and Ratepayers of: The Corporation of the Town of Minto

Opinion

We have audited the accompanying consolidated financial statements of The Corporation of the Town of Minto, which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis of 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 Corporation of the Town of Minto in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

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

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

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

GUELPH OFFICE 103-197 HANLON CREEK BLVD, GUELPH, ON • TEL: 519-822-9933 • FAX: 519-822-9212 • RLB.CA

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the municipality to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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.

RLB LLP

Guelph, Ontario
June 22, 2026

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWN OF MINTO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash (note 4)	$ 11,308,936	$ 11,596,591
Portfolio investments	7,133,961	5,914,682
Taxes receivable	991,342	726,402
Accounts receivable	3,312,135	3,780,775
Accounts receivable - Canada	355,923	523,261
Accounts receivable - Provincial	103,559	115,901
North Wellington Health Care Corporation loan receivable (note 5)	1,050,000	1,100,000
Long term investment (note 6)	1,696,046	1,696,046
	25,951,902	25,453,658
LIABILITIES		
Accounts payable and accrued liabilities	3,106,486	4,168,260
Asset retirement obligations (note 16)	587,079	563,198
Post employment benefits	214,000	214,000
Deferred revenue	364,373	347,613
Deferred revenue - obligatory reserve funds (note 7)	3,483,286	2,847,279
Long term debt (note 8)	7,182,827	8,314,980
	14,938,051	16,455,330
NET FINANCIAL ASSETS	11,013,851	8,998,328
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	89,896,766	90,260,330
Inventories	99,465	101,802
Prepaid expenses	139,643	88,251
	90,135,874	90,450,383
ACCUMULATED SURPLUS (schedule 2)	$101,149,725	$ 99,448,711

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWN OF MINTO

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Budget (note 9)	2025 Actual	2024 Actual
REVENUES (schedule 3)			
Taxation	$ 6,815,770	$ 7,209,185	$ 6,831,188
User fees	6,936,900	7,109,587	6,928,997
Grants (note 10)	2,603,900	2,514,333	2,144,839
Other income (note 11)	787,300	1,316,197	1,372,444
Obligatory reserve fund (note 7)	1,228,000	1,365,939	2,272,594
(Loss) gain on disposal of tangible capital assets	0	(24,211)	161,585
	18,371,870	19,491,030	19,711,647
EXPENSES (schedule 3)			
General government	2,090,276	1,874,491	1,636,757
Protection services	3,142,447	3,271,067	3,200,417
Transportation services	3,619,404	4,078,818	3,602,994
Environmental services	4,210,990	3,790,299	3,815,984
Health and social services	270,491	310,751	272,503
Recreation and cultural services	3,278,072	3,558,560	3,355,602
Planning and development	733,755	906,030	848,239
	17,345,435	17,790,016	16,732,496
ANNUAL SURPLUS	1,026,435	1,701,014	2,979,151
ACCUMULATED SURPLUS, beginning of year	99,448,711	99,448,711	96,469,560
ACCUMULATED SURPLUS, end of year	$100,475,146	$101,149,725	$ 99,448,711

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWN OF MINTO

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Budget (note 9)	**2025 Actual**	**2024 Actual**
ANNUAL SURPLUS	$ 1,026,435	$ 1,701,014	$ 2,979,151
Acquisition of tangible capital assets	(3,595,400)	(3,228,519)	(5,601,196)
Amortization of tangible capital assets	3,604,010	3,567,872	3,604,010
Loss (gain) on disposal of tangible capital assets	0	24,211	(161,585)
Proceeds on disposal of tangible capital assets	0	0	462,688
Prepaid expenses	0	(51,392)	7,742
Inventories	0	2,337	(14,129)
	8,610	314,509	(1,702,470)
INCREASE IN NET FINANCIAL ASSETS	1,035,045	2,015,523	1,276,681
NET FINANCIAL ASSETS, beginning of year	8,998,328	8,998,328	7,721,647
NET FINANCIAL ASSETS, end of year	$ 10,033,373	$ 11,013,851	$ 8,998,328

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWN OF MINTO

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	$ 1,701,014	$ 2,979,151
Items not requiring an outlay of cash		
Amortization of tangible capital assets	3,567,872	3,604,010
Loss (gain) on disposal of tangible capital assets	24,211	(161,585)
	5,293,097	6,421,576
Changes in non-cash working capital		
Taxes receivable	(264,940)	(216,632)
Accounts receivable	468,640	(204,390)
Accounts receivable - Canada	167,338	97,787
Accounts receivable - Provincial	12,342	24,435
North Wellington Health Care Corporation loan receivable	50,000	50,000
Inventories	2,337	(14,129)
Prepaid expenses	(51,392)	7,742
Accounts payable and accrued liabilities	(1,061,774)	1,038,224
Asset retirement obligations	23,881	18,769
Post employment benefits	0	(23,000)
Deferred revenue	16,760	94,767
Deferred revenue - obligatory reserve funds	636,007	(280,363)
	5,292,296	7,014,786
CASH USED IN FINANCING ACTIVITIES		
Long term debt repayments	(1,132,153)	(1,255,937)
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,228,519)	(5,601,196)
Proceeds on disposal of tangible capital assets	0	462,688
	(3,228,519)	(5,138,508)
CASH USED IN INVESTING ACTIVITIES		
Portfolio investments	(1,219,279)	(4,286,091)
NET DECREASE IN CASH	(287,655)	(3,665,750)
NET CASH, BEGINNING OF YEAR	11,596,591	15,262,341
NET CASH, END OF YEAR	$ 11,308,936	$ 11,596,591

See notes to the consolidated financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Corporation of the Town of Minto are the representation of management prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

(a) ACKNOWLEDGEMENT OF RESPONSIBILITY

Management and Council of The Corporation of the Town of Minto acknowledge their responsibility for the creation and compilation of the following significant accounting policy decisions and the related policy notes.

(b) BASIS OF CONSOLIDATION

(i) These consolidated financial statements reflect the assets, liabilities, sources of financing, and expenses for the current fund, reserve funds, and reserves and include the activities of all committees of Council and the boards and municipal enterprises, which are under the control of Council:

Minto Cemetery

Minto Waterworks Department

Minto Sewer Department

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenses.

(ii) The taxation, other revenues, expenses, assets, and liabilities with respect to the operations of the school boards and the County of Wellington are not reflected in the municipal fund balances of these consolidated financial statements.

(iii) Trust funds and their related operations administered by the municipality are not consolidated but are reported separately on the trust fund Statement of Continuity and Financial Position.

(c) BASIS OF ACCOUNTING

(i) Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. 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) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Consolidated Statement of Financial Position.

(d) USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include accrued liabilities, asset retirement obligations, post employment benefits, and useful lives of tangible capital assets. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) FINANCIAL INSTRUMENTS

The municipality initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The municipality subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Investments in equity instruments that are quoted in an active market are measured at fair value. Changes in fair value are recognized in annual surplus.

Impairment

For financial assets measured at cost or amortized cost, the municipality determines whether there are indications of possible impairment. When there are, and the municipality determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in annual surplus in the year incurred. Transaction costs related to financial instruments originated or exchanged in an arm’s length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in annual surplus over the life of the instrument using the straight-line method.

(f) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash balances and temporary investments that are readily convertible into cash within a maturity period of three months or less from the date of acquisition.

(g) NON-FINANCIAL ASSETS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) INVESTMENTS

Portfolio investments are recorded at fair value. Discounts and premiums arising on the purchase of bonds and debentures are amortized over the terms of the investments.

Long term investment is recorded at cost. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

(i) INVENTORIES AND PREPAID EXPENSES

Inventories are held for consumption and are measured at the lower of cost and replacement cost, with cost being determined on a first-in first-out (FIFO) basis.

Prepaid expenses relate to expenditures incurred in the current year which relate to and will be expenses in a future fiscal year.

(j) POST EMPLOYMENT BENEFITS

The municipality pays post employment benefits to eligible employees on retirement. The benefits earned are recognized when management can make an estimate of salary escalation, benefit costs, and retirement ages of employees.

(k) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts that are directly attributable to the acquisition, construction, development, or betterment of the asset. Assets are amortized on the basis of their estimated useful life using the straight-line method, using the following rates:

Buildings	7-150 years
Vehicles	5-25 years
Equipment	2-40 years
Infrastructure	2-80 years

Building components will be treated as betterments to the building structure and these betterments will be capitalized upon completion. A review of the remaining years of estimated useful life of the building structure will be reviewed and updated at that time.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) TAXATION AND RELATED REVENUES

Property tax billings are prepared by the municipality based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services. 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.

Assessments and the related property taxes are subject to appeal. Taxes are recorded at estimated amounts when they meet the definition of an asset, they have been authorized, and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of allowance for anticipated uncollectable amounts.

(m) ASSET RETIREMENT OBLIGATIONS

An asset retirement obligation liability is recognized when all of the following criteria are met as at the financial statement reporting date:

(i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;

(ii) The past transaction or event giving rise to the liability has occurred;

(iii) It is expected that future economic benefits will be given up; and

(iv) A reasonable estimate of the amount can be made.

Liabilities are recognized for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations arise from the acquisition, construction or development, and normal use of an asset. Asset retirement obligation liabilities for the abatement of asbestos from facilities, removal, and disposal of underground asbestos pipe and end of lease requirements are initially recognized at the best estimate of future expenses.

For assets in productive use, asset retirement obligations are discounted using present value methodology at a rate of 4.25% and recorded as a liability with an annual adjustment for accretion expense. As a result, there is a corresponding increase to the associated tangible capital asset, which is then expensed over the useful life of the tangible capital asset in accordance with the policies outlined in (k). For assets that are no longer in productive use or were never recorded, the liability is offset against accretion expense in the period. In subsequent periods, the liability is adjusted for any changes in the amount or timing of the underlying future cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) REVENUE RECOGNITION

User fees are recorded upon the sale of goods or provision of service when collection is reasonability assured.

Other income is recorded upon sale of goods or provision of service when collection is reasonably assured.

Investment income earned on surplus funds (excluding obligatory reserve funds) is reported as revenue in the period earned. Investment income on obligatory reserve funds is recorded directly to each fund balance.

Grants are recognized in the period the related expense occurs.

2. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the municipality is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the municipality's exposure to these risks did not change in 2025 compared to the previous year.

The municipality does not have a significant exposure to any individual customer or counterpart.

Credit risk

The municipality is exposed to credit risk through the possibility of non-collection of accounts receivable. The majority of its receivables are from rate payers and government entities. For accounts receivable, the municipality measures impairment based on how long the amounts have been outstanding.

Market risk

Market risk is the risk that the fair value or future cash flows of the municipality’s financial instruments will fluctuate because of changes in market prices. Some of the municipality’s financial instruments expose it to this risk, which comprises interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The municipality is exposed to interest rate risk as a result of the variable interest rates on the long term debt.

3. TRUST FUNDS

Trust funds administered by the municipality amounting to $660,042 (2024 - $628,605) have not been included in the Statement of Financial Position, nor have their operations been included in the Statement of Operations.

4. CASH

The municipality has an authorized operating line of credit with a limit up to a maximum of $1,500,000. The line of credit bears interest at prime plus 1.00% per annum and is secured by a current borrowing by-law. The balance at year-end was $0 (2024 - $0).

5. NORTH WELLINGTON HEALTH CARE CORPORATION LOAN RECEIVABLE

The municipality provided North Wellington Health Care Corporation (NWHC) with a loan to assist the construction of a medical centre. Under the terms of the loan agreement dated November 6 2015, NWHC is obligated to repay the loan one business day prior to the due date for principal and interest payments in respect of the related debenture incurred by the entity (see note 8). The total amount outstanding as at December 31, 2025 is $1,050,000 (2024 - $1,100,000).

6. LONG TERM INVESTMENT

The municipality owns 9.28% of the outstanding common shares of Westario Power Holdings Inc., a private company incorporated under the laws of the Province of Ontario. The shares have no fixed maturity dates and are not exposed to interest rate risk. The shares are valued at cost and the fair market value of these shares is not practicable to determine in the absence of a liquid trading market for these shares.

7. DEFERRED REVENUE

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory reserve funds					
Development charges	$ 2,317,056	$ 72,328	$ 81,020	$ (115,000)	$ 2,355,404
Federal gas tax	54,971	297,830	6,446	(333,000)	26,247
Building reserve (Bill 124)	376,177	14,000	12,817	(137,939)	265,055
Cash in lieu of parkland	58,607	2,300	1,696	0	62,603
OCIF	40,468	1,512,130	1,379	(780,000)	773,977
	$ 2,847,279	$ 1,898,588	$ 103,358	$ (1,365,939)	$ 3,483,286

8. LONG TERM DEBT

	2025	2024
County of Wellington debenture, variable interest rate, repayable in variable annual principal repayments and semi-annual interest payments, due July 2028	$ 183,000	$ 241,000
Ontario Infrastructure and Lands Corporation (OILC) debenture, interest rate of 3.89%, repayable in semi-annual principal repayments of $12,500 and variable semi-annual interest payments, due December 2033	200,000	225,000
Ontario Infrastructure and Lands Corporation (OILC) debenture, interest rate of 2.26%, repayable in semi-annual principal repayments of $46,250 and variable semi-annual interest payments, repaid August 2025	0	92,500
County of Wellington debenture, variable interest rate, repayable in variable annual principal repayments and semi-annual interest payments, repaid November 2025	0	203,000
Ontario Infrastructure and Lands Corporation (OILC) debenture, interest rate of 3%, repayable in semi-annual principal repayments of $16,500 and variable semi-annual interest payments, due June 2037	379,500	412,500

8. LONG TERM DEBT (continued)

	2025	2024
Real Term Energy Corporation, interest rate of 10%, repayable in annual variable principal and interest payments, repaid August 2025	0	54,501
County of Wellington debenture, variable interest rate, repayable in variable annual principal repayments and semi-annual interest payments, due November 2026	121,000	240,000
County of Wellington debenture, variable interest rate, repayable in variable annual principal repayments and semi-annual interest payments, due May 2028	182,000	239,000
County of Wellington debenture, variable interest rate, repayable in variable annual principal repayments and semi-annual interest payments, due May 2038	1,068,000	1,142,000
Ontario Infrastructure and Lands Corporation (OILC) debenture, interest rate of 2.88%, repayable in semi-annual principal repayments of $25,000 and variable semi-annual interest payments, due June 2046	1,050,000	1,100,000
County of Wellington debenture, variable interest rate, repayable in variable annual principal repayments and semi-annual interest payments, due November 2031	3,934,000	4,247,000
Tile drain loans, 6%, annual payments of principal and interest ranging from $2,514 - $5,245, due between 2030 - 2034	65,327	118,479
	$ 7,182,827	$ 8,314,980

Future minimum payments on long term debt are as follows:

2026	$ 748,909
2027	640,324
2028	653,763
2029	526,229
2030	536,722
Thereafter	4,076,880
	$ 7,182,827

9. BUDGET

The budget figures are presented for comparison purposes as prepared and approved by Council, reclassified to conform to the current financial statement presentation. The budgeted figures are prepared on the cash basis of accounting and have been restated to conform to the accrual basis of accounting on which the actual figures are reported. The following chart reconciles the approved budget with the budget figures as presented in these consolidated financial statements:

Revenue	
Approved budget	$ 20,821,003
Transfers from reserves and reserve funds	(2,449,133)
Total revenues	18,371,870
Expenses	
Approved budget	20,965,608
Acquisition of tangible capital assets	(3,595,400)
Debt principal repayments	(1,079,600)
Amortization	3,604,010
Transfers to reserves and reserve funds	(2,549,183)
Total expenses	17,345,435
Annual surplus	$ 1,026,435

10. GRANTS

	2025 Budget	2025	2024
Operating			
Government of Canada	$ 7,500	$ 133,241	$ 101,454
Province of Ontario	1,958,500	1,629,628	1,533,567
Other	637,900	751,464	509,818
	$ 2,603,900	$ 2,514,333	$ 2,144,839

11. OTHER INCOME

	2025 Budget	2025	2024
Penalties and interest on taxation	$ 90,000	$ 110,362	$ 97,352
Investment income	230,000	582,304	828,105
Developer contributions	0	13,870	13,811
Other charges	386,100	543,074	282,719
Donations	81,200	66,587	150,457
	$ 787,300	$ 1,316,197	$ 1,372,444

12. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay.

Employees and employers contribute jointly to the plan. The amount contributed to OMERS for 2025 was $474,593 (2024 - $445,509), and the contribution rates for 2025 ranged from 9.0% to 14.6%. Amounts paid for current services have been included as an expense on the Consolidated Statement of Operations. There are no past service contribution obligations.

OMERS 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 last available report for the OMERS plan was December 31, 2025, which reported $145.5 billion in net assets available for benefits (2024 - $138.4 billion), $149.6 billion as the defined benefit accrued pension obligation (2024 - $140.8 billion), and a defined benefit funding deficit of $1.3 billion (2024 - $2.9 billion). Ongoing adequacy of the current contribution rates will need to be monitored as fluctuations in financial markets may lead to increased future funding requirements.

13. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF WELLINGTON

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Wellington:

	2025	2024
School boards	$ 2,689,098	$ 2,708,758
County of Wellington	8,684,932	8,347,119
	$ 11,374,030	$ 11,055,877

14. CONTINGENT LIABILITIES

In the normal course of its operations, the municipality is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time. However, the municipality's management believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

15. SEGMENTED DISCLOSURE

The Corporation of the Town of Minto is a diversified municipal government institution that provides a wide range of services to its citizens, such as general government, fire, transportation services, water and wastewater, recreational and cultural services, and planning and development. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government
This segment encompasses the revenues and expenses related to administrative departments and activities including Council, accounting and finance, property taxation, human resources, legislative services, legal services, information and communications technology, and corporate facilities.

15. SEGMENTED DISCLOSURE (continued)

Protection Services
Protection is comprised of fire protection and emergency services, as well as building code and municipal by-law enforcement.

Transportation Services
Transportation is responsible for providing the municipality with road maintenance and administration, including winter control and maintenance of sidewalks, stormwater collection, traffic signals and systems, parking, and street lighting.

Environmental Services
This segment encompasses waste water management and control, as well as provision of water for consumption. User rate funded activities for water and wastewater are mandated by the Province to be self-funding and are included in this segment.

Health and Social Services
This segment encompasses the operations of the Clifford Medical Clinic, community gardens, and after-school childcare.

Recreational and Cultural Services
This segment encompasses all recreation facilities, program costs, parks maintenance, and related direct administration revenues and expenses.

Planning and Development
This segment encompasses all administration expenses and revenues to operations of the building and economic development departments.

16. ASSET RETIREMENT OBLIGATIONS

The municipality owns and operates the following assets that have asset retirement obligations associated with them:

Asbestos Obligation
Asbestos and other designated hazardous materials represent a health hazard upon disturbance and as a result carry a legal obligation to remove them when an asset undergoes a significant renovation, demolition, or removal. The municipality owns and operates several assets that are known to have asbestos containing materials. As a result, the municipality recognized an obligation relating to the removal of the hazardous materials upon adoption of PS 3280, Asset Retirement Obligations.

Well Decommissioning Obligation
The Groundwater Protection Regulation provides specific guidelines for decommissioning wells which give rise to a retirement obligation. The City must recognize an asset retirement obligation related to one well owned by Leeds and the Thousand Islands that will be required to be decommissioned at the end of life.

	Asbestos Obligation	Well Decommissioning	2025
Opening	$ 384,645	$ 178,553	$ 563,198
Accretion expense	16,441	7,440	23,881
	$ 401,086	$ 185,993	$ 587,079

THE CORPORATION OF THE TOWN OF MINTO

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS *Schedule 1*

FOR THE YEAR ENDED DECEMBER 31, 2025

	Land	Buildings	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2025	2024
COST								
Balance, beginning of year	$ 6,164,173	$ 26,472,500	$ 7,896,756	$ 7,558,885	$ 68,125,443	$ 54,133,543	$ 170,351,300	$ 165,600,823
Additions during the year	119,378	378,761	21,379	411,196	1,326,819	970,986	3,228,519	5,601,196
Disposals during the year	0	0	(30,140)	(268,869)	(183,735)	(191,445)	(674,189)	(850,719)
Balance, end of year	6,283,551	26,851,261	7,887,995	7,701,212	69,268,527	54,913,084	172,905,630	170,351,300
ACCUMULATED AMORTIZATION								
Balance, beginning of year	1,610,867	12,870,009	4,571,632	4,523,728	36,147,577	20,367,157	80,090,970	77,036,576
Amortization	100,854	398,347	501,976	392,938	906,527	1,267,230	3,567,872	3,604,010
Disposals during the year	0	0	(30,140)	(268,139)	(183,594)	(168,105)	(649,978)	(549,616)
Balance, end of year	1,711,721	13,268,356	5,043,468	4,648,527	36,870,510	21,466,282	83,008,864	80,090,970
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	$ 4,571,830	$ 13,582,905	$ 2,844,527	$ 3,052,685	$ 32,398,017	$ 33,446,802	$ 89,896,766	$ 90,260,330

Assets under construction amount to $4,190,267 (2024 - $3,406,546).

See notes to the consolidated financial statements

CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS *Schedule 2*

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
SURPLUS		
Invested in tangible capital assets	$ 82,192,187	$ 81,500,631
General fund	3,017,036	2,827,058
	85,209,223	84,327,689
RESERVES		
Working capital	1,204,000	1,204,000
General rate stabilization	1,033,379	1,285,179
Legal and insurance	52,590	52,590
Economic development	45,770	30,146
Minto mental health	5,000	5,000
	2,340,739	2,576,915
RESERVE FUNDS		
Administration	66,385	40,018
Building - capital	164,579	159,157
Cemeteries	5,170	5,000
Community centres	208,289	191,756
Economic development	1,624,643	1,600,746
Fire	(222,429)	(314,429)
Minto hydro - shares	1,696,046	1,696,046
Minto hydro - Westario dividends	512,203	423,502
Municipal elections	54,866	33,717
Norgan theatre	128,915	191,397
Recreation satellite facilities	42,132	41,421
Parks and outdoor amenities	135,835	159,211
Roads	(8,548)	312,408
Water services contingency	500,000	500,000
Wastewater services contingency	500,000	500,000
Water services capital	4,096,154	3,701,475
Wastewater services capital	4,095,523	3,302,682
	13,599,763	12,544,107
ACCUMULATED SURPLUS	$101,149,725	$ 99,448,711

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWN OF MINTO

CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE *Schedule 3*

FOR THE YEAR ENDED DECEMBER 31, 2025

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation Services	Planning and Development	Total 2025	Total 2024
REVENUE									
Taxation	$ 733,324	$ 1,263,476	$ 1,768,779	$ 1,749,861	$ 144,854	$ 1,160,150	$ 388,741	$ 7,209,185	$ 6,831,188
User fees	280,051	393,176	199,742	4,761,458	168,220	1,128,690	178,250	7,109,587	6,928,997
Grants	1,521,500	808,026	0	131,191	0	12,252	41,364	2,514,333	2,144,839
Other income	1,316,197	0	0	0	0	0	0	1,316,197	1,372,444
Obligatory reserve fund	0	60,000	1,168,000	0	0	0	137,939	1,365,939	2,272,594
(Loss) gain on disposal of TCA	0	0	0	(24,211)	0	0	0	(24,211)	161,585
	3,851,072	2,524,678	3,136,521	6,618,299	313,074	2,301,092	746,294	19,491,030	19,711,647
EXPENSES									
Salaries and benefits	1,252,361	1,798,628	1,016,958	1,107,128	25,046	1,699,996	393,942	7,294,059	6,736,795
Interest on debt	0	0	48,690	102,758	31,323	10,186	18,133	211,090	249,724
Materials	373,420	674,534	1,793,702	1,174,504	117,287	1,257,031	290,735	5,681,213	5,282,920
Contracted services	132,930	143,212	36,831	90,878	0	53,345	82,992	540,188	402,147
External transfers	32,259	236,587	0	0	76,482	0	29,453	374,781	343,247
Rents and financial	10,260	0	1,681	0	54,049	35,573	19,250	120,813	113,653
Amortization	73,261	418,106	1,180,956	1,315,031	6,564	502,429	71,525	3,567,872	3,604,010
	1,874,491	3,271,067	4,078,818	3,790,299	310,751	3,558,560	906,030	17,790,016	16,732,496
ANNUAL SURPLUS (DEFICIT)	$ 1,976,581	$ (746,389)	$ (942,297)	$ 2,828,000	$ 2,323	$ (1,257,468)	$ (159,736)	$ 1,701,014	$ 2,979,151

See notes to the consolidated financial statements

Chartered
Professional
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants, and Ratepayers of: The Corporation of the Town of Minto - Trust Funds

Opinion
We have audited the accompanying financial statements of the trust funds of The Corporation of the Town of Minto, which comprise the statements 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, these financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the Town of Minto as at December 31, 2025 and the results of their operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis of 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 trust funds of The Corporation of the Town of Minto 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 trust funds of The Corporation of the Town of Minto 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 trust funds of The Corporation of the Town of Minto's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the the trust funds of The Corporation of the Town of Minto or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the the trust funds of The Corporation of the Town of Minto's financial reporting process.

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

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 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 the trust funds' 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 the trust funds’ 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 the trust funds 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.

RLB LLP

Guelph, Ontario
June 22, 2026

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWN OF MINTO - TRUST FUNDS

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	2025	2024
A S S E T S		
Cash	$ 45,792	$ 52,168
Investments	639,830	595,532
	685,622	647,700
L I A B I L I T I E S		
Due to Town of Minto	25,580	19,095
F U N D B A L A N C E S		
Fund balance, end of year	$ 660,042	$ 628,605

THE CORPORATION OF THE TOWN OF MINTO - TRUST FUNDS

STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
FUND BALANCE, beginning of year	$ 628,605	$ 611,665
Capital Receipts		
Investment income	42,593	23,745
Sale of plots, maintenance fees	16,030	16,940
	58,623	40,685
TRANSFER TO THE TOWN OF MINTO	27,186	23,745
FUND BALANCE, end of year	$ 660,042	$ 628,605

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the trust funds of The Corporation of the Town of Minto are the representation of management prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board of CPA Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) BASIS OF ACCOUNTING

(i) Sources of income and expenditures are reported on the accrual basis of accounting.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

2. INVESTMENTS

Trust fund investments are fixed income securities and are recorded at book value.