Consolidated Financial Statements of

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Year ended December 31, 2025

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

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Year ended December 31, 2025

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Township of Seguin (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Section Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are 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 Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

The Council meets with Management and the external auditors 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 KPMG LLP, independent external auditors appointed by the Township. The accompanying Auditor’s Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

_____ _____

Jason Inwood
Chief Administrative Officer

Michele C. Fraser
Chief Financial Officer and Treasurer

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Seguin (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes to the consolidated financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025 and its consolidated results of operation 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 responsibility under those standards are further described in the **"*Auditor's Responsibilities for the Audit of the Financial Statements*"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

Responsibility of Management and Those Charged with Governance for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

October 22, 2026

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2,025	2024
Financial assets:		
Cash	$ 1,058,318	$ 4,216,814
Taxes receivable	901,542	726,794
Accounts receivable	1,168,063	3,000,516
Harmonized Sales Tax rebate	432,723	226,262
Loans receivable (note 3)	5,519,602	4,172,294
	9,080,248	12,342,680
Financial liabilities:		
Accounts payable and accrued liabilities	3,155,160	2,166,410
Deferred revenue - obligatory reserve funds (note 4)	617,419	1,028,746
Deferred revenue	772,816	1,169,614
Long-term debt (note 5)	513,506	-
Asset retirement obligation (note 8)	678,213	651,841
Other liabilities	1,612,875	983,443
	7,349,989	6,000,054
Net financial assets	1,730,259	6,342,626
Non-financial assets:		
Tangible capital assets (note 10)	51,042,485	44,192,462
Inventories of supplies and assets held for sale	382,271	33,434
Prepaid expenses	741,216	452,835
	52,165,972	44,678,731
Accumulated surplus (note 9)	$ 53,896,231	$ 51,021,357

The accompanying notes are an integral part of this consolidated financial statement.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025	2024
Revenues:			
Property taxation	$ 16,428,812	$ 16,474,633	$ 15,535,387
Taxation from other governments	38,439	38,439	36,529
User charges	1,324,563	1,771,911	1,569,153
Provincial grants	3,100,484	5,652,128	4,532,913
Park and lot levies earned	270,000	167,486	284,824
Development charges earned	690,000	23,362	-
Canada Community-Building Fund earned	723,379	744,105	568,497
Prior year's excess building permit fees earned	154,456	147,107	111,404
Investment income	383,000	275,359	459,112
Donations and other	51,000	330,908	731,885
Penalties and interest	215,000	259,483	227,115
Gain (loss) on sale of tangible capital assets	-	73,458	(16,761)
Fines (Provincial Offenses Act)	10,000	-	6,770
Sale of land	340,000	41,327	-
Total revenue	23,729,133	25,999,706	24,046,828
Expenses:			
General government	3,267,589	3,144,533	2,757,833
Protection to persons and property	3,860,886	3,714,110	3,580,911
Transportation services	6,844,088	6,405,823	6,555,382
Environmental services	1,685,811	1,858,893	1,777,940
Health services	1,545,417	1,528,509	1,483,561
Social and family services	2,074,083	2,074,083	2,263,526
Recreational and cultural services	3,153,496	3,615,056	3,138,244
Planning and development	957,970	783,825	740,169
Total expenses	23,389,340	23,124,832	22,297,566
Annual surplus	339,793	2,874,874	1,749,262
Accumulated surplus, beginning of the year	51,021,357	51,021,357	49,272,095
Accumulated surplus, end of year	$ 51,361,150	$ 53,896,231	$ 51,021,357

The accompanying notes are an integral part of this consolidated financial statement.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025	2024
Annual surplus	$ 339,793	$ 2,874,874	$ 1,749,262
Acquisition of tangible capital assets	(6,327,949)	(9,311,431)	(3,272,580)
Amortization of tangible capital assets	2,188,840	2,330,520	2,298,606
Loss (gain) of sale of tangible capital assets	-	(73,458)	16,761
Proceeds on sale of tangible capital assets	340,000	204,346	110,620
	(3,459,316)	(3,975,149)	902,669
Acquisition of prepaid expenses	(650,000)	(741,216)	(452,835)
Use of prepaid expenses	332,891	452,835	332,891
Acquisition of inventories and assets held for sale	(24,000)	(382,271)	(33,434)
Consumption of inventories and assets held for sale	30,248	33,434	30,248
Change in net financial assets	(3,770,177)	(4,612,367)	779,539
Net financial assets, beginning of the year	6,342,626	6,342,626	5,563,087
Net financial assets, end of the year	2,572,449	$ 1,730,259	$ 6,342,626

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

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Consolidated Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 2,874,874	$ 1,749,262
Items not involving cash:		
Amortization	2,330,520	2,298,606
Loss (gain) on sale of tangible capital assets	(73,458)	16,761
Change in asset retirement obligation	26,372	52,092
	5,158,308	4,116,721
Change in non-cash assets and liabilities:		
Taxes receivable	(174,748)	(161,802)
Accounts receivable	1,832,453	(1,974,713)
Harmonized Sales Tax rebate	(206,461)	1,084,874
Accounts payable and accrued liabilities	988,750	168,660
Other current liabilities	629,432	176,382
Deferred revenue - obligatory reserve funds	(411,327)	(342,266)
Deferred revenue	(396,798)	461,609
Inventories of supplies and assets held for sale	(348,837)	(3,186)
Prepaid expenses	(288,381)	(119,944)
Net change in cash from operating activities	6,782,391	3,406,335
Capital activities:		
Proceeds on sale of tangible capital assets	204,346	110,620
Cash used to acquire tangible capital assets	(8,780,924)	(3,272,580)
Net change in cash from capital activities	(8,576,578)	(3,161,960)
Financing activities:		
Principal repayment on long-term debt	(17,001)	-
Net change in cash from investing activities	(17,001)	-
Investing activities:		
Increase in loans receivable	(1,347,308)	-
Net change in cash from investing activities	(1,347,308)	-
Net change in cash	(3,158,496)	244,375
Cash, beginning of year	4,216,814	3,972,439
Cash, end of year	$ 1,058,318	4,216,814

The accompanying notes are an integral part of this consolidated financial statement.

1. Significant accounting policies:

The consolidated financial statements of the Corporation of the Township of Seguin (the "Township") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Township are as follows:

(a) Reporting entity:

(i) General:

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures and fund balances of the reporting entity and include the activities of all committees of Council and the following boards and municipal enterprises which are under the control of Council:

Seguin Public Library Board

All interfund assets, liabilities, revenues and expenditures have been eliminated.

(ii) Non-consolidated entities:

The following joint local boards are not consolidated:

District of Parry Sound Social Services Administration Board
Muskoka Parry Sound Health Unit
Belvedere Heights Home for the Aged
Parry Sound Area Municipal Airport Commission
911 Emergency Services

(iii) Proportionately consolidated entities:

These consolidated statements reflect proportionally the Township's share of the assets, of the following:

West Parry Sound Recreation and Cultural Centre Joint Municipal Service Board ("WPSRCC")

(iv) Accounting for school board transactions:

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

(v) Trust funds:

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately. These funds amounted to $218,566 (2024 - $214,876).

1. Significant accounting policies (continued):

(b) Basis of accounting:

(i) Accrual basis of accounting:

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

(ii) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, design, construction, development, improvement or betterment of the tangible capital asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Buildings	40
Furniture, fixtures and equipment	5 - 20
Vehicles and machinery	10 - 25
Land improvements	25 - 40
Bridges and culverts	30 - 45
Linear assets, excluding bridges and culverts	40 - 50

Landfill sites are amortized using the units of production method based upon capacity used during the year.

Amortization in the year of acquisition and in the year of disposal is charged at 50% of the annual amortization. Assets under construction are not amortized until the asset is available for productive use.

(iii) Contributions of tangible capital assets:

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

(iv) Natural resources:

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(v) Works of art and cultural and historic assets:

Works of arts and cultural and historic assets are not recorded as assets in the financial statements.

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(vi) Pensions and employee benefits:

The Township accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS") a multi-employer public sector pension fund, as a defined contribution plan. Vacation entitlements are accrued for as entitlements are earned.

(vii) Asset retirement obligation:

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

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

The liability for closure of operational sites and post-closure care related to landfill sites has been recognized based on estimated future expenses. Additional liabilities for the removal of asbestos in several of the buildings owned by the Township and the remediation of aggregate sites have also been recognized based on estimated future expenses on closure of the sites.

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outline in note 1(b)(ii).

(viii) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowances for accounts receivable, loans receivable and solid waste landfill closure and post-closure liabilities. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

(ix) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operation. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from accumulated remeasurement gains and recognized in the statement of operations. Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded a fair value, as described below:

Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Fair value measurements are those derived from market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly

Level 3 Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

2. Operations of school boards:

During the year, requisitions were made by the school boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	2025	2024
Property taxes	$ 6,127,860	$ 6,043,387
Supplementary taxes	80,251	95,936
Payments in lieu of taxation	25,162	25,122
Amounts levied by Township	$ 6,233,273	$ 6,164,445
Amounts requisitioned plus supplementary taxes	$ 6,233,273	$ 6,164,445

3. Loans receivable:

	2025	2024
Parry Sound Area Municipal Airport Commission (a)	$ 4,299,563	$ 4,172,294
Belvedere Heights Home for the Aged (b)	1,220,039	–
	$ 5,519,602	$ 4,172,294

(a) The advance to the Parry Sound Area Municipal Airport Commission is unsecured, bears interest at the Toronto Dominion Bank Composite Prime Rate and has no specific terms of repayment.

(b) The Township has entered into an agreement with Belvedere Heights Home for the Aged ("Belvedere") in connection with a capital development project involving the construction of 22 new long-term care beds. Under the terms of the Agreement, the Township has agreed to provide a loan to Belvedere in the maximum amount of $2,568,124, of which $1,220,039 has been advanced as at December 31, 2025. The Township has financed the loan to Belvedere through borrowings from Infrastructure Ontario (see note 4).

During the construction period, the construction advance is interest only, payable monthly and calculated at Infrastructure Ontario's Advance Interest Rate. At the completion of the Belvedere capital development project, Belvedere will repay the advance through the issuance of loan proceeds, with the Township providing a guarantee to Belvedere for its proportionate share of the borrowings.

4. Deferred revenue – obligatory reserve funds:

The continuity of transactions within the obligatory reserve funds are as described below:

	December 31, 2024 Opening balance	Contributions received	Interest earned	Amounts take to revenue	December 31, 2025 ending balance
Parks and recreation reserves	$ 172,711	32,318	4,390	(34,288)	$ 175,131
Building permits	357,017	–	865	(147,107)	210,775
Safe Restart funding	107,480	–	–	(3,052)	104,428
Development charges	–	149,170	1,277	(23,362)	127,085
Canada Community-Building Fund reserves	391,538	345,841	6,726	(744,105)	–
	$ 1,028,746	527,329	13,258	(951,914)	$ 617,419

5. Long-term debt:

	2025	2024
Capital lease obligations, repayable in monthly installments of $8,160, blended principal and interest (a)	$ 513,506	$ –
Infrastructure Ontario construction advance, interest only at Infrastructure Ontario's Advance Interest Rate (b)	1,220,038	–
	$ 1,733,544	$ –

(a) Principal repayments on the capital lease obligations are due as follows:

2026	$ 72,924
2027	75,692
2028	78,626
2029	81,736
2030	93,858
Thereafter	110,670
	$ 513,506

5. Long-term debt (continued):

(b) The Township has entered into a finance agreement with Infrastructure Ontario in connection with Belvedere capital development project (see note 3) for a maximum borrowing amount of $2,568,124. During the year, $1,220,038 was drawn on the financing agreement.

During the construction period, the construction advance is interest only, payable monthly and calculated at Infrastructure Ontario's Advance Interest Rate.

At the completion of the Belvedere capital development project, the construction advance will be repaid by Belvedere.

6. Pension agreements:

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employee plan, on behalf of all permanent, full-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. As of December 31, 2025 the OMERS plan, with approximately 613,000 members, has a funding deficit of $1.3 billion (2024 – deficit $2.9 billion).

The contribution required on account of current service for 2025 of $557,518 (2024 - $485,397) is included in the current fund expenditures.

7. Contributions to unconsolidated joint boards:

The following contributions were made by the Township to these joint boards:

	2025	2024
District of Party Sound Social Services Administration Board	$ 1,713,318	$ 1,652,142
North Bay Parry Sound Home for the Aged	139,593	132,946
Belvedere Heights Home for the Aged	360,765	611,384
Parry Sound Area Municipal Airport Commission	43,284	42,460
911 Emergency Services	4,289	3,880
	$ 2,261,249	$ 2,442,812

8. Asset retirement obligation:

The Township's asset retirement obligations consist of several obligations as follows:

(a) Landfill obligation:

The Township owns and operates the Christie landfill site. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 *Asset Retirement Obligations*. The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 15 years post this date. Post-closure care is estimated to be required for 15 years from the date of site closure. These costs were discounted to December 31, 2025 using a discount rate of 5.98% per annum.

(b) Asbestos obligation:

The Township owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. The Township recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at December 31. 2025.

(c) Aggregate pits obligation:
The Township owns or leases aggregate pits and under the Aggregates Resources Act, the Township is required to remediate the pits at the end of their useful lives. The Township recognized an obligation relating to the remediation of these aggregate pits as estimated at December 31, 2025.

Changes to the asset retirement obligation in the year are as follows:

	Landfill	Facilities	Aggregate Pits	2025
Balance, beginning of year	$ 444,491	$ 127,350	$ 80,000	$ 651,841
Change in estimate	21,036	5,336	–	26,372
Balance, end of year	$ 465,527	$ 132,686	$ 80,000	$ 678,213

	Landfill	Facilities	Aggregate Pits	2024
Balance, beginning of year	$ 395,638	$ 124,111	$ 80,000	$ 599,749
Change in estimate	48,853	3,239	–	52,092
Balance, end of year	$ 444,491	$ 127,350	$ 80,000	$ 651,841

9. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2025	2024
Surplus:		
Invested in tangible capital assets	$ 51,042,485	$ 44,192,462
Amounts to be recovered in future periods	(1,191,719)	(651,841)
Other	(2,399,129)	(281,286)
Total surplus	47,451,637	43,259,335
Reserves set aside by Council:		
Working capital	1,524,907	1,524,907
Election	55,001	50,372
Severe weather	146,616	146,616
Official plan review	60,619	97,771
Firefighter compensation	142,152	142,152
Pool and wellness centre	207,055	302,612
Legal	268,593	–
Information technology	196,414	–
Acquisition of capital assets:		
Seguin Museum	3,171	3,171
Cemetery	59,723	59,723
Other	135,377	271,270
Library	69,002	69,002
Total reserves	2,868,630	2,667,596
Reserve funds set aside for specific purposes by Council:		
Capital projects	1,184,720	1,819,046
Fire department	117,188	440,985
Equipment	404,988	906,706
Recreation	1,869,068	1,927,689
Total reserve funds	3,575,964	5,094,426
	$ 53,896,231	$ 51,021,357

10. Tangible capital assets:

Cost	Balance at December 31, 2024	Additions	Disposals	Balance at December 31, 2025
Land	$ 772,336	$ 231,614	$ -	$ 1,003,950
Buildings	11,516,321	162,794	-	11,679,115
Furniture, fixtures and equipment	5,404,243	308,413	(482,902)	5,229,754
Land improvements	5,139,199	-	-	5,139,199
Vehicles and machinery	10,079,863	2,275,344	(759,483)	11,595,724
Linear assets	57,403,123	2,365,840	-	59,768,963
Assets under construction	3,070,973	3,967,426	-	7,038,399
Total	$ 93,386,058	$ 9,311,431	$ (1,242,385)	$ 101,455,104

Accumulated Amortization	Balance at December 31, 2024	Amortization	Disposals	Balance at December 31, 2025
Land	$ -	$ -	$ -	$ -
Buildings	5,416,129	256,136	-	5,672,265
Furniture, fixtures and equipment	4,262,312	268,931	(482,902)	4,048,341
Land improvements	2,267,785	134,306	-	2,402,091
Vehicles and machinery	4,482,813	586,786	(628,595)	4,441,004
Linear assets	32,764,557	1,084,361	-	33,848,918
Assets under construction	-	-	-	-
Total	$ 49,193,596	$ 2,330,520	$ (1,111,497)	$ 50,412,619

	Net book value, December 31, 2024	Net book value, December 31, 2025
Land	$ 772,336	$ 1,003,950
Buildings	6,100,192	6,006,850
Furniture, fixtures and equipment	1,141,931	1,181,413
Land improvements	2,871,414	2,737,108
Vehicles and machinery	5,597,050	7,154,720
Linear assets	24,638,566	25,920,045
Assets under construction	3,070,973	7,038,399
Total	$ 44,192,462	$ 51,042,485

10. Tangible capital assets (continued):

Cost	Balance at December 31, 2023	Additions	Disposals	Balance at December 31, 2024
Land	$ 772,336	$ -	$ -	$ 772,336
Buildings	11,335,921	180,400	-	11,516,321
Furniture, fixtures and equipment	5,213,258	190,985		5,404,243
Land improvements	5,114,736	24,463	-	5,139,199
Vehicles and machinery	9,826,621	921,906	(668,664)	10,079,863
Linear assets	55,892,706	1,510,417	-	57,403,123
Assets under construction	2,626,564	1,037,577	(593,168)	3,070,973
Total	$ 90,782,142	$ 3,865,748	$ (1,261,832)	$ 93,386,058

Accumulated Amortization	Balance at December 31, 2023	Disposals	Amortization	Balance at December 31, 2024
Land	$ -	$ -	$ -	$ -
Buildings	5,164,043	252,086	-	5,416,129
Furniture, fixtures and equipment	3,930,208	332,104	-	4,262,312
Land improvements	2,133,319	134,466	-	2,267,785
Vehicles and machinery	4,502,193	521,903	(541,283)	4,482,813
Linear assets	31,706,510	1,058,047	-	32,764,557
Assets under construction	-	-	-	-
Total	$ 47,436,273	$ 2,298,606	$ (541,283)	$ 49,193,596

	Net book value, December 31, 2023	Net book value, December 31, 2024
Land	$ 772,336	$ 772,336
Buildings	6,171,878	6,100,192
Furniture, fixtures and equipment	1,283,050	1,141,931
Land improvements	2,981,417	2,871,414
Vehicles and machinery	5,324,428	5,597,050
Linear assets	24,186,196	24,638,566
Assets under construction	2,626,564	3,070,973
Total	$ 43,345,869	$ 44,192,462

10. Tangible capital assets (continued):

a) Assets under construction:

Assets under construction having a value of $7,038,399 (2024 - $3,070,973) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is $Nil (2024 - $Nil).

c) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was $Nil (2024 - $Nil).

11. Commitments:

Through its normal course of operations, the Township enters into long-term contracts for the purchase of goods and services and for the construction of capital projects for which completion is expected to occur beyond the current fiscal year. The future value of certain long-term contracts is unknown. Annually, the Township includes estimated payments required for the upcoming year as part of its budget to ensure that sufficient funding is available for these contracts.

12. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year. These changes have no effect on the annual surplus previously reported in the prior year.

13. West Parry Sound Recreation and Cultural Centre:

The Township has a 25.0% interest in the WPSRCC, which is a joint municipal services board established by the following municipalities:

- Corporation of the Township of the Archipelago
- Corporation of the Township of Carling
- Corporation of the Municipality of McDougall
- Corporation of the Township of McKellar
- Corporation of the Town of Parry Sound
- Corporation of the Township of Seguin

WPSRCC is currently in its construction phase. WPSRCC's primary role will be to provide pool and recreational services to the general public.

13. West Parry Sound Recreation and Cultural Centre (continued):

The Township accounts for its interest in the Centre using the proportionate consolidation method.

The following tables present the condensed financial information for the Centre as at December 31, 2025 and for the year then ended:

	2025	2024
Financial assets:		
Cash	$ 135,351	$ 3,005,313
Accounts receivable	4,133,601	6,985,495
Total financial assets	4,268,952	9,990,808
Liabilities:		
Accounts payable	1,422,600	1,927,777
Other liabilities	2,666,885	2,587,500
Total liabilities	4,089,485	4,515,277
Net financial assets	179,467	5,475,531
Non-financial assets	26,824,837	12,283,890
Accumulated surplus	$ 27,004,304	$ 17,759,421

	2025	2024
Revenues	$ 9,695,126	$ 7,887,223
Expenses	450,243	145,078
Annual surplus	$ 9,244,883	$ 7,742,145

14. Segmented information:

The Township is a municipal government institution that provides a range of services to its citizens, including police, fire, transportation, recreational and environmental. For management reporting purposes the Township's operations and activities are organized and reported by department. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Township services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government: includes corporate services and governance of the Township. General Government is responsible for human resource management. Support to Council for policy development, by-law development in compliance with the Municipal Act, tax billing and collection responsibilities, financial management reporting, monitoring and overall budget status is provided as well as frontline reception and customer service.

(b) Protection to persons and property: includes policing, fire protection, protective inspection and control and emergency measures. The mandate of the police services contract is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. Fire protection includes detection, extinguishing and suppression services; emergency medical first response; and prevention education and training programs. Inspection and control include building inspection, by-law enforcement and dog control services.

(c) Transportation Services: This department provides the winter and summer maintenance, the repair and the construction of the municipal roads system including bridges and culverts.

(d) Environmental Services: Includes the management and maintenance of the landfill site, transfer stations and waste collection system that serves the municipality.

(e) Health Services: The Township provides ambulance services through the Town of Parry Sound and the West Parry Sound Health Centre.

(f) Social and Family Services: The services are provided indirectly by the Township through the District Social Services Board and include family and children's services, as well as senior citizen services provided through Belvedere Heights Home for the Aged.

(g) Recreation and cultural services: Provide recreation and leisure programs and facilities, including community halls, libraries, parks, recreation fields and arena. It also provides building maintenance services to all municipal facilities. This category also includes the Township's proportionate share of the West Parry Sound Recreation and Cultural Centre.

(h) Planning and Development: Manages rural development for business interests, environmental concerns, heritage matters, local neighbourhoods and community development. It facilitates economic development by providing services for the approval of all land development plans, the application and enforcement of the zoning by-law and official plan, and the provision of geographic information services.

14. Segmented information (continued):

For each segment separately reported in the schedule below, the segment revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These municipal services are funded primarily by taxation such as property tax revenue. Taxation and payments-in-lieu of taxes are apportioned to these services based on the net surplus. Certain government transfers, transfer from other funds, and other revenue have been apportioned based on a percentage of budgeted expenses.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Schedule to Note 14 - Segmented Information

Year ended December 31, 2025

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2025
Revenues:									
Taxation from other governments	$ 38,439	-	-	-	-	-	-	-	$ 38,439
User charges	201,466	596,123	10,247	491,505	22,858	-	273,305	176,407	1,771,911
Provincial grants	2,229,800	121,780	980,071	12,197	-	-	2,308,280	-	5,652,128
Park and lot levies earned	-	-	-	-	-	-	167,486	-	167,486
Development charges earned	-	-	-	-	-	-	23,362	-	23,362
Canada Community-Building Fund earnec	20,301	-	-	-	-	-	723,804	-	744,105
Prior year's excess building permit fees earned	-	147,107	-	-	-	-	-	-	147,107
Investment income	275,359	-	-	-	-	-	-	-	275,359
Donations and other	-	-	-	-	-	-	330,908	-	330,908
Penalties and interest	259,483	-	-	-	-	-	-	-	259,483
Gain (loss) on sale of tangible capital assets	-	6,869	(33,741)	97,000	-	-	3,330	-	73,458
Sale of land	41,327	-	-	-	-	-	-	-	41,327
	3,066,175	871,879	956,577	600,702	22,858	-	3,830,475	176,407	9,525,073
Expenses:									
Salaries, wages and benefits	2,007,531	1,523,869	1,705,385	369,102	33,494	-	1,593,199	553,438	7,786,018
Materials, services, rents and financial items	1,048,420	1,930,239	3,233,412	1,354,487	1,336,964	-	1,512,750	205,954	10,622,226
Transfer to other governments and the public	-	4,289	42,024	-	139,593	2,074,083	75,274	24,433	2,359,696
Increase in asset retirement obligation	5,336	-	-	21,036	-	-	-	-	26,372
Amortization of tangible capital assets	83,246	255,713	1,425,002	114,268	18,458	-	433,833	-	2,330,520
	3,144,533	3,714,110	6,405,823	1,858,893	1,528,509	2,074,083	3,615,056	783,825	23,124,832
Annual surplus (deficit) before property taxation	(78,358)	(2,842,231)	(5,449,246)	(1,258,191)	(1,505,651)	(2,074,083)	215,419	(607,418)	(13,599,759)
Property taxation									16,474,633
Annual surplus									$ 2,874,874

THE CORPORATION OF THE TOWNSHIP OF SEGUIN

Schedule to Note 14 - Segmented Information (continued)

Year ended December 31, 2025

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Cultural Services	Planning and Development	Total 2024
Revenues:									
Taxation from other governments	$ 36,529								$ 36,529
User charges	47,554	850,039	7,199	125,616	47,600	-	336,030	155,115	1,569,153
Province of Ontario grants	2,001,945	231,771	200,915	268,535	-	-	1,829,747	-	4,532,913
Park and lot levies earned	-	-	-	-	-	-	284,824	-	284,824
Canada Community-Building Fund earnec	-	-	568,497	-	-	-	-	-	568,497
Investment income	459,112	-	-	-	-	-	-	-	459,112
Donations and other	-	-	-	-	-	-	731,885	-	731,885
Penalties and interest	227,115	-	-	-	-	-	-	-	227,115
Prior year's excess building permit fees earned	-	111,404	-	-	-	-	-	-	111,404
Gain (loss) on sale of equipment	-	26,461	(21,272)	(30,569)	-	-	8,619	-	(16,761)
Fines (POA)	-	6,770	-	-	-	-	-	-	6,770
	2,772,255	1,226,445	755,339	363,582	47,600	-	3,191,105	155,115	8,511,441
Expenses:									
Salaries, wages and benefits	1,735,635	1,495,096	1,424,679	408,438	33,155	-	1,395,535	563,939	7,056,477
Materials, services, rents and financial items	889,983	1,837,094	3,732,111	1,186,409	1,298,762	-	1,239,053	151,808	10,335,220
Transfer to other governments and the public	-	4,074	41,200	-	132,946	2,263,526	89,004	24,422	2,555,172
Increase in asset retirement obligation	-	-	-	52,092	-	-	-	-	52,092
Amortization of tangible capital assets	132,215	244,647	1,357,392	131,001	18,698	-	414,652	-	2,298,605
	2,757,833	3,580,911	6,555,382	1,777,940	1,483,561	2,263,526	3,138,244	740,169	22,297,566
Annual surplus (deficit) before property taxation	14,422	(2,354,466)	(5,800,043)	(1,414,358)	(1,435,961)	(2,263,526)	52,861	(585,054)	(13,786,125)
Property taxation									15,535,387
Annual surplus									$ 1,749,262