

**THE CORPORATION OF THE
TOWNSHIP OF MATTICE - VAL CÔTÉ**

**INDEPENDENT AUDITOR'S REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

DECEMBER 31, 2025

MANAGEMENT'S RESPONSABILITIES FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Corporation of the Township of Mattice - Val Côté are the responsibility of management and have been prepared in compliance with legislation and in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in the notes to the financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgments, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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 to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval.

The consolidated financial statements have been audited by Baker Tilly HKC, independent external auditors appointed by the Council. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

Guylaine Coulombe, Chief Administrative Officer/Clerk
Mattice, Ontario
May 5, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Mattice - Val Côté

Qualified Opinion

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Mattice - Val Côté (the "Corporation"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of operations and accumulated surplus, changes in net 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the corporation as at December 31, 2025, and the results of its consolidated operations and accumulated surplus, changes in net assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

The Corporation is required to evaluate its asset retirement obligations under PS 3280 - Asset retirement obligations. As at December 31, 2025, the carrying value of the asset retirement obligations is \$148,871 (2024 - \$147,851). We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the asset retirement obligations reported in the consolidated financial statements as at December 31, 2025 and December 31, 2024. Consequently, we were unable to determine whether the carrying value provided is underestimated and if any adjustments to these amounts were necessary. Our opinion on the financial statements for the year ended December 31, 2024 was also modified for this qualification.

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 corporation 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 qualified opinion.

INDEPENDENT AUDITOR'S REPORT, (CONT'D)

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

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 corporation'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 corporation or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT, (CONT'D)

- ♦ 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 consolidated financial information of the entities or business activities within the corporation 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.

Baker Tilly HKC

Chartered Professional Accountants
Licenced Public Accountants
May 5, 2026

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash	\$ 2,590,728	\$ 2,755,155
Taxes receivable (Note 6)	38,667	37,336
Accounts receivable (Note 7)	63,671	78,823
	<u>2,693,066</u>	<u>2,871,314</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	245,943	318,683
Deferred revenues - obligatory reserve funds (Note 10)	366,445	722,024
Asset retirement obligations (Note 11)	148,871	147,851
	<u>761,259</u>	<u>1,188,558</u>
NET ASSETS	<u>1,931,807</u>	<u>1,682,756</u>
NON-FINANCIAL ASSETS		
Inventories of supplies	32,916	36,164
Prepaid expenses	3,618	3,473
Tangible capital assets (Note 12)	7,248,044	6,923,998
	<u>7,284,578</u>	<u>6,963,635</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 9,216,385</u>	<u>\$ 8,646,391</u>

COMMITMENTS (Note 15)

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

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

**CONSOLIDATED STATEMENT OF OPERATIONS AND
ACCUMULATED SURPLUS**

YEAR ENDED DECEMBER 31, 2025

	Budget (Note 17)	Actual 2025	Actual 2024
REVENUES (page 25)			
Taxation and user charges	\$ 1,650,094	\$ 1,621,235	\$ 1,561,530
Fees and service charges	104,420	35,945	93,167
Government transfers - operations	358,609	413,259	350,348
Other revenues	109,614	175,762	245,635
	<u>2,222,737</u>	<u>2,246,201</u>	<u>2,250,680</u>
EXPENSES (pages 26 - 31)			
General government services	524,759	510,620	517,864
Protection services	254,120	236,272	223,314
Transportation services	461,630	536,965	540,243
Environmental services	431,970	518,538	525,200
Health, social and family services	274,960	273,504	270,618
Recreation and cultural services	246,494	211,047	255,722
Planning and development services	23,580	22,020	26,022
	<u>2,217,513</u>	<u>2,308,966</u>	<u>2,358,983</u>
EXCESS OF EXPENSES OVER REVENUES (EXPENSES OVER REVENUS)	<u>5,224</u>	<u>(62,765)</u>	<u>(108,303)</u>
GOVERNMENT TRANSFERS - CAPITAL	714,945	626,685	293,241
OTHER - CAPITAL	-	6,074	10,462
	<u>714,945</u>	<u>632,759</u>	<u>303,703</u>
ANNUAL SURPLUS	<u>\$ 720,169</u>	569,994	195,400
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>8,646,391</u>	<u>8,450,991</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 13)		<u>\$ 9,216,385</u>	<u>\$ 8,646,391</u>

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

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

DECEMBER 31, 2025

	Budget (Note 17)	2025	2024
ANNUAL SURPLUS	\$ 720,169	\$ 569,994	\$ 195,400
TANGIBLE CAPITAL ASSETS ACTIVITIES			
Acquisition of tangible capital assets	-	(677,212)	(324,725)
Amortization of tangible capital assets	-	353,166	339,384
	-	(324,046)	14,659
NON-FINANCIAL ASSETS ACTIVITIES			
Change in inventory of supplies	-	3,248	(2,843)
Change in prepaid expenses	-	(145)	123,525
	-	3,103	120,682
INCREASE IN NET ASSETS	720,169	249,051	330,741
NET ASSETS, BEGINNING OF YEAR	-	1,682,756	1,352,015
NET ASSETS, END OF YEAR	\$ 720,169	\$ 1,931,807	\$ 1,682,756

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

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Annual surplus	\$ 569,994	\$ 195,400
Items non affecting cash:		
Amortization of tangible capital assets	353,166	339,384
Changes in:		
Taxes receivable	(1,331)	51,696
Accounts receivable	15,152	64,303
Accounts payable and accrued liabilities	(72,740)	75,824
Deferred revenue - obligatory reserve funds	(355,579)	(26,529)
Asset retirement obligations	1,020	1,013
Inventories of supplies	3,248	(2,843)
Prepaid expenses	(145)	123,525
	<u>512,785</u>	<u>821,773</u>
CAPITAL ACTIVITY		
Acquisition of tangible capital assets	<u>(677,212)</u>	<u>(324,725)</u>
FINANCING ACTIVITY		
Principal payments on long-term debt	<u>-</u>	<u>(32,033)</u>
INCREASE (DECREASE) IN CASH POSITION	(164,427)	465,015
CASH POSITION, BEGINNING OF YEAR	<u>2,755,155</u>	<u>2,290,140</u>
CASH POSITION, END OF YEAR	<u>\$ 2,590,728</u>	<u>\$ 2,755,155</u>

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

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

1. NATURE OF ACTIVITIES

The Corporation of the Township of Mattice - Val Côté is an incorporated township in the Cochrane District in Northeastern Ontario, Canada. The township was incorporated on April 18, 1975. It conducts its operations guided by the provision of Provincial statutes such as the Municipal Act, Provincial Offences Act and other related legislation.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the municipality are prepared in accordance with Canadian Public Sector Accounting Standards, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the municipality are as follows:

CONSOLIDATED ENTITIES

The consolidated financial statements include the financial and non-financial assets, liabilities, revenues, expenses and reserve of the municipality. The reporting entity is composed of all organizations, committees and board of Council which are accountable for the administration of their financial affairs and resources to the municipality and which are owned or controlled by the municipality. These consolidated financial statements include:

Arena Fund Committee
Public Cemetery Committee
Public Library Board

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

NON-CONSOLIDATED ENTITIES

The following joint local boards are not consolidated:

Cochrane District Services Board
Northeastern Public Health

ACCOUNTING FOR SCHOOL BOARD TRANSACTIONS

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

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

TRUST FUND

Trust fund and their related operations administered by the municipality are not consolidated but are reported on the Statement of Continuity of Fund and Statement of Financial Position of Trust Fund (page 37).

ACCRUAL BASIS OF ACCOUNTING

Revenues and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable. Revenues from taxation, grants and all other sources are recognized when the amount is fixed or reasonably determinable and collectability is reasonably assured. 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.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash on hand and cash held in financial institutions with original maturities of three months or less from time of acquisition.

DEFERRED REVENUES - OBLIGATORY RESERVE FUNDS

Grants, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain projects or the completion of specific work. In addition, certain fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or the services are performed.

A requirement of Canadian Public Sector Accounting Standards is that the obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation and other agreements restrict how these funds be used and under certain circumstances these funds may possibly be refunded.

MULTI-EMPLOYER DEFINED BENEFIT PENSION

Substantially all of the employees of the municipal are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit, final average earnings, contributory pension plan. Defined contribution plan accounting is applied to OMERS, whereby contributions are expensed when due as the municipality has insufficient information to apply defined benefit accounting.

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

ASSET RETIREMENT OBLIGATIONS

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

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

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

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

ACCUMULATED SURPLUS

Certain amounts of surpluses, as approved by the Council, are set aside in reserves for future operations and capital purposes. Transfers to and/or from reserves are recorded as an adjustment to the respective reserve when approved.

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for 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 combined with the annual surplus (deficit) provides the change in net financial assets for the year.

Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost, and includes actual cost. They are not considered tangible capital assets.

Prepaid expenses

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

Tangible Capital Assets

Tangible capital assets are recorded at historical cost which includes all amounts that are directly attributable to acquisition, construction, development or settlement of the asset and amortized over their estimated useful life. The cost, less residual value, if any, of the tangible capital assets is amortized on a straight-line basis, over the expected useful life of the assets as follows:

GENERAL

Land and vacant land	Not amortized
Land improvements	20 to 50 years and landfill capacity
Buildings	50 years
Vehicles, machinery and equipment	10 to 25 years
Furniture and fixtures	10 to 15 years
Computers	5 years

INFRASTRUCTURE

Roads	7 to 75 years
Water	50 years
Sewer	50 years

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

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

Contribution of Tangible Capital Assets

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

REVENUE RECOGNITION

Taxation Revenue

Property tax billings are prepared by the municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act 2001. The Municipal Council establishes the tax rates annually and incorporate amounts to be raised for local services and on behalf of the School Boards in respect of education taxes. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessments can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the municipality upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose minimal collection risk.

Government Transfers

Government transfers revenues are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. All other transfers are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that any stipulations give rise to an obligation that meets the definition of a liability for the municipality. The municipality also provides transfers to individuals or organizations. These transfers are recognized as expenses once they are authorized and eligibility criteria, if any, are met.

User Charges

User charges relate to various programs, and fees imposed on specific activities. Revenue is recognized when the activity is performed or when the services are rendered.

Other Revenues

Other revenues, such as fines and penalties and others are recognized in the year that the event giving rise to the revenues occur and the revenues are earned.

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

FINANCIAL INSTRUMENTS

The Municipality records its financial instruments at either fair value or amortized cost.

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

MEASUREMENT UNCERTAINTY

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

The amounts recorded for asset retirement obligations are based on the estimated amount required to ultimately remediate the liability and depend on estimates of usage, remaining life, inflation rates and discount rates.

The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

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

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

3. OPERATIONS OF SCHOOL BOARDS

Further to note 2, the taxation, other revenues and expenses relating to the school boards are comprised of the following:

	Public	Separate	2025	2024
Revenues raised and transferred to boards:				
Regular tax levy	\$ 133,882	\$ 136,606	\$ 270,488	\$ 276,349
Write-offs and adjustments	(257)	(5)	(262)	(6,582)
	<u>\$ 133,625</u>	<u>\$ 136,601</u>	<u>\$ 270,226</u>	<u>\$ 269,767</u>

4. CONTRIBUTION TO NON-CONSOLIDATED ENTITIES

Further to note 2 “Non-Consolidated Joint Local Boards”, the following contributions were made by the municipality to these entities:

	Budget (Note 17)	Actual 2025	Actual 2024
Porcupine Health Unit	\$ 34,700	\$ 34,694	\$ 31,536
District of Cochrane Social Services Administration Board	209,660	209,660	193,912
	<u>\$ 244,360</u>	<u>\$ 244,354</u>	<u>\$ 225,448</u>

The municipality is contingently liable for its share of any accumulated deficits as at the end of the year.

5. TRUST FUND

Trust fund administered by the municipality amounting to \$59,690 (2024 - \$58,189) have not been included on the Consolidated Statement of Financial Position nor have their operations been included in these financial statements.

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

6. TAXES RECEIVABLE

	2025	2024
Current year	\$ 20,794	\$ 18,265
Prior year	12,863	17,460
Previous years	48,941	61,586
Penalty and interest	68,135	73,490
Allowance for doubtful accounts	<u>(112,066)</u>	<u>(133,465)</u>
	\$ 38,667	\$ 37,336

7. ACCOUNTS RECEIVABLE

	2025	2024
Trade	\$ 13,042	\$ 10,451
Government of Canada	12,629	52,569
Province of Ontario	<u>38,000</u>	<u>15,803</u>
	\$ 63,671	\$ 78,823

8. BANK INDEBTEDNESS

The municipality has an authorized line of credit of \$250,000 bearing interest at prime plus 0.25% and is secured by a general assignment of the municipal's assets and is not used at year-end.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade	\$ 174,193	\$ 191,378
Payroll related	53,250	42,742
Accrued expenses	18,500	18,500
School boards	<u>-</u>	<u>66,063</u>
	\$ 245,943	\$ 318,683

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

10. DEFERRED REVENUES - OBLIGATORY RESERVE FUNDS

Revenues received that should be used in the next year and have been set aside for specific purposes by legislation, regulation or agreement, are included in deferred revenue. These revenues may only be used in the conduct of certain programs or in the completion of specific work.

Details of these deferred revenues and obligatory reserve funds are as follows:

	Balance, beginning	Received	Utilized	Balance, ending
DEFERRED REVENUES				
Donations	\$ 39,690	\$ -	\$ -	\$ 39,690
Northern Ontario Resource Development Support Fund	87,836	61,624	149,460	-
Safe restart - COVID-19	5,756	-	-	5,756
Other	-	660	127	533
	<u>133,282</u>	<u>62,284</u>	<u>149,587</u>	<u>45,979</u>
OBLIGATORY RESERVE FUNDS				
Canada Community - Building Fund	291,014	41,851	94,196	238,669
Ontario Community Infrastructure Fund	297,728	158,071	374,002	81,797
	<u>588,742</u>	<u>199,922</u>	<u>468,198</u>	<u>320,466</u>
	<u>\$ 722,024</u>	<u>\$ 262,206</u>	<u>\$ 617,785</u>	<u>\$ 366,445</u>

11. ASSET RETIREMENT OBLIGATIONS

	2025	2024
Balance, beginning of year	\$ 147,851	\$ 146,838
Accretion expense	1,020	1,013
Balance, end of year	<u>\$ 148,871</u>	<u>\$ 147,851</u>

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

11. ASSET RETIREMENT OBLIGATIONS, (CONT'D)

Landfill

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

The main components of the landfill closure plan are final capping using selected specific layers of earthen materials based on an engineered cap design and implementation of a drainage management plan. The post-closure maintenance requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring, inspections and annual reports.

The reported liability is based on estimates and assumptions with respect to events extending over the estimated remaining useful life using the best information available to management. Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable. The most recent capacity study for the landfill site was performed in a report dated December 9, 2019.

Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the municipality's average long-term borrowing rate of 4.49%.

The estimated remaining capacity of the landfill site is 34% of its total estimated capacity and its estimated remaining life is approximately 15 years. The period for post-closure care is estimated to be 15 years.

Asbestos removal

The Municipality owns buildings which contain asbestos, and therefore, the Municipality is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The timing of post-closure care cannot yet be reasonably estimated.

Septic systems, drinking water wells and monitoring wells

The Municipality owns monitoring wells which represent an environmental hazard upon removal and decommissioning and there are legal obligations regarding how they must be removed. The timing of post-closure care cannot yet be reasonably estimated.

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

12. TANGIBLE CAPITAL ASSETS

Cost	Balance at December 31 2024	Additions	Disposals	Balance at December 31 2025
Land and vacant land	\$ 418,257	\$ -	\$ -	\$ 418,257
Land improvements	367,895	-	-	367,895
Buildings	6,017,677	112,250	-	6,129,927
Vehicles, machinery and equipment	2,183,803	21,735	10,500	2,195,038
Furniture and fixtures	131,653	-	-	131,653
Computers	89,712	19,816	-	109,528
Roads	5,822,020	523,828	-	6,345,848
Water	589,639	-	-	589,639
Sewer	2,039,404	-	-	2,039,404
	\$ 17,660,060	\$ 677,629	\$ 10,500	\$ 18,327,189

Accumulated Amortization	Balance at December 31, 2024	Disposals	Amortization	Balance at December 31, 2025
Land improvements	158,496	16,602	-	175,098
Buildings	3,192,662	94,805	-	3,287,467
Vehicles, machinery and equipment	1,733,496	53,596	10,083	1,777,009
Furniture and fixtures	104,962	4,969	-	109,931
Computers	85,987	6,265	-	92,252
Roads	3,740,913	118,973	-	3,859,886
Water	486,568	11,792	-	498,360
Sewer	1,232,978	46,164	-	1,279,142
	\$ 10,736,062	\$ 353,166	\$ 10,083	\$ 11,079,145

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

12. TANGIBLE CAPITAL ASSETS, (CONT'D)

Net Book Value	2025	2024
Land and vacant land	\$ 418,257	\$ 418,257
Land improvements	192,797	209,399
Buildings	2,842,460	2,825,015
Vehicles, machinery and equipment	418,029	450,307
Furniture and fixtures	21,722	26,691
Computers	17,276	3,725
Roads	2,485,962	2,081,107
Water	91,279	103,071
Sewer	760,262	806,426
	\$ 7,248,044	\$ 6,923,998

During the year, \$10,500 of tangible capital assets were written down or disposed (2024 - \$nil).

Distribution by segment is as follows:

	2025	2024
General government services	\$ 243,587	\$ 250,291
Protection services	291,459	292,632
Transportation services	2,752,234	2,377,960
Environmental services	2,724,360	2,758,993
Health, social and family services	107,399	110,310
Recreation and cultural services	1,129,005	1,133,812
	\$ 7,248,044	\$ 6,923,998

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

13. ACCUMULATED SURPLUS

Accumulated surplus consist of the following:

	2025	2024
RESERVES SET ASIDE FOR SPECIFIC PURPOSES BY THE COUNCIL		
Economic Development	\$ 50,000	\$ 31,774
Facilities	100,000	25,000
Landfill site	225,000	170,609
Mobile equipment	300,000	50,000
Street, roads & bridges	150,000	100,000
Water & sewer	181,000	131,000
	<u>1,006,000</u>	<u>508,383</u>
 INVESTED IN TANGIBLE CAPITAL ASSETS	 <u>7,248,044</u>	 <u>6,923,998</u>
 GENERAL SURPLUS - MUNICIPALITY	 811,398	 1,079,281
GENERAL SURPLUS - ARENA FUND	23,903	23,553
GENERAL SURPLUS - CEMETARY	92,166	87,868
GENERAL SURPLUS - LIBRARY	34,874	23,308
	<u>962,341</u>	<u>1,214,010</u>
	<u>\$ 9,216,385</u>	<u>\$ 8,646,391</u>

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

14. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan. 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. Employers and employees contribute jointly to the plan. OMERS provides pension services to more than 450,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of this valuation disclosed a total accrued pension obligation of \$149,575 millions (2024 - \$140,766 millions) in respect of benefits with net assets available for benefits at that date of \$148,253 millions (2024 - \$137,853 millions) indicating an actuarial deficit of \$1,322 millions (2024 - \$2,913 millions). The primary plan's funded ratio of assets to pension obligation was 99% (2024 - 98%). Because OMERS is a multi-employer plan, 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.

Contributions made by the municipality to OMERS in 2025 were \$42,265 (2024 - \$43,414). Employer contributions are included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

15. COMMITMENTS

- (a) The municipality has entered into the following long-term agreements:
- (i) Rock Solid Computer Services - Agreement starts on January 1, 2024 and ending on December 31, 2026 to provide various IT services at an annual cost of \$9,375 per year.
 - (ii) Ontario Clean Water Agency (OCWA) - Agreement was renewed starting on January 1st, 2020 and ending on December 31, 2029 to provide supervision, operation and maintenance services for the water treatment plant and lagoon at an annual cost of \$165,223 in the first year and indexed to inflation in subsequent years.
 - (iii) Ministry of Natural Resources (MNR) - Agreement starting on April 1, 2018 and ending on April 1, 2028 to provide forest fire protection at an annual cost of \$8,714 in the first year and indexed to inflation in subsequent years.

	2026	2027	2028	2029	Total
General					
government services	\$ 9,375	\$ -	\$ -	\$ -	\$ 9,375
Environmental services	196,292	200,218	204,222	208,306	809,038
Protection services	9,434	9,434	2,359	-	21,227
	<u>\$ 215,101</u>	<u>\$ 209,652</u>	<u>\$ 206,581</u>	<u>\$ 208,306</u>	<u>\$ 839,640</u>

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

16. SEGMENTED INFORMATION

The municipality is a municipal government institution that provides a range of services to its citizens. Municipal services are reported by function and their activities are separately disclosed in the Schedule of Segmented Information (pages 23 - 24). The nature of the segments and the activities they encompass are as follows:

General Government services

General government consists of the activities of Council and general financial and administrative management of the municipality and its programs and services.

Protection Services

Protection services include police and fire services.

Transportation Services

Transportation services include construction and maintenance of the municipality's roads and bridges, winter control and street lighting.

Environmental Services

This function is responsible for providing water and sewer services to certain areas within the municipality. It is also responsible for providing waste collection, waste disposal and recycling services.

Health Services

Health services consists of the activities of the cemetery and other medical services.

Social and Family Services

This function provides general assistance for social and family services.

Recreation and Cultural Services

Recreation and cultural services provide indoor and outdoor recreational facilities and programs and library services.

Planning and Development Services

The planning and development services function manages commercial, industrial and residential development within the municipality.

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

16. SEGMENTED INFORMATION, (CONT'D)

The accounting policies used in these segments are the same as those described in note 2. For each reported segment, revenues and expenses represent amounts that are directly attributable to each segment. Tax revenues are reported as part of General Government.

17. BUDGET AMOUNTS

The budgets approved by the Corporation and consolidated entities for 2025 is reflected on the consolidated statement of operations and the accompanying schedules and was prepared on a cash flow basis. The budget established for capital investment in tangible capital assets 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 amounts. The related amortization are not included in the budgets approved by the Council. Budgets figure have not been audited.

Approved budget:

Budgeted annual deficit	\$ (13,311)
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Adjustments:

Tangible capital assets expenses	<u>733,480</u>
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Budgeted Annual Surplus per Financial Statements	\$ 720,169
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18. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of consolidated financial statements in assessing the extent of risk related to financial instruments.

(a) CREDIT RISK

The municipality does have credit risk in accounts receivable and taxes receivable. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The corporation maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the corporation is low and is not material.

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

18. FINANCIAL INSTRUMENTS, (CONT'D)

(b) LIQUIDITY RISK

The municipality does have a liquidity risk in the accounts payable and accrued liabilities. Liquidity risk is the risk that the corporation cannot repay its obligations when they become due to its creditors. The corporation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors. In the opinion of management the liquidity risk exposure to the corporation is low and is not material.

(c) INTEREST RATE RISK

The municipality is exposed to interest rate risk. Interest rate risk is the risk that the municipality has interest rate exposure on its bank indebtedness, which are variable based on the bank's prime rates. In the opinion of management the interest rate risk exposure to the corporation low and is not material.

19. COMPARATIVE FIGURES

The Consolidated Financial Statements have been reclassified, where applicable, to conform to the presentation used in the current year. These changes do not affect prior year surplus/deficit.

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

SEGMENTED INFORMATION

YEAR ENDED DECEMBER 31, 2025

	General Government Services	Protection Services	Trans- portation Services	Environ- mental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development Services	2025	2024
REVENUES									
Taxation and user charges	\$ 18,150	\$ 178,360	\$ 538,080	\$ 356,775	\$ 257,745	\$ 248,545	\$ 23,580	\$ 1,621,235	\$ 1,561,530
Fees and services charges	27,960	1,712	-	-	5,664	609	-	35,945	93,167
Government transfers	352,300	16,823	38,000	-	-	6,136	-	413,259	350,348
Other revenues	110,621	-	36,185	2,038	15,629	11,289	-	175,762	245,635
	<u>509,031</u>	<u>196,895</u>	<u>612,265</u>	<u>358,813</u>	<u>279,038</u>	<u>266,579</u>	<u>23,580</u>	<u>2,246,201</u>	<u>2,250,680</u>
EXPENSES									
Salaries and benefits	296,053	24,609	234,757	62,140	3,539	83,708	7,576	712,382	698,478
Materials	91,410	63,512	140,548	127,677	9,299	100,315	14,444	547,205	593,748
Tax registration and write-offs	14,652	-	-	-	-	-	-	14,652	12,816
Contracted services	78,553	125,662	12,106	199,892	13,401	6,575	-	436,189	471,898
Rents and financial	1,018	-	-	-	-	-	-	1,018	2,628
External transfers	-	-	-	-	244,354	-	-	244,354	240,031
Amortization	28,934	22,489	149,554	128,829	2,911	20,449	-	353,166	339,384
	<u>510,620</u>	<u>236,272</u>	<u>536,965</u>	<u>518,538</u>	<u>273,504</u>	<u>211,047</u>	<u>22,020</u>	<u>2,308,966</u>	<u>2,358,983</u>

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ

SEGMENTED INFORMATION

YEAR ENDED DECEMBER 31, 2025

	General Government Services	Protection Services	Trans- portation Services	Environ- mental Services	Health, Social and Family Services	Recreation and Cultural Services	Planning and Development Services	2025	2024
REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	(1,589)	(39,377)	75,300	(159,725)	5,534	55,532	1,560	(62,765)	(108,303)
OTHER									
Government transfers - capital	-	-	523,460	94,196	-	9,029	-	626,685	293,241
Donations - capital	-	-	-	-	-	6,074	-	6,074	10,462
	-	-	523,460	94,196	-	15,103	-	632,759	303,703
ANNUAL SURPLUS (DEFICIT)	\$ (1,589)	\$ (39,377)	\$ 598,760	\$ (65,529)	\$ 5,534	\$ 70,635	\$ 1,560	\$ 569,994	\$ 195,400

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

ANALYSIS OF REVENUES

YEAR ENDED DECEMBER 31, 2025

	Budget (Note 17)	Actual 2025	Actual 2024
TAXATION AND USER CHARGES			
Municipal	\$ 1,324,290	\$ 1,329,834	\$ 1,279,585
Education	262,950	270,225	269,767
Supplementary	1,500	2,160	4,192
Payments in lieu of taxes	7,465	7,467	7,467
Sewer and water rates	316,839	281,775	270,286
TOTAL LEVIED	1,913,044	1,891,461	1,831,297
LESS: LEVIED FOR SCHOOL BOARDS	(262,950)	(270,226)	(269,767)
	1,650,094	1,621,235	1,561,530
FEES AND SERVICE CHARGES	104,420	35,945	93,167
GOVERNMENT TRANSFERS - OPERATIONS			
Ontario Municipal Partnership Funds	352,300	352,300	339,000
Library	6,309	6,136	6,711
Employment projects	-	-	4,637
Fire protection grant	-	16,823	-
Ministry of Transportation	-	38,000	-
	358,609	413,259	350,348
OTHER REVENUES			
Penalties and interest on taxes	26,000	22,459	26,664
Licences, permits and fines	9,525	7,593	6,535
Donations	-	12,898	4,319
Insurance claim	-	-	18,708
Investment income	1,000	50,434	52,361
Rentals	52,245	62,561	55,734
Sales and other	20,844	19,817	12,856
Landfill tipping fees	-	-	68,458
	109,614	175,762	245,635
TOTAL REVENUES	\$ 2,222,737	\$ 2,246,201	\$ 2,250,680

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

ANALYSIS OF EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Budget (Note 17)	Actual 2025	Actual 2024
GENERAL GOVERNMENT SERVICES			
MEMBERS OF COUNCIL			
Salaries and benefits	\$ 36,135	\$ 36,145	\$ 35,325
Materials	22,500	8,346	5,471
	<u>58,635</u>	<u>44,491</u>	<u>40,796</u>
GENERAL ADMINISTRATION			
Salaries and benefits	264,454	259,908	253,858
Materials	99,170	83,064	78,461
Tax registration and write-offs	2,550	14,652	12,816
Contracted services	98,700	78,553	103,458
Rents and financial	1,250	1,018	964
	<u>466,124</u>	<u>437,195</u>	<u>449,557</u>
AMORTIZATION	<u>-</u>	<u>28,934</u>	<u>27,511</u>
	<u>\$ 524,759</u>	<u>\$ 510,620</u>	<u>\$ 517,864</u>

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

ANALYSIS OF EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Budget (Note 17)	Actual 2025	Actual 2024
PROTECTION SERVICES			
FIRE			
Salaries and benefits	\$ 25,375	\$ 23,527	\$ 20,794
Materials	94,475	63,512	44,078
Contracted services	12,875	13,896	11,752
	<u>132,725</u>	<u>100,935</u>	<u>76,624</u>
POLICING			
Contracted services	<u>112,720</u>	<u>106,658</u>	<u>115,447</u>
PROTECTIVE INSPECTION AND CONTROL			
Salaries and benefits	<u>1,085</u>	<u>1,082</u>	<u>1,061</u>
BUILDING PERMIT AND INSPECTION SERVICES			
Contracted services	<u>7,590</u>	<u>5,108</u>	<u>7,708</u>
	<u>121,395</u>	<u>112,848</u>	<u>124,216</u>
AMORTIZATION			
	<u>-</u>	<u>22,489</u>	<u>22,474</u>
	<u>\$ 254,120</u>	<u>\$ 236,272</u>	<u>\$ 223,314</u>

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

ANALYSIS OF EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Budget (Note 17)	Actual 2025	Actual 2024
TRANSPORTATION SERVICES			
ROADWAYS			
Salaries and benefits	\$ 207,340	\$ 189,437	\$ 190,244
Materials	197,090	133,093	166,155
Contracted services	7,500	5,125	7,262
Rents and financial	-	-	651
	<u>411,930</u>	<u>327,655</u>	<u>364,312</u>
WINTER CONTROL			
Salaries and benefits	40,000	45,320	20,971
Materials	-	1,193	1,066
Contracted services	-	6,981	-
	<u>40,000</u>	<u>53,494</u>	<u>22,037</u>
STREET LIGHTING			
Materials	<u>9,700</u>	<u>6,262</u>	<u>15,670</u>
AMORTIZATION			
	<u>-</u>	<u>149,554</u>	<u>138,224</u>
	<u>\$ 461,630</u>	<u>\$ 536,965</u>	<u>\$ 540,243</u>

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

ANALYSIS OF EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Budget (Note 17)	Actual 2025	Actual 2024
ENVIRONMENTAL SERVICES			
SANITARY SEWER SYSTEM			
Salaries and benefits	\$ 5,910	\$ 2,910	\$ 3,015
Materials	8,800	2,556	10,411
Contracted services	32,685	28,184	35,317
Amortization	-	47,262	47,263
	<u>47,395</u>	<u>80,912</u>	<u>96,006</u>
WATERWORKS SYSTEM			
Salaries and benefits	5,915	3,456	3,427
Materials	117,500	97,499	86,927
Contracted services	170,590	171,708	167,628
Amortization	-	73,749	71,531
	<u>294,005</u>	<u>346,412</u>	<u>329,513</u>
WASTE COLLECTION, DISPOSAL AND RECYCLING			
Salaries and benefits	64,415	55,774	58,446
Materials	24,655	26,602	23,607
Provision for landfill	-	1,020	1,013
Contracted services	1,500	-	7,982
Amortization	-	7,818	8,633
	<u>90,570</u>	<u>91,214</u>	<u>99,681</u>
	<u>\$ 431,970</u>	<u>\$ 518,538</u>	<u>\$ 525,200</u>

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

ANALYSIS OF EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Budget (Note 17)	Actual 2025	Actual 2024
HEALTH, SOCIAL AND FAMILY SERVICES			
HEALTH SERVICES			
PUBLIC HEALTH SERVICES			
External transfers	\$ 34,700	\$ 34,694	\$ 31,536
AMBULANCE SERVICES			
External transfers	70,930	76,061	67,662
CEMETERIES			
Salaries and benefits	-	401	1,170
Materials	-	5,987	11,556
External transfers	5,415	-	-
Amortization	-	1,911	1,955
	5,415	8,299	14,681
MEDICAL CENTRE			
Salaries and benefits	6,335	3,138	2,605
Materials	7,850	3,312	3,270
Contracted services	11,000	13,401	9,031
Amortization	-	1,000	1,000
	25,185	20,851	15,906
SOCIAL AND FAMILY SERVICES			
GENERAL ASSISTANCE			
External transfers	138,730	133,599	126,250
ASSISTANCE TO AGED PERSONS			
External transfers	-	-	14,583
	\$ 274,960	\$ 273,504	\$ 270,618

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

ANALYSIS OF EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Budget (Note 17)	Actual 2025	Actual 2024
RECREATION AND CULTURAL SERVICES			
PARKS			
Salaries and benefits	\$ 44,015	\$ 34,792	\$ 43,228
Materials	15,380	10,878	9,499
Contracted services	7,650	3,485	3,325
	<u>67,045</u>	<u>49,155</u>	<u>56,052</u>
RECREATION FACILITIES			
Salaries and benefits	11,165	7,374	13,411
Materials	98,920	78,038	105,855
Amortization	-	17,659	18,683
	<u>110,085</u>	<u>103,071</u>	<u>137,949</u>
LIBRARY			
Salaries and benefits	40,118	41,542	43,495
Materials	28,896	11,129	12,858
Contracted Services	-	3,090	2,988
Amortization	-	2,790	2,110
	<u>69,014</u>	<u>58,551</u>	<u>61,451</u>
CULTURAL SERVICES			
Donations	350	270	270
	<u>\$ 246,494</u>	<u>\$ 211,047</u>	<u>\$ 255,722</u>
PLANNING AND DEVELOPMENT SERVICES			
Salaries and benefits	\$ 7,580	\$ 7,576	\$ 7,428
Materials	16,000	14,444	18,594
	<u>\$ 23,580</u>	<u>\$ 22,020</u>	<u>\$ 26,022</u>

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

ARENA FUND COMMITTEE

STATEMENT OF OPERATIONS AND FINANCIAL POSITION

DECEMBER 31, 2025

	2025	2024
REVENUES		
Investment income	\$ 350	\$ 495
ANNUAL SURPLUS	350	495
ACCUMULATED SURPLUS, BEGINNING OF YEAR	23,553	23,058
ACCUMULATED SURPLUS, END OF YEAR (Note 13)	\$ 23,903	\$ 23,553
ACCUMULATED SURPLUS IS COMPRISED OF:		
Cash	\$ 23,903	\$ 23,553

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

PUBLIC CEMETERY COMMITTEE

STATEMENT OF OPERATIONS AND FINANCIAL POSITION

DECEMBER 31, 2025

	2025	2024
REVENUES		
Sales and burial fees	\$ 440	\$ 1,060
Sales of niches	5,224	7,466
Investment income	1,385	2,019
Municipal contribution	5,412	5,306
	<u>12,461</u>	<u>15,851</u>
EXPENSES		
Salaries and benefits	400	1,171
Materials	5,987	11,556
Amortization	1,776	1,776
	<u>8,163</u>	<u>14,503</u>
ANNUAL SURPLUS	4,298	1,348
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>87,868</u>	<u>86,520</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 13)	<u>\$ 92,166</u>	<u>\$ 87,868</u>
ACCUMULATED SURPLUS IS COMPRISED OF:		
CASH	\$ 24,487	\$ 34,495
DUE TO MUNICIPALITY	(973)	(17,055)
TANGIBLE CAPITAL ASSETS	<u>68,652</u>	<u>70,428</u>
	<u>\$ 92,166</u>	<u>\$ 87,868</u>

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Township of Mattice - Val Côté

Opinion

We have audited the financial statements of the trust fund of The Corporation of the Township of Mattice - Val Côté (the "Trust"), which comprise the statement of financial position as at December 31, 2025, and the statement of continuity of the trust fund for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2025, and the continuity of the trust fund for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Trust 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 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'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 Trust or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT, (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust'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 Trust'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 Trust 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.

INDEPENDENT AUDITOR'S REPORT, (CONT'D)

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.

Baker Tilly HKC

Chartered Professional Accountants

Licensed Public Accountants

May 5, 2026

THE CORPORATION OF THE TOWNSHIP OF MATTICE - VAL CÔTÉ
TRUST FUND

STATEMENT OF CONTINUITY OF TRUST FUND

YEAR ENDED DECEMBER 31, 2025

CEMETERY CARE AND MAINTENANCE FUND

	2025	2024
ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$ 58,189	\$ 56,585
REVENUES		
Perpetual care	1,001	1,304
Monument tax	500	300
	<u>1,501</u>	<u>1,604</u>
ACCUMULATED SURPLUS, END OF YEAR	\$ 59,690	\$ 58,189

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash	\$ 59,690	\$ 58,189
ACCUMULATED SURPLUS	\$ 59,690	\$ 58,189

**THE CORPORATION OF THE TOWNSHIP OF
MATTICE - VAL CÔTÉ**

TRUST FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Capital receipts and income are reported on the cash basis of accounting except for the interest on the investment which is accrued.

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

2. DESCRIPTION OF FUND

CEMETERY CARE AND MAINTENANCE FUND

This trust fund was created to provide for the long-term maintenance of the cemeteries in the municipality's boundaries. A fee is charged on all sale of lots in the cemeteries and deposited in this trust fund. All interests on those funds are kept by the municipality to pay for the yearly costs of maintenance of the cemeteries.
