The Corporation of the Municipality of Calvin

Financial Statements

For the year ended December 31, 2025

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For the year ended December 31, 2025

Contents

The Corporation of the Municipality of Calvin

Management's Responsibility for the Financial Statements

December 31, 2025

The accompanying financial statements of The Corporation of the Municipality of Calvin are the responsibility of management and have been approved by Mayor and Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is provided.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of The Corporation of the Municipality of Calvin and meet when required.

Donna Maitland, Chief Administrative Officer

July 14, 2026

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Municipality of Calvin

Opinion

We have audited the financial statements of The Corporation of the Municipality of Calvin (the Municipality), which comprise of the statement of financial position as at December 31, 2025, the statements of operations and accumulated surplus, changes in net financial liabilities and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
July 14, 2026

The Corporation of the Municipality of Calvin
Statement of Financial Position

December 31	2025	2024 (Restated - Note 2)
Financial assets		
Cash and cash equivalents	$ 592,751	$ 803,805
Investments (Note 3)	-	136,210
Accounts receivable (Note 4)	634,337	120,712
Taxes receivable (Note 6)	215,126	214,484
	1,442,214	1,275,211
Liabilities		
Accounts payable (Note 7)	273,958	267,169
Deferred revenue - general	20,983	20,983
Deferred revenue - obligatory reserve funds (Note 10)	401,464	294,473
Long-term debt (Note 8)	1,391,386	1,855,299
Asset retirement obligation (Note)	364,803	351,346
	2,452,594	2,789,270
Net financial liabilities	(1,010,380)	(1,514,059)
Non-financial assets		
Tangible capital assets (Note 5)	3,978,083	4,052,491
Inventories	50,265	29,151
Prepaid expenses	13,511	9,254
	4,041,859	4,090,896
Accumulated surplus (Note 11)	$ 3,031,479	$ 2,576,837

Commitments (Note 12)

Contingent Liabilities (Note 15)

On behalf of Council:

______________________________, Mayor

______________________________, Deputy Mayor

The Corporation of the Municipality of Calvin
Statement of Operations and Accumulated Surplus

For the year ended December 31	2025 Budget (Note 13)	2025 Actual	2024 Actual (Restated - Note 2)
Revenues			
Taxation	$ 1,889,489	$ 1,881,443	$ 1,732,647
User charges and other	139,474	152,896	237,181
Government transfers	179,691	675,064	711,945
	2,208,654	2,709,403	2,681,773
Expenses			
Transportation	763,105	1,246,116	782,855
General government	641,164	573,957	836,875
Protection to persons and property	366,826	370,505	304,396
Social and family services	331,920	322,470	321,065
Environmental services	73,675	69,754	99,604
Health services	24,791	22,073	18,582
Recreation and culture	64,538	94,716	82,333
Planning and development	45,286	39,097	46,532
	2,311,305	2,738,688	2,492,242
Annual surplus (deficit) before undernoted item	(102,651)	(29,285)	189,531
Cassellholme redevelopment commitment (Note 8)	-	483,927	(534,224)
Annual surplus (deficit) for the year	(102,651)	454,642	(344,693)
Accumulated surplus, beginning of year, as previously stated	2,576,837	2,576,837	2,594,493
Adjustments related to adoption of new accounting standards (Note 2)	-	-	327,037
Accumulated surplus, beginning of the year, as restated	2,474,186	2,576,837	2,921,530
Accumulated surplus, end of year	$ 2,474,186	$ 3,031,479	$ 2,576,837

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Calvin
Statement of Changes in Net Financial Liabilities

For the year ended December 31	2025 Budget (Note 13)	2025 Actual	2024 Actual (Restated - Note 2)
Annual surplus (deficit)	$ (102,651)	$ 454,642	$ (344,693)
Acquisition of tangible capital assets	-	(168,786)	(903,789)
Amortization of tangible capital assets	-	243,194	219,038
Gain on disposition of tangible capital assets	-	-	22,486
	(102,651)	529,050	(1,006,958)
Change in supplies inventories	-	(21,115)	(4,879)
Change in prepaid expenses	-	(4,257)	(487)
	-	(25,372)	(5,366)
Increase in net financial liabilities	(102,651)	503,678	(1,012,324)
Net financial liabilities, beginning of year, as previously stated	(1,514,059)	(1,514,059)	(828,772)
Adjustments related to adoption of new accounting standards (Note 2)	-	-	327,037
Net financial liabilities, end of year	$ (1,616,710)	$ (1,010,381)	$ (1,514,059)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Municipality of Calvin
Statement of Cash Flows

For the year ended December 31	2025	2024 (Restated - Note 2)
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit)	$ 454,642	$ (344,693)
Items not involving cash		
Amortization of tangible capital assets	243,194	219,038
Gain on disposition of tangible capital assets	-	22,486
(Derecognition) Recognition of Cassellholme redevelopment commitment	(483,927)	534,224
Accretion expense	13,457	12,957
	227,366	444,012
Changes in non-cash operating balances		
Taxes receivable	(642)	64,765
Accounts receivable	(513,625)	14,315
Accounts payable	6,789	87,611
Deferred revenue - obligatory reserve funds	106,991	(296,491)
Inventories	(21,115)	(4,879)
Prepaid expenses	(4,257)	(487)
	(198,493)	308,846
Investing transactions		
Sale (purchase) of investments	136,210	(6,642)
Capital transactions		
Acquisition of tangible capital assets	(168,786)	(896,320)
Financing transactions		
Increase in long-term debt	78,197	221,294
Reduction of long-term debt	(58,182)	(20,000)
	20,015	201,294
Decrease in cash and cash equivalents during the year	(211,054)	(392,823)
Cash and cash equivalents, beginning of year	803,805	1,196,628
Cash and cash equivalents, end of year	$ 592,751	$ 803,805

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

December 31, 2025

Management Responsibility	The financial statements of The Corporation of the Municipality of Calvin (the "Municipality") are the representations of management. They have been prepared in accordance with Canadian public sector accounting standards ("PSAB"). The Municipality provides municipal services such as general government, fire, building, protection to persons, transportation, environmental, health, social, family, recreation, culture, planning and development services.
Non-consolidating Boards	The Municipality makes contributions to joint local boards that are not consolidated: - District of Nipissing Social Services Administration Board - North Bay Parry Sound District Health Unit - The Board of Management for the District of Nipissing East
Cash and Cash Equivalents	Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.
Inventories	Inventory of supplies are stated at the lower of cost and replacement cost.
Reserves and reserve funds	Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Statement of Financial Position.
Deferred Revenue	Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the statement of Financial Position. The revenue is reported on the Statement of Operations in the year in which it is used for a specified purpose.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Roads	10 to 45 years
Bridges and culverts	25 to 75 years
Buildings	10 to 50 years
Vehicles	10 to 15 years
Machinery and equipment	5 to 25 years
Land improvements	10 to 25 years

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

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur 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 is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Pensions and Employee Benefit Plans	The Municipality accounts for its employee pension contributions as a defined contribution plan. Sick leave benefits are accrued as the employees render the services necessary to earn the benefits.
Collection of Taxes on Behalf of School Boards	The Municipality collects taxation revenue on behalf of the school boards. The taxation revenues, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.
Trust Funds	Funds held in trust by the Municipality, and their related operations, are not included in these financial statements.
Revenue Recognition	
a. Taxation	Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.
b. User fees and other	User fees and other revenue are recognized on an accrual basis.
c. Government transfers	Government transfers are recognized in the financial statements as revenue in the period in which the transfer occurs and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Deferred Government transfers are recognized in revenue when the liability stipulation is settled.

December 31, 2025

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant items subject to such estimates and assumptions include allowances for doubtful accounts, useful life of TCA assets, other accrued liabilities and/or obligations and landfill closure and post-closure liabilities.

In particular, management's estimate for the landfill closure and post-closure liability is subject to measurement uncertainty. The estimate is based on assumptions and calculations contained in an engineer's report completed in 2024, prorated as necessary for the passage of time and actual use of the landfill site. Actual results could differ significantly from those estimates because of the uncertainty related to future cost estimates and future use of the landfill site.

Financial Instruments

Cash and portfolio instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable and accrued liabilities, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

December 31, 2025

1. Financial Instruments

Classification

The carrying value of each class of the Municipality's financial instruments is provided in the following table.

	2025		
	Fair Value	Cost/ Amortized Cost	Total
Cash and cash equivalents	$ 592,751	$ -	$ 592,751
Taxes and Accounts receivable	-	634,337	634,337
Accounts payable and accrued liabilities	-	273,958	273,958
Long-term debt	-	1,391,386	1,391,386
	$ 592,751	$ 2,299,681	$ 2,892,432

	2024		
	Fair Value	Cost/ Amortized Cost	Total
Cash and cash equivalents	$ 803,805	$ -	$ 803,805
Taxes and Accounts receivable	-	120,712	120,712
Guaranteed investments	136,210	-	136,210
Accounts payable and accrued liabilities	-	267,169	267,169
Long-term debt	-	1,855,299	1,855,299
	$ 940,015	$ 2,243,180	$ 3,183,195

1. Financial Instruments (continued)

Financial Instrument Fair Value Measurement

The following table provides an analysis of financial instruments that are measured at fair value, using a fair value hierarchy of levels 1 to 3. The levels reflect the significance of the inputs used in making the fair value measurements, as described below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

				2025
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 592,751	$ -	$ -	$ 592,751

				2024
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 803,805	$ -	$ -	$ 803,805

There were no transfers between Level 1 and Level 2 for the year ended December 31, 2025. There were also no transfers in or out of Level 3.

Financial Instrument Risk Management

The Municipality is exposed to credit risk, liquidity risk, interest rate risk and other price risk from its financial instruments. This note describes the Municipality's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

1. Financial Instruments (continued)

Credit Risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to make payments of interest and principal when due. It is management's opinion that the Municipality is not exposed to significant credit risk.

	0-30 days	31-90 days	91-365 days	1 to 2 years	3 to 10 years
Cash and cash equivalents	$ 592,751	$ -	$ -	$ -	$ -
Taxes receivable	99,247	-	115,880	-	-
Accounts receivable	631,192	-	3,145	-	-
Total	$ 1,323,190	$ -	$ 119,025	$ -	$ -

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and equity risk.

Currency Risk

Current risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Municipality is not exposed to currency risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Municipality is not exposed to this risk.

1. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Municipality will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Municipality is exposed to this risk mainly in respect of accounts payable and accrued liabilities and long-term debt. The Municipality's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. There have not been any changes to these risks from the prior year. Unless otherwise noted, the expected cash outflows are within one year. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

2025	Within 6 months	6 months to 1 year	1 to 5 years	over 5 years
Accounts payable	$ 273,958	$ -	$ -	$ -
Long-term debt	59,247	47,821	437,933	846,385
Total financial liabilities	$ 333,205	$ 47,821	$ 437,933	$ 846,385

2024	Within 6 months	6 months to 1 year	1 to 5 years	over 5 years
Accounts payable	$ 259,554	$ 7,616	$ -	$ -
Long-term debt	10,000	10,000	10,000	1,089,781
Total financial liabilities	$ 269,554	$ 17,616	$ 10,000	$ 1,089,781

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Municipality is exposed to this risk through its long term debt.

The Municipality structures its finances so as to stagger the maturities of debt, thereby minimizing exposure to interest rate fluctuations.

2. Adoption of New Accounting Standards - Asset Retirement Obligations

On January 1, 2025, the Municipality adopted Public Sector Accounting Handbook Standard, Section PS 3280 Asset Retirement Obligations (ARO) on a modified retroactive basis. PS 3280 Asset Retirement Obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

In the past, the Municipality reported its obligations relating to the retirement of its landfill including closure and post-closure activities provided for over the estimated remaining life of the landfill site based on usage.

The Municipality reported its obligations relating to the retirement of other tangible capital assets in the period in which the asset was retired directly as an expense.

The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded and replaces Section PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*.

As a result of the application of this accounting standard, an asset retirement obligation of $364,803 (2024 - $351,346) has been recognized as a liability in the consolidated statement of financial position.

These obligations represent the estimated costs of retiring assets owned by the Municipality.

The adoption of PS 3280 Asset Retirement Obligations (ARO) has been applied to the comparative period as follows:

December 31, 2024	As previously stated	Adjustments	Restated
Statement of Financial Position			
Asset retirement obligations	$ -	$ 351,346	$ 351,346
Landfill closure and post-closure	655,125	(655,125)	-
Tangible capital assets	4,045,820	6,671	4,052,491
Accumulated surplus	2,266,387	310,450	2,576,837
Statement of Operations			
General government	836,852	24	836,876
Environmental services	83,039	15,559	98,598
Accumulated surplus, beg of year	2,594,493	327,037	2,921,530
Accumulated surplus, end of year	2,266,387	310,450	2,576,837

2. Adoption of New Accounting Standards (continued)

Statement of Cash Flows			
Annual deficit	$ (328,106)	$ (16,587)	$ (344,693)
Amortization of tangible capital assets	218,240	798	219,038
Accretion expense	-	12,957	12,957
Change in landfill closure and post-closure	(2,833)	2,833	-
Statement of Change in Net Financial Assets (Liabilities)			
Annual deficit	(328,106)	(16,587)	(344,693)
Amortization of tangible capital assets	218,240	798	219,038
Adjustments related to adoption of new accounting standards	-	327,037	327,037
Net financial liabilities, end of year	(1,817,838)	303,779	(1,514,059)
Note 6 - Tangible Capital Assets			
Buildings (net book value)	250,530	481	251,011
Land and land improvements (net book value)	110,033	6,190	116,223
Tangible capital assets (net book value)	4,045,820	6,671	4,052,491
Note 13 - Accumulated Surplus			
Invested in tangible capital assets	4,045,820	6,671	4,052,491
Amounts to be recovered, asset retirement obligations	-	(351,346)	(351,346)
Amounts to be recovered, landfill closure and post-closure liability	(655,125)	655,125	-
Accumulated surplus	2,266,387	310,450	2,576,837
Note 15 - Segmented Information			
Materials	518,041	15,791	533,832
Amortization of tangible capital assets	218,240	800	219,040

December 31, 2025

3. Investments

The Municipality redeemed $135,704 in guaranteed investment certificates set to mature November 24, 2025. Interest previously accrued at 3.40% has been derecognized in the Municipality's financial statements.

4. Accounts Receivable

	2025	2024
Government grants	$ 392,654	$ 8,592
Trade receivables	1,534	5,327
HST and other	240,149	106,793
	$ 634,337	$ 120,712

5. Tangible Capital Assets

						2025
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Total
Cost, beginning of year	$ 579,619	$ 615,080	$ 379,831	$ 1,445,137	$ 5,338,174	$ 8,357,841
Additions	-	-	35,609	72,775	60,402	168,786
Disposals	-	-	-	-	-	-
Cost, end of year	579,619	615,080	415,440	1,517,912	5,398,576	8,526,627
Accumulated amortization, beginning of year	463,395	364,069	285,122	447,363	2,745,401	4,305,350
Amortization	4,718	22,683	21,139	88,750	105,904	243,194
Disposals	-	-	-	-	-	-
Accumulated amortization, end of year	468,113	386,752	306,261	536,113	2,851,305	4,548,544
Net carrying amount, end of year	$ 111,506	$ 228,328	$ 109,179	$ 981,799	$ 2,547,271	$ 3,978,083

4. Tangible Capital Assets (continued)

2024 (Restated - Note 2)

	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Total
Cost, beginning of year	$ 572,655	$ 614,575	$ 371,237	$ 1,239,310	$ 4,936,509	$ 7,734,286
Additions	6,964	505	18,866	428,802	448,652	903,789
Disposals	-	-	(10,272)	(222,975)	(46,987)	(280,234)
Cost, end of year	579,619	615,080	379,831	1,445,137	5,338,174	8,357,841
Accumulated amortization, beginning of year	458,471	340,905	274,670	584,409	2,685,605	4,344,060
Amortization	4,924	23,164	20,724	74,817	95,409	219,038
Disposals	-	-	(10,272)	(211,863)	(35,613)	(257,748)
Accumulated amortization, end of year	463,395	364,069	285,122	447,363	2,745,401	4,305,350
Net carrying amount, end of year	$ 116,224	$ 251,011	$ 94,709	$ 997,774	$ 2,592,773	$ 4,052,491

December 31, 2025

6. Taxes Receivable

	2025	2024
Current taxes	$ 161,026	$ 181,868
Taxes in Arrears	37,948	21,897
Penalties & Interest	16,152	12,719
Valuation Allowance	-	(2,000)
	$ 215,126	$ 214,484

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established annually by Council, incorporating amounts to be raised for local services, the requisition made by the various local boards in respect of Regional services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings.

7. Accounts Payable

	2025	2024
Trade payables	$ 37,661	$ 19,592
Accrued liabilities	200,000	200,000
Accrued payroll liabilities	36,297	47,577
	$ 273,958	$ 267,169

8. Long-term Debt

	2025	2024
Pickup Truck Loan due September 2030, repayable in monthly payments of $1,527 principal and interest at 4.99%,	$ 78,197	$ -
Dump Truck Loan due April 2029, repayable in monthly payments of $4,927 principal and interest at 6.80%,	173,112	221,294
Ontario Infrastructure and Lands Corporation serial debenture due, repayable in semi-annual payments of $10,000 principal and interest at 2.40%, secured by pledged future Provincial funding (i)	-	10,000
Cassellholme redevelopment commitment (ii)	1,140,077	1,624,005
	$ 1,391,386	$ 1,855,299

(i) Interest expense paid relating to the long-term debt on capital asset loans above is $15,635 (2024 - $11,310) and has been included in protection to persons and property and transportation services expense on the Statement of Operations.

(ii) The Corporation of the Municipality of Calvin is a participating municipality of a northern joint municipal home, The Board of Management for the District of Nipissing East ("Cassellholme"), and is responsible for its share of funding in accordance with the Fixing Long-Term Care Act 2021, S.O. 2021, c. 39, Sched. 1 (the "FLTCA"). During 2022, construction for the redevelopment and expansion of the existing 240-bed long-term care facility commenced and Cassellholme entered into a Financing Agreement with Ontario Infrastructure and Lands Corporation ("OILC") for the redevelopment project. In accordance with the FLTCA, the Municipality will be responsible for its share of annual principal and interest payments incurred by Cassellholme upon completion of the project, and interest-only payments on the construction loan up to completion. Based on a municipal borrowing rate of 4.76% for a 30-year period plus anticipated construction completion in 2030, the present value of these expected payments commencing in 2026 via interest-only capital levies, transitioning to a blended principal and interest term loan is 1,140,077 (2024 - $1,624,005).

During 2022, the Municipality entered into a Guarantee and Postponement of Claims agreement with the Ontario Infrastructure and Lands Corporation ("OILC") for the redevelopment project. Under the terms of the agreement, the Municipality is named as a joint guarantor in regards to a Financing Agreement between Cassellholme and OILC. The obligations will be proportional from each Guarantor, and the Municipality's maximum liability is $844,087 (2024 - $830,816) being the maximum amount of principal owing plus any accrued interest.

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8. Long-term Debt (continued)

Principal repayments for the next five years and thereafter are as follows:

2026	$ 82,943
2027	66,293
2028	63,281
2029	60,406
2030	57,661
Thereafter	1,060,802
	$ 1,391,386

9. Asset Retirement Obligation

		2025		2024
Balance, beginning of year	$	351,346	$	-
Opening balance adjustment		-		338,389
Accretion expense		13,457		12,957
Balance, end of year	$	364,803	$	351,346

The asset retirement obligation at year-end is comprised of the following:

		2025		2024
Landfill	$	362,976	$	349,519
Asbestos removal		1,827		1,827
Balance, end of year	$	364,803	$	351,346

Landfill

Asset retirement obligations consist of landfill and solid waste requirements for closure and post-closure care. These costs are determined in accordance with industry standards and include final covering and landscaping of the landfills, removal of ground water and leachates, ongoing environmental monitoring, site inspection and maintenance.

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 cost estimate, when applicable. The most recent waste capacity study for the landfill site was performed in a report dated December 2024.

The landfill is expected to reach its capacity in 25 years and the estimated current capacity is at 29,000 cubic metres which is 71.11% (2024 – 71.36%) of the site's total capacity based on an updated survey completed in December 2024. The estimated length of time needed for post-closure care is 25 years.

Municipal reserves for the landfill site total $217,031 (2024 - $185,557).

Asbestos removal

The Municipality owns municipal buildings which contain asbestos, and therefore, the Municipality is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

10. Deferred Revenue - Obligatory Reserves

	2025	2024
Deferred revenue, beginning of year:		
Recreational land (the Planning Act)	$ 45,138	$ 28,680
Canada Community-Building Fund contributions	149,685	253,644
Ontario Community Infrastructure Fund contributions	99,650	127,587
Northern Ontario Resource Development Support	-	181,053
	294,473	590,964
Received during the year:		
Recreational land (the Planning Act)	606	15,100
Canada Community-Building Fund	36,484	35,535
Ontario Community Infrastructure Fund	100,000	100,000
Northern Ontario Resource Development Support (NORDS)	60,351	60,351
Interest earned	8,591	13,933
Recognized during the year:		
Canada Community-Building Fund	(26,768)	(150,006)
Ontario Community Infrastructure Fund	(11,922)	(130,000)
Utilization of funds, NORDS	(60,351)	(241,404)
Deferred revenue, end of year	$ 401,464	$ 294,473
Comprised as follows:		
Recreational land (the Planning Act)	$ 46,874	$ 45,138
Canada Community-Building Fund	163,413	149,685
Ontario Community Infrastructure Fund	191,177	99,650
	$ 401,464	$ 294,473

Canada Community-Building Fund (formerly "Gas Tax") revenue is provided by the Government of Canada. The use of the funding is established by the funding agreement signed between the Municipality and the Association of Municipalities of Ontario. Canada Community-Building Fund funding must be used towards designated projects as specified in the funding agreements.

In the case of payments in lieu of parkland, revenue recognition occurs when the Municipality has approved eligible expenditures for park and other public recreation purposes. Canada Community-Building and Ontario Community Infrastructure Fund revenue recognition occurs when the Municipality has approved the expenditures for eligible capital works. Historically, the Municipality has applied its Canada Community-Building and Infrastructure funding to local road and bridge improvements and landfill capacity building.

11. Accumulated Surplus

The Municipality segregates its accumulated surplus in the following categories:

	2025	2024 (Restated - Note 2)
Investment in tangible capital assets	$ 3,978,083	$ 4,052,490
General surplus (deficit)	75,141	(11,329)
Amounts to be recovered (i)	(1,760,219)	(2,210,675)
Reserves and reserve funds (ii)	738,474	746,351
	$ 3,031,479	$ 2,576,837

(i) Amounts to be recovered

	2025	2024
Long-term debt	$ (1,391,386)	$ (1,855,299)
Asset retirement obligation	(364,803)	(351,346)
Employee benefits	(4,030)	(4,030)
	$ (1,760,219)	$ (2,210,675)

(ii) Reserves and reserve funds

	2025	2024
Working funds	$ 138,883	$ 163,883
Sick leave	3,000	3,000
Building department	9,000	9,000
Fire department	169,517	159,517
Roads	36,263	26,263
Landfill	217,031	185,557
Algonquin Nursing Home	121,265	160,616
Emergency	3,007	3,007
Recreation	30,508	25,508
Legal	10,000	10,000
	$ 738,474	$ 746,351

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12. Commitments

In 2016 the Municipality, in conjunction with the Town of Mattawa and the Townships of Papineau-Cameron and Mattawan, agreed in principle to jointly contribute $3,809,500 over the next 25 years towards the capital redevelopment of the Algonquin Nursing Home. The payment terms including the distribution of the cost among the municipalities, have not yet been determined.

13. Budget

The Budget By-law adopted by Council on August 12, 2025 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenses in excess of current year revenues to $Nil. In addition, the budget expensed all tangible capital expenses rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on August 12, 2025 with adjustments as follows:

	2025
Budget By-law surplus for the year	$ -
Add:	
Acquisition of tangible capital assets	276,460
Debt repayment	55,000
Transfers to reserve funds	71,474
Less:	
Amortization of tangible capital assets	243,194
Issuance of long-term liabilities	82,336
Transfers from reserve funds	180,055
Budget surplus per Statement of Operations	$ (102,651)

14. Pension Agreements

The Municipality makes contributions to a group pension plan on behalf of certain members of its staff. Each member is required to contribute a specified percentage of earnings based on completed years of continuous employment, ranging from 1.5% to 4.5%. The Municipality is required to contribute an amount equal to each member's contributions.

The amount contributed to this plan for employers in 2025 was $7,112 (2024 - $6,637) for current services and is included as an expense on the Statement of Operations.

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15. Contingent Liabilities

The Municipality is subject to various litigation and claims arising in the normal course of its operations. Management assesses such claims and where considered likely to have material exposure and, where the amount of the claim is quantifiable, provisions for loss are made on management's assessment of the likely outcome. The Municipality does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of loss cannot be reasonably estimated. Any amendments to amounts accrued will be recorded once new information becomes available.

16. Segment Disclosures

The Municipality provides a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which included the following activities:

General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

Protection to Persons and Property

This segment includes fire, police, building inspection, conservation authority, emergency measures and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

Transportation Services

Transportation services include roadway systems and winter control.

16. Segment Disclosures (continued)

Environmental Services

This segment includes solid waste management.

Health Services

This segment includes cemeteries as well as payments to the Nipissing Parry Sound District Health Unit.

Social and Family Services

This segment consists primarily of payments made to the District of Nipissing Social Services Administration Board and Home for the Aged for the provision of social services such as childcare, social housing, general assistance and assistance to the elderly.

Recreation and Culture

This segment includes parks, recreation programs, recreation facilities and library services.

Planning and Development

This segment includes activities related to planning, zoning and economic development.

Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and unconditional grants such as the Municipality's annual Ontario Municipal Partnership Fund grant.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter segment transfers are measured on the basis of the percentage of budgeted expenses.

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16. Segment Disclosures (continued)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation and Culture Services	Planning & Development	Unallocated Amounts	2025 Total
Revenues										
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,881,443	$ 1,881,443
User Charges and Other	17,436	30,151	17,829	38,775	5,468	-	3,125	3,250	36,862	152,896
Government Transfer	172,000	10,192	491,695	-	-	-	1,177	-	-	675,064
	189,436	40,343	509,524	38,775	5,468	-	4,302	3,250	1,918,305	2,709,403
Expenses										
Salaries wages and benefits	380,592	45,105	305,048	24,161	-	-	60,096	-	-	815,002
Long-term debt charges (interest)	3,089	639	12,460	-	-	-	-	-	-	16,188
Materials	49,402	135,221	664,690	16,843	62	-	24,267	330	-	890,815
Contracted services	138,647	153,458	71,312	25,646	-	-	1,177	38,767	-	429,007
External transfers	-	-	-	-	22,011	322,470	-	-	-	344,481
Other (Note 8)	-	-	-	-	-	(483,927)	-	-	-	(483,927)
Amortization	2,227	36,082	192,606	3,104	-	-	9,176	-	-	243,195
	573,957	370,505	1,246,116	69,754	22,073	(161,457)	94,716	39,097	-	2,254,761
Annual (deficit) surplus	$ (384,521)	$ (330,162)	$ (736,592)	$ (30,979)	$ (16,605)	$ 161,457	$ (90,414)	$ (35,847)	$ 1,918,305	$ 454,642

16. Segment Disclosures (continued)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social & Family Services	Recreation & Culture	Planning & Development	Unallocated Amounts	2024 Total
Revenues										
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,732,647	$ 1,732,647
User charges and other	96,491	3,145	5,558	45,852	5,924	-	870	-	79,341	237,181
Government Transfers	339,365	-	371,403	-	-	-	1,177	-	-	711,945
	435,856	3,145	376,961	45,852	5,924	-	2,047	-	1,811,988	2,681,773
Expenses										
Salaries and benefits	382,937	68,170	222,290	25,561	-	-	54,085	-	-	753,043
Long-term debt charges (Interest)	-	602	-	-	-	-	-	-	-	602
Materials	39,374	62,253	388,222	25,541	-	-	18,442	-	-	533,832
Contracted services	411,225	142,923	-	45,398	-	-	-	46,532	-	646,078
External transfers	-	-	-	-	18,582	321,065	-	-	-	339,647
Other (Note 8)	-	-	-	-	-	534,224	-	-	-	534,224
Amortization	3,339	30,448	172,343	3,104	-	-	9,806	-	-	219,040
Total Expenses	836,875	304,396	782,855	99,604	18,582	855,289	82,333	46,532	-	3,026,466
Annual (deficit) surplus	$ (401,019)	$ (301,251)	$ (405,894)	$ (53,752)	$ (12,658)	$ (855,289)	$ (80,286)	$ (46,532)	$ 1,811,988	$ (344,693)