The Corporation of the Town of Kearney

Consolidated Financial Statements

For the year ended December 31, 2025

The Corporation of the Town of Kearney
Consolidated Financial Statements
For the year ended December 31, 2025

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The Corporation of the Town of Kearney

Management's Responsibility for the Consolidated Financial Statements

December 31, 2025

The accompanying consolidated financial statements of The Corporation of the Town of Kearney are the responsibility of management and have been approved by Mayor and Council.

The consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. The external auditors have full and free access to financial management of The Corporation of the Town of Kearney and meet when required.

Signed by:
Nicole Gourlay
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Nicole Gourlay, Chief Administrative Officer

October 15, 2026

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Independent Auditor's Report

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

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2025, and its results of operations, its changes in net financial assets and its 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 Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 12, 2025.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Town'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 Town or to cease operations, or has no realistic alternative but to do so.

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

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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 Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Town as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
October 15, 2026

The Corporation of the Town of Kearney
Consolidated Statement of Financial Position

December 31	2025	2024
Financial assets		
Cash and cash equivalents (Note 3)	$ 3,956,770	$ 3,256,902
Investments (Note 4)	1,026	145,523
Taxes receivable (Note 5)	275,419	445,919
Accounts receivable (Note 6)	270,120	278,933
	4,503,335	4,127,277
Liabilities		
Accounts payable and accrued liabilities (Note 8)	410,791	537,778
Deferred revenue - general (Note 11)	60,202	89,534
Deferred revenue - obligatory reserve funds (Note 12)	131,876	101,648
Employee benefits payable (Note 9)	31,065	37,069
Long-term debt (Note 10)	52,733	62,977
Asset retirement obligations (Note 14)	495,402	433,976
	1,182,069	1,262,982
Net financial assets	3,321,266	2,864,295
Non-financial assets		
Tangible capital assets (Note 7)	15,306,773	15,116,772
Inventories	76,529	167,025
Prepaid expenses	8,067	25,527
	15,391,369	15,309,324
Accumulated surplus (Note 13)	$ 18,712,635	$ 18,173,619

Contingent Liabilities (Note 18)

On behalf of Council:

_____, Mayor

_____, Deputy Mayor

The Corporation of the Town of Kearney
Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31	2025 Budget (Note 16)	**2025 Actual**	2024 Actual
Revenues			
Taxation	$ 4,152,483	**$ 4,195,143**	$ 4,080,317
User charges and fees	159,688	**161,909**	134,483
Government transfers	929,490	**1,486,110**	1,684,491
Interest and other	359,918	**307,926**	321,037
Loss on disposal of tangible capital assets	-	**-**	(163,680)
	5,601,579	**6,151,088**	6,056,648
Expenses			
Transportation services	1,120,585	**1,922,060**	1,570,329
General government	1,041,682	**1,148,549**	1,000,386
Protection to persons and property	1,067,928	**1,083,154**	1,057,634
Recreation and cultural services	455,986	**547,760**	466,873
Social and family services	331,945	**305,703**	348,628
Environmental services	540,532	**280,439**	478,015
Health services	174,896	**175,896**	170,475
Planning and development	11,000	**148,511**	19,936
	4,744,554	**5,612,072**	5,112,276
Annual surplus	857,025	**539,016**	944,372
Accumulated surplus, beginning of year	18,173,619	**18,173,619**	17,229,247
Accumulated surplus, end of year	$ 19,030,644	**$ 18,712,635**	$ 18,173,619

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

The Corporation of the Town of Kearney
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31	2025 Budget (Note 16)	**2025 Actual**	2024 Actual
Annual surplus	$ 857,025	**$ 539,016**	$ 944,372
Acquisition of tangible capital assets	-	**(994,999)**	(1,684,318)
Amortization of tangible capital assets	-	**935,449**	926,635
Loss on disposition of tangible capital assets	-	**-**	163,680
Proceeds from disposition of tangible capital assets	-	**-**	35,577
Revaluation of tangible capital assets - ARO	-	**(130,451)**	(10,604)
	857,025	**349,015**	375,342
Change in inventories of supplies	-	**90,496**	(19,519)
Change in prepaid expenses	-	**17,460**	(2,483)
	-	**107,956**	(22,002)
Increase in net financial assets	857,025	**456,971**	353,340
Net financial assets, beginning of year	2,864,295	**2,864,295**	2,510,955
Net financial assets, end of year	$ 3,721,320	**$ 3,321,266**	$ 2,864,295

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

The Corporation of the Town of Kearney
Consolidated Statement of Cash Flows

For the year ended December 31	2025	2024
Cash provided by (used in)		
Operating transactions		
Annual surplus	**$ 539,016**	$ 944,372
Items not involving cash		
Amortization of tangible capital assets	**935,449**	926,635
Accretion expense on ARO liability	**18,279**	14,870
Contributed tangible capital assets - net	**-**	252
Loss on disposal of tangible capital assets	**-**	163,680
Change in employee benefits payable	**(6,004)**	12,721
	1,486,740	2,062,530
Changes in non-cash working capital balances		
Taxes receivable	**170,500**	(114,979)
Accounts receivable	**8,813**	229,637
Accounts payable and accrued liabilities	**(126,987)**	(379,304)
Inventories for sale	**-**	2,257
Deferred revenue - general	**(29,332)**	(235,087)
Deferred revenue - obligatory reserve funds	**30,228**	(88,798)
Inventories of supplies	**90,496**	(19,519)
Prepaid expenses	**17,460**	(2,483)
	1,647,918	1,454,254
Investing transactions		
Decrease (increase) in investments	**144,497**	(4,073)
Capital transactions		
Acquisition of tangible capital assets	**(994,999)**	(1,684,318)
Proceeds on disposition of tangible capital assets	**-**	35,577
Revaluation of tangible capital assets - ARO	**(130,451)**	(10,856)
Change in ARO liability excluding accretion and settlements	**112,038**	24,674
Settlement of asset retirement obligations	**(68,891)**	(591)
	(1,082,303)	(1,635,514)
Financing transactions		
Repayment of long-term debt	**(10,244)**	(18,391)
Change in cash and cash equivalents during the year	**699,868**	(203,724)
Cash and cash equivalents, beginning of year	**3,256,902**	3,460,626
Cash and cash equivalents, end of year	**$ 3,956,770**	$ 3,256,902

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

The Corporation of the Town of Kearney
Summary of Significant Accounting Policies

December 31, 2025

The Corporation of the Town of Kearney ("the Town") is a municipality in the Province of Ontario, Canada. It conducts its operations as guided by the provisions of provincial statutes such as the Municipal Act 2001, Provincial Offences Act and other related legislation.

The consolidated financial statements of the Town are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards ("PSAB"). Significant aspects of the accounting policies adopted by the Town are as follows:

Reporting Entity

These consolidated statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is accountable as follows:

Consolidated and proportionally consolidated entities

The following local board is consolidated:

- Kearney & Area Public Library

The following local committee is proportionally consolidated:

- Kearney-Perry Joint Waste Management Committee

Inter-organizational transactions and balances between these organizations are eliminated.

December 31, 2025

Reporting Entity (continued)

The following table presents condensed financial information for the Joint Waste Management Committee:

	The Town of Perry 55.8% Share	The Town of Kearney 44.2% Share	2025 Total	2024 Total
Financial position				
Cash	**$ 169,237**	**$ 134,055**	**$ 303,292**	$ 128,342
Accounts receivable	**22,941**	**18,171**	**41,112**	26,600
Investments	**-**	**-**	**-**	326,968
Total assets	**$ 192,178**	**$ 152,226**	**$ 344,404**	$ 481,910
Accounts payable and accrued liabilities	**$ 11,681**	**$ 9,252**	**$ 20,933**	$ 36,827
Asset retirement obligations	**590,051**	**467,388**	**1,057,439**	887,207
Total liabilities	**601,732**	**476,640**	**1,078,372**	924,034
Net debt	**$ (409,554)**	**$ (324,414)**	**$ (733,968)**	$ (442,124)
Non-financial assets	**$ 339,243**	**$ 268,720**	**$ 607,963**	$ 323,924
Accumulated deficit	**$ (70,311)**	**$ (55,694)**	**$ (126,005)**	$ (118,200)
Revenue	**141,388**	**111,899**	**253,287**	239,140
Expenses	**145,690**	**115,401**	**261,091**	424,435
Annual deficit	**$ (4,302)**	**$ (3,502)**	**$ (7,804)**	$ (185,295)

Non-consolidated Boards

The Town makes contributions to joint local boards that are not consolidated:

- Parry Sound District Social Services Administration Board
- North Bay Parry Sound District Health Unit
- District of Parry Sound (East) Home for the Aged, Eastholme

The Corporation of the Town of Kearney
Summary of Significant Accounting Policies

December 31, 2025

Basis of Accounting	The consolidated financial statements have been prepared using Canadian public sector accounting standards.
Cash and Cash Equivalents	Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.
Trust Funds	Funds held in trust by the Town, and their related operations, are not included in these financial statements.
Non-financial Assets	Non-financial assets are used to provide the Town's services in future periods. These assets do not normally provide resources to discharge the liabilities of the Town unless they are sold. The Town's non-financial assets include inventories held for consumption or use, prepaid expenses tangible capital assets and prepaid expenses.
Inventories	Inventory of supplies are recorded at the lower of cost and replacement cost.
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

The Corporation of the Town of Kearney
Summary of Significant Accounting Policies

December 31, 2025

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:

Classification	Useful Life (Years)
Land improvements	20 to 60 years
Buildings	15 to 95 years
Machinery, equipment and furniture	10 to 20 years
Computer hardware and software	2 to 10 years
Vehicles	10 to 25 years
Roads	3 to 50 years
Bridges and culverts	25 to 60 years
Library books	5 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.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the organization's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Interest related to the acquisition of capital assets is not capitalized, but is expensed in the year incurred.

Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Consolidated Statement of Financial Position. The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for a specified purpose.

The Corporation of the Town of Kearney
Summary of Significant Accounting Policies

December 31, 2025

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 Consolidated Statement of Financial Position.

Pensions and Employee Benefit Plans The Town accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. Sick leave benefits are accrued as the employees render the services necessary to earn the benefits.

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 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 capital asset at the financial statement date. The 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 capital asset if it is still in productive use. This cost is amortized over the useful life of the capital asset. If the related capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Collection of Taxes on Behalf of School Boards The Town 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.

The Corporation of the Town of Kearney
Summary of Significant Accounting Policies

December 31, 2025

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. Revenue from transactions with performance obligations is recognized when or as the performance obligation is satisfied by providing promised goods or services to the payer. Performance obligations are defined by enforceable promises to provide specific goods or services to a specific payer. User charges, including charges for landfill use, are recognized as the Town satisfies the performance obligations associated with the transaction by providing the promised good or service to the payer. Revenue from transactions with no performance obligations including licences, permits and fines is recognized when the Town has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset.

c. Government transfers Revenue is recognized in the period in which the transfer occurs, providing that the transfers are authorized, any eligibility criteria have been met, and the amounts can be reasonably estimated, 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. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

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 and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and future actions that the Town may undertake. The principal estimates used in the preparation of these consolidated financial statements relate to the determination of the valuation allowance for accounts receivables, the allowance for tax revenue reductions, estimated useful life of tangible capital assets, employee future benefits and estimated costs and timing of asset retirement obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

December 31, 2025

Financial Instruments

Cash and portfolio instruments quoted in an active market are measured at fair value. Accounts receivable, investments not in an active market, 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 Consolidated Statement of Financial Position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Consolidated Statement of Remeasurement Gains and Losses and recognized in the Consolidated Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Consolidated 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 there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the Consolidated Statement of Operations.

Financial liabilities (or part of a financial liability) are removed from the Consolidated Statement of Financial Position when, and only when, they are discharged, cancelled or expire.

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 Town's financial instruments is provided in the following table.

	Fair Value	Cost / Amortized Cost	2025 Total
Cash and cash equivalents	**$ 3,956,770**	**$ -**	**$3,956,770**
Investments	**-**	**1,026**	**1,026**
Taxes and Accounts receivable	**-**	**545,539**	**545,539**
Accounts payable and accrued liabilities	**-**	**410,791**	**410,791**
Long-term debt	**-**	**52,733**	**52,733**
	$ 3,956,770	**$1,010,089**	**$4,966,859**

	Fair Value	Cost / Amortized Cost	2024 Total
Cash and cash equivalents	$ 3,256,902	$ -	$ 3,256,902
Investments	-	145,523	145,523
Taxes and Accounts receivable	-	724,852	724,852
Accounts payable and accrued liabilities	-	537,778	537,778
Long-term debt	-	62,977	62,977
	$ 3,256,902	$ 1,471,130	$ 4,728,032

December 31, 2025

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	**$ 3,956,770**	**$ -**	**$ -**	**$ 3,956,770**

				2024
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3,256,902	$ -	$ -	$ 3,256,902

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 Town is exposed to credit risk, market risk, interest rate risk and currency risk from its financial instruments. This note describes the Town'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.

December 31, 2025

1. Financial Instruments (continued)

Credit Risk

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

	0-30 days	31-90 days	91-365 days	1 to 2 years	3 to 10 years
Taxes receivable	$ -	$ -	$ 202,719	$ 68,901	$ 3,799
Accounts receivable	266,975	3,145	-	-	-
Total	$ 266,975	$ 3,145	$ 202,719	$ 68,901	$ 3,799

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 Town is not exposed to currency risk.

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 Town is exposed to this risk through its investments and long term debt.

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

Equity Risk

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

December 31, 2025

1. Financial Instruments (continued)

Liquidity Risk

Liquidity risk is the risk that the Town 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 Town 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 Town'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	**$ 410,791**	**$ -**	**$ -**	**$ -**
Long-term debt	**5,375**	**5,375**	**41,983**	**-**
Total	**$ 416,166**	**$ 5,375**	**$ 41,983**	**$ -**

				2024
	Within 6 months	6 months to 1 year	1 to 5 years	over 5 years
Accounts payable	$ 374,729	$ 163,049	$ -	$ -
Long-term debt	5,221	5,221	30,702	21,833
Total	$ 379,950	$ 168,270	$ 30,702	$ 21,833

2. Contributions to Unconsolidated Joint Boards

	2025	2024
District of Parry Sound Social Services Administration Board	$ 138,458	$ 177,021
North Bay Parry Sound District Health Unit	29,794	28,376
District of Parry Sound (East) Home for the Aged	142,834	139,276
	$ 311,086	$ 344,673

The Town is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Town's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Town is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Town's share of these long-term liabilities has not been determined at this time.

3. Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following:

	2025	2024
Unrestricted cash	$ 3,824,894	$ 3,155,254
Restricted cash (i)	131,876	101,648
	$ 3,956,770	$ 3,256,902

(i) Federal and Provincial legislation restricts how restricted cash related to obligatory reserve funds, reported in Note 12, may be used.

4. Investments

Investments of $1,026 (2024 - $145,523) are comprised of guaranteed and redeemable investment certificates, bearing interest at 2.00%, maturing between August 8, 2026 (2024 - August 8, 2025 and October 28, 2025). Interest is recognized as it accrues in the Town's financial statements.

5. Taxes Receivable

	2025	2024
Current taxes	$ 193,470	$ 366,183
Taxes in arrears	63,127	48,887
Penalties and interest	18,822	30,849
	$ 275,419	$ 445,919

Property tax billings are prepared by the Town 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 Town 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 Town determines the taxes applicable and renders supplementary tax billings.

6. Accounts Receivable

	2025	2024
Trade receivables	$ 57,142	$ 140,505
Harmonized sales tax receivable	133,549	76,323
Planning accounts receivable	79,429	62,105
	$ 270,120	$ 278,933

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7. Tangible Capital Assets

	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	2025 Total
Cost, beginning of year	$ 1,799,503	$ 2,581,666	$ 1,654,502	$ 2,912,570	$ 21,917,419	$ 42,439	$ **30,908,099**
Additions and betterments	216,152	-	102,821	32,778	609,705	33,543	**994,999**
Contributed assets	-	-	-	-	-	-	**-**
Revaluation of tangible capital assets - ARO	130,451	-	-	-	-	-	**130,451**
Disposals and writedowns	(44,638)	-	(5,719)	-	-	-	**(50,357)**
Transfer between classes	-	-	-	-	-	-	**-**
Cost, end of year	2,101,468	2,581,666	1,751,604	2,945,348	22,527,124	75,982	**31,983,192**
Accumulated amortization, beginning of year	380,712	575,963	601,824	1,022,824	13,210,004	-	**15,791,327**
Amortization	45,145	85,063	107,309	204,230	493,702	-	**935,449**
Amortization disposals, revaluations	(44,638)	-	(5,719)	-	-	-	**(50,357)**
Write-downs	-	-	-	-	-	-	**-**
Accumulated amortization, end of year	381,219	661,026	703,414	1,227,054	13,703,706	-	**16,676,419**
Net carrying amount, end of year	$ 1,720,249	$ 1,920,640	$ 1,048,190	$ 1,718,294	$ 8,823,418	$ 75,982	$ **15,306,773**

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7. Tangible Capital Assets (continued)

2024

	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	Total
Cost, beginning of year	$ 1,831,464	$ 2,537,543	$ 1,262,755	$ 3,021,479	$ 21,232,951	$ 237,651	$ 30,123,843
Additions and betterments	29,045	68,017	388,070	207,187	949,560	42,439	1,684,318
Contributed assets	(541)	(34)	84	-	-	-	(491)
Revaluation of tangible capital assets - ARO	10,856	-	-	-	-	-	10,856
Disposals and writedowns	(71,321)	(23,860)	(71,262)	(316,096)	(304,028)	(123,860)	(910,427)
Transfer between classes	-	-	74,855	-	38,936	(113,791)	-
Cost, end of year	1,799,503	2,581,666	1,654,502	2,912,570	21,917,419	42,439	30,908,099
Accumulated amortization, beginning of year	367,743	499,450	578,174	1,109,709	13,021,025	-	15,576,101
Amortization	84,447	85,315	94,316	202,790	459,767	-	926,635
Amortization - contributed assets	(157)	(12)	(70)	-	-	-	(239)
Amortization disposals	(71,321)	(8,790)	(70,596)	(289,675)	(270,788)	-	(711,170)
Accumulated amortization, end of year	380,712	575,963	601,824	1,022,824	13,210,004	-	15,791,327
Net carrying amount, end of year	$ 1,418,791	$ 2,005,703	$ 1,052,678	$ 1,889,746	$ 8,707,415	$ 42,439	$ 15,116,772

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8. Accounts Payable and Accrued Liabilities

	2025	2024
Trade payables	**$ 167,684**	$ 277,561
Accrued payroll liabilities	**172,134**	197,508
Deposits	**70,973**	62,709
	$ 410,791	$ 537,778

9. Employee Benefits Payable

Under the sick leave benefits plan, employees covered by the Town's collective agreement with the Canadian Union of Public Employees are entitled to accumulate unused sick leave to a prescribed maximum of 45 days and are entitled to a cash payment of one-half of their accumulated time, to a maximum of 20 days, when they leave the Town's employment. Sick leave benefits for management employees are negotiated on an individual basis. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement as well as lump-sum payments upon retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for these accumulated days amounted to $31,065 (2024 – $37,069) at the end of the year.

10. Long-term Debt

The balance of long-term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2025	2024
Ontario Infrastructure Projects Corporation serial debenture, due June 2030, repayable in semi-annual payments of $6,597, including interest calculated at 4.88%	**$ 52,733**	$ 62,977

Future estimated principal and interest payments on long-term debt for the next five years and thereafter are as follows:

	Principal	Interest
2026	$ 10,750	$ 2,444
2027	11,281	1,913
2028	11,839	1,356
2029	12,423	770
2030	6,440	157
	$ 52,733	$ 6,640

Total charges for the year for long-term debt which are reported in the financial statements are as follows:

	2025	2024
Principal payments	**$ 10,244**	$ 18,391
Interest	**2,950**	3,558

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11. Deferred Revenue - General

	2025	2024
Balance, beginning of year:		
Kearney Dog Sled Races	**$ 1,700**	$ 8,870
Northern Ontario Resource Development Support (NORDS)	**16,816**	301,278
Building Permits	**61,184**	-
Ontario Cannabis Legalization Implementation fund	**2,759**	3,300
Other Town of Kearney	**7,075**	11,173
	89,534	324,621
Received during the year:		
Kearney Dog Sled Races	**17,105**	1,700
Northern Ontario Resource Development Support (NORDS)	**96,917**	82,005
Building Permits	**41,418**	61,184
Other Town of Kearney	**4,866**	7,252
Interest earned	**526**	4,554
	160,832	156,695
Recognized during the year:		
Kearney Dog Sled Races	**(1,702)**	(8,870)
Northern Ontario Resource Development Support (NORDS)	**(114,258)**	(371,021)
Ontario Cannabis Legalization Implementation fund	**(1,582)**	(541)
Other Town of Kearney	**(72,622)**	(11,350)
	(190,164)	(391,782)
Deferred revenue, end of year	**$ 60,202**	$ 89,534
Comprised as follows:		
Kearney Dog Sled Races	**$ 17,103**	$ 1,700
Northern Ontario Resource Development Support (NORDS)	**-**	16,816
Ontario Cannabis Legalization Implementation fund	**1,177**	2,759
Building permits	**41,922**	61,184
Other Town of Kearney	**-**	7,075
	$ 60,202	$ 89,534

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12. Deferred Revenue - Obligatory Reserves

	2025	2024
Deferred revenue, beginning of year**:**		
Recreational land (the Planning Act)	**$ 36,160**	$ 29,285
Canada Community-Building Fund contributions	**29,220**	61,540
Ontario Community Infrastructure Fund contributions	**36,268**	99,621
	101,648	190,446
Received during the year:		
Recreational land (the Planning Act)	**929**	5,400
Canada Community-Building Fund	**65,567**	62,117
Ontario Community Infrastructure Fund	**235,415**	202,643
Interest earned	**-**	13,150
	301,911	283,310
Recognized during the year:		
Canada Community-Building Fund	**-**	(99,000)
Ontario Community Infrastructure Fund	**(271,683)**	(273,108)
	(271,683)	(372,108)
Deferred revenue, end of year	**$ 131,876**	$ 101,648
Comprised as follows:		
Recreational land (the Planning Act)	**$ 37,087**	$ 36,160
Canada Community-Building Fund	**94,789**	29,220
Ontario Community Infrastructure Fund	**-**	36,268
	$ 131,876	$ 101,648

The Town receives payments in lieu of parkland under the Planning Act, federal Community-Building (formerly "gas tax") funding under an agreement with the Association of Municipalities of Ontario and Ontario Community Infrastructure Fund funding under an agreement with the Ministry of Infrastructure. Legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

In the case of payments in lieu of parkland, revenue recognition occurs when the Town 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.

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13. Accumulated Surplus

The Town segregates its accumulated surplus in the following categories:

	2025	2024
Consolidated investment in tangible capital assets	**$ 15,306,773**	$ 15,116,772
General operating surplus		
Town	**(335,532)**	170,899
Library Board	**12,929**	7,721
Joint Waste Management Committee (2025 - 44.2% (2024 - 44.2%)	**(55,694)**	4,068
Amounts to be recovered (i)	**(579,200)**	(534,023)
Reserves and reserve funds (ii)	**4,363,359**	3,408,182
	$ 18,712,635	$ 18,173,619
(i) Amounts to be recovered		
Long-term debt	**$ (52,733)**	$ (62,977)
Asset retirement obligations	**(495,402)**	(433,976)
Employee benefits	**(31,065)**	(37,069)
	$ (579,200)	$ (534,022)
(ii) Reserves and reserve funds		
Working funds	**$ 306,562**	$ 306,562
Election	**12,225**	8,150
Sick leave	**24,348**	24,348
Municipal capital	**445,784**	445,784
Municipal buildings	**400,612**	400,612
Bridges and culverts	**1,462,405**	1,162,405
Roads equipment	**498,676**	298,676
Fire equipment	**342,792**	3,489
UFCW negotiations	**10,883**	8,383
Muskoka Algonquin Hospital	**326,250**	217,500
Recreation and culture	**258,903**	210,025
Boat launch	**60,344**	60,344
Dog sled races	**19,344**	19,344
Regatta	**19,144**	18,344
Kearney Community Centre	**15,397**	15,397
Library Board	**7,367**	6,094
Joint Waste Management Committee	**142,974**	192,659
Ralph Bice reserve fund	**9,349**	10,066
	$ 4,363,359	$ 3,408,182

14. Asset Retirement Obligations

The Town has recorded asset retirement obligations with respect to its landfill closure and post-closure care requirements, which have been defined in accordance with industry standards and include final cover and landscaping of the landfill site, management of groundwater and leachates, and ongoing environmental monitoring and site inspection.

When initially recording this obligation, the estimated present value of future cash flows for closure and post-closure costs for active sites are capitalized to the carrying amount of the associated assets, and amortized over the operating life of the site, in proportion to its utilized capacity. Subsequent revisions to the estimated cost are also capitalized and amortized as part of the asset. When a site becomes inactive, the related assets are derecognized. For both active and inactive sites, accretion of the discounted liability due to the passage of time is recorded as an in-year expense.

The Town is currently responsible for two waste disposal sites as follows:

The Town of Kearney landfill site stopped accepting waste in 2001 and is now in the monitoring stage. The liability for this site represents the total discounted future cash flows for post-closure care using an estimated long-term borrowing rate of 3.54% (2024 – 3.54%) and inflation rate of 2.60% (2024 – 2.60%). Post-closure care is estimated to be required until 2027 (2024 – 2027).

The Township of Perry and the Town of Kearney jointly operate a landfill site through the Kearney-Perry Joint Waste Management Committee. The liability for this site represents the total discounted future cash flows for closure and post-closure care using an estimated long-term borrowing rate of 4.37% (2024 – 4.37%) and inflation rate of 2.60% (2024 – 2.60%). The estimated remaining capacity of the site is approximately 91,400 (2024 – 93,200) cubic metres, estimated to be filled in 51 years (2024 – 52 years). Post-closure care is estimated to be required for a period of 25 years. The Committee has closure reserves of $177,173 (2024 – $293,530) to fund this liability.

The continuity of the asset retirement obligations are as follows:

	2025	2024
Balance, beginning of year	**$ 433,976**	$ 395,023
Increase in liability reflecting changes in the estimated cash flows, inflation and discount rate	**112,038**	25,475
Increase due to accretion	**18,279**	14,870
Cash outlays for the closure and post closure of landfill liabilities	**(68,891)**	(591)
Increase (decrease) in liability due to change in the Town's proportionate share	**-**	(801)
Balance, end of year	**$ 495,402**	$ 433,976

15. Comparative Figures

Certain prior year figures presented for comparative purposes have been reclassified to conform with the basis of presentation for the current year.

16. Budget Figures

The Budget By-law adopted by Council on May 1, 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. For unbudgeted items (amortization of tangible capital assets and asset retirement obligation accretions), the actual amounts for 2025 were used to adjust the reported budget amounts. A reconciliation of the adopted and reported budgets is presented as follows:

	2025
Budget By-law surplus for the year	$ -
Adopted budget:	
Decrease in general municipal operating surplus	(360,408)
Decrease in Library Board operating surplus	(8,250)
Increase in consolidated reserves and reserve funds	921,707
Adjustments:	
Acquisition of tangible capital assets	1,172,566
Amortization of tangible capital assets	(935,449)
Accretion of asset retirement obligations	(18,279)
Settlement of asset retirement obligations	74,894
Decrease in long-term debt	10,244
Budget surplus per Statement of Operations	$ 857,025

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17. Pension Agreements

The Town makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan ("the Plan") by comparing the actuarial value of the 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 total actuarial liabilities of $151,365 million with respect to benefits accrued for service with actuarial assets at that date of $150,043 million indicating an actuarial deficit of $1,322 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Town does not recognize any share of the Plan surplus or deficit.

The amount contributed to this Plan in 2025 was $104,455 (2024 - $96,828) for current and prior-year service and is included as an expense on the Statement of Operations.

18. Contingent Liabilities

The Town 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 Town 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. As such no provision for these claims has been recorded in these consolidated financial statements. Any settlements, in excess of applicable insurance, would be reflected in the period in which settlements outcome becomes known with more certainty and the respective dollar amounts are more reasonably estimated.

19. Segment Disclosures and Expenses by Object

The Town and its Boards and Committees provide a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Town's Financial Information Return, which include 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, emergency measures and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract. The fire department provides vital emergency services to the community including fire prevention, public education and emergency planning.

Transportation Services

Transportation services include work relating to the planning, development and maintenance of roadway systems and winter control and street lighting.

Environmental Services

This segment includes solid waste collection, disposal and recycling services. The Town contracts its recycling services.

Health Services

This segment includes contracted ambulance services as well as payments to the North Bay Parry Sound District Health Unit.

19. Segment Disclosures and Expenses by Object (continued)

Social and Family Services

This segment consists primarily of payments made to the Parry Sound District 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 and recreation facilities.

Library

This segment includes the consolidated library transactions of the Town and its Library Board.

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 Town'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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19. Segment Disclosures and Expenses by Object (continued)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Culture Services	Planning and Development	Library Services	Unallocated Amounts	2025 Total
Revenue											
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,195,143	**$ 4,195,143**
User charges	2,640	31,764	1,747	27,506	-	-	85,785	12,467	-	-	**161,909**
Government transfers											
Canada	-	-	-	-	-	-	-	-	-	-	**-**
Ontario	-	54,071	428,229	172,275	-	24,077	-	-	5,298	800,300	**1,484,250**
Other municipalities	-	1,860	-	-	-	-	-	-	-	-	**1,860**
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	-	-	-	**-**
Interest & other	21,407	97,882	12,162	-	-	111	72,241	-	1,860	102,263	**307,926**
Total revenue	24,047	185,577	442,138	199,781	-	24,188	158,026	12,467	7,158	5,097,706	**6,151,088**
Expenses											
Salaries, wages and benefits	646,894	359,615	590,875	137,417	-	-	139,802	-	57,974	-	**1,932,577**
Long-term debt charges (interest)	-	2,950	-	-	-	-	-	-	-	-	**2,950**
Materials	23,052	218,338	608,948	(51,466)	-	4,995	140,349	-	11,323	-	**955,539**
Contracted services	451,881	406,031	65,889	149,237	139,095	25	65,662	146,252	781	-	**1,424,853**
Rents and financial expenses	3,436	-		16,804	-	-	-	2,259	118	-	**22,617**
External transfers	715	-	-	-	36,801	281,292	1,000	-	-	-	**319,808**
Amortization	22,571	96,220	656,348	10,168	-	19,391	117,347	-	13,404	-	**935,449**
Accretion of ARO liability	-	-	-	18,279	-	-	-	-	-	-	**18,279**
Total expenses	1,148,549	1,083,154	1,922,060	280,439	175,896	305,703	464,160	148,511	83,600	-	**5,612,072**
Annual (deficit) surplus	$ (1,124,502)	$ (897,577)	$ (1,479,922)	$ (80,658)	$ (175,896)	$ (281,515)	$ (306,134)	$ (136,044)	$ (76,442)	$ 5,097,706	**$ 539,016**

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19. Segment Disclosures and Expenses by Object (continued)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation & Culture	Planning and Development	Library Services	Unallocated Amounts	2024 Total
Revenue											
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,080,317	$ 4,080,317
User charges	2,729	10,843	14,229	37,112	-	-	59,260	10,310	-	-	134,483
Government transfers											
Canada	-	-	99,000	-	-	-	-	-	-	-	99,000
Ontario	4,038	2,793	644,129	84,092	-	24,165	96,335	-	4,772	720,600	1,580,924
Other municipalities	-	4,567	-	-	-	-	-	-	-	-	4,567
Gain (loss) on disposal of capital assets	-	1,066	(120,199)	1,369	-	(15,069)	(30,847)	-	-	-	(163,680)
Interest & other	500	15,466	39,844	19,049	-	271	21,957	-	6,624	217,326	321,037
Total revenue	7,267	34,735	677,003	141,622	-	9,367	146,705	10,310	11,396	5,018,243	6,056,648
Expenses											
Salaries, wages and benefits	517,076	358,179	477,867	105,819	-	-	115,431	-	45,733	-	1,620,105
Long-term debt charges (Interest)	-	3,432	126	-	-	-	-	-	-	-	3,558
Materials	113,366	188,754	396,624	45,379	-	10,784	116,536	185	10,184	-	881,812
Contracted services	340,039	410,681	29,096	246,596	134,092	2,615	38,851	18,621	197	-	1,220,788
Rents and financial expenses	4,916	5,429	49,726	4,178	-	-	17,392	1,130	142	-	82,913
External transfers	6,915	-	-	-	36,383	316,297	2,000	-	-	-	361,595
Amortization	18,074	91,159	616,890	61,173	-	18,932	106,946	-	13,461	-	926,635
Accretion of ARO liability	-	-	-	14,870	-	-	-	-	-	-	14,870
Total expenses	1,000,386	1,057,634	1,570,329	478,015	170,475	348,628	397,156	19,936	69,717	-	5,112,276
Annual (deficit) surplus	$ (993,119)	$ (1,022,899)	$ (893,326)	$ (336,393)	$ (170,475)	$ (339,261)	$ (250,451)	$ (9,626)	$ (58,321)	$ 5,018,243	$ 944,372