

**CORPORATION OF THE VILLAGE
OF POINT EDWARD
CONSOLIDATED FINANCIAL STATEMENTS**
December 31, 2025

CONTENTS

MANAGEMENT’S REPORT 1

INDEPENDENT AUDITOR’S REPORT 2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 4

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS 5

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS 6

CONSOLIDATED STATEMENT OF CASH FLOWS 7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 8

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS 31

SCHEDULE 2 – CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE 33

MANAGEMENT'S REPORT

The management of the Corporation of the Village of Point Edward ("Village") is responsible for the integrity, objectivity and accuracy of the financial information in the accompanying consolidated financial statements.

The consolidated financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in Note 1 to the consolidated financial statements.

To meet its responsibility, management maintains comprehensive financial and internal control systems designed to ensure the proper authorization of transactions, the safeguarding of assets and the integrity of the financial data. The Village employs highly qualified professional staff and deploys an organizational structure that effectively segregates responsibilities, and appropriately delegates authority and accountability.

The Finance Committee, a sub-committee of Village Council ("Council"), reviews and approves the consolidated financial statements before they are submitted to Council.

The December 31, 2025 consolidated financial statements have been examined by the Village of Point Edwards' external auditors, MNP LLP, and their report precedes the consolidated financial statements.

Point Edward, Canada

Jane Qi
Treasurer

Jim Burns
Chief Administrative Officer/Clerk

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Village of Point Edward:

Opinion

We have audited the consolidated financial statements of the Corporation of the Village of Point Edward (the "Village"), which comprise the consolidated statement of financial position as at December 31, 2025, and 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 Village as at December 31, 2025, and the results of its consolidated operations, changes in its consolidated net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our 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 Village in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the 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 Village'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 Village'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 Village 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Village as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

London, Ontario

July 28, 2026

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

CORPORATION OF THE VILLAGE OF POINT EDWARD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	2025	2024
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	1,592,550	3,661,488
Investments (note 4)	1,145,918	759,746
Taxes receivable (note 5)	351,654	351,173
Accounts receivable (note 6)	3,381,981	3,677,008
Investment in Bluewater Power Corporation (note 8)	3,290,263	3,102,885
TOTAL FINANCIAL ASSETS	9,762,366	11,552,300
LIABILITIES		
Accounts payable and accrued liabilities (note 9)	839,282	1,527,218
Municipal debt (note 12)	2,500,000	-
Asset retirement obligation (note 14)	4,842	4,712
TOTAL LIABILITIES	3,344,124	1,531,930
NET FINANCIAL ASSETS	6,418,242	10,020,370
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11) (schedule 1)	32,610,023	27,970,641
Prepaid expenses	21,681	88,437
TOTAL NON-FINANCIAL ASSETS	32,631,704	28,059,078
ACCUMULATED SURPLUS (note 15)	39,049,946	38,079,448

Commitments (note 19)

Contingent liabilities (note 20)

Approved on behalf of Council:

Mayor

C.A.O./Clerk

Treasurer

CORPORATION OF THE VILLAGE OF POINT EDWARD

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31, 2025

	Budget 2025 \$ (note 17)	Actual 2025 \$	Actual 2024 \$
REVENUES			
Taxation	3,881,129	3,669,970	3,442,949
User charges	2,712,818	2,955,168	2,638,024
Government of Canada grants	50,500	63,208	420,114
Province of Ontario grants	21,521	227,147	1,092,465
Other municipalities grants	150,920	137,579	131,302
Penalties and interest on taxes	49,200	71,888	59,939
Investment income	711,890	315,820	438,707
Loss on sale of tangible capital assets	-	(4,022)	(1,018)
Casino revenue (note 23)	1,850,000	1,599,450	1,792,512
Share of net income in Bluewater Power Corporation (note 8)	-	265,535	166,188
TOTAL REVENUES	9,427,978	9,301,743	10,181,182
EXPENSES			
General government	1,231,105	1,427,413	1,376,464
Protection services	1,755,384	1,722,852	1,702,026
Transportation services	1,594,555	1,638,152	1,623,661
Environmental services	2,157,815	2,122,214	2,176,320
Recreation and cultural services	1,351,358	1,310,390	1,276,909
Planning and development	4,000	3,536	3,881
TOTAL EXPENSES	8,094,217	8,224,557	8,159,261
ANNUAL SURPLUS	1,333,761	1,077,186	2,021,921
ACCUMULATED SURPLUS - beginning of year	38,079,448	38,079,448	36,380,070
Equity increase in Lambton Area Water Supply System (LAWSS) due to change in % ownership (note 16)	(106,688)	(106,688)	(322,543)
ACCUMULATED SURPLUS - end of year (note 15)	39,306,521	39,049,946	38,079,448

CORPORATION OF THE VILLAGE OF POINT EDWARD

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2025

	Budget 2025 \$ (note 17)	Actual 2025 \$	Actual 2024 \$
ANNUAL SURPLUS	1,333,761	1,077,186	2,021,921
Amortization of tangible capital assets	1,170,448	1,170,448	1,214,489
Acquisition of tangible capital assets	2,643,112	(5,781,935)	(3,266,472)
Net book value of disposed tangible capital assets	-	4,022	1,018
Share of LAWSS adjustment on tangible capital assets due to change in % ownership	(31,917)	(31,917)	194,020
Share of LAWSS adjustment on opening surplus due to change in % ownership	(106,688)	(106,688)	(322,543)
Decrease (increase) in prepaid expenses	-	66,756	(28,312)
DECREASE IN NET FINANCIAL ASSETS	5,008,716	(3,602,128)	(185,879)
NET FINANCIAL ASSETS - beginning of year	10,020,370	10,020,370	10,206,249
NET FINANCIAL ASSETS - end of year	15,029,086	6,418,242	10,020,370

CORPORATION OF THE VILLAGE OF POINT EDWARD

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Actual 2025 \$	Actual 2024 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	1,077,186	2,021,921
Non-cash charges to operations		
Amortization of tangible capital assets	1,170,448	1,214,489
Loss on disposal of tangible capital assets and WIP	4,022	1,018
Equity basis net income in Bluewater Power Corporation	(265,535)	(166,188)
Change in non-cash assets and liabilities		
Increase in taxes receivable	(481)	(66,197)
Increase in accounts receivable	295,027	(826,152)
Increase in accounts payable and accrued liabilities	(687,935)	550,688
(Decrease) increase in deferred revenue	-	(1,079,200)
Increase in prepaid expenses	66,756	(28,312)
(Decrease) increase in asset retirement obligation	130	(511)
Net increase in cash from operating transactions	1,659,618	1,621,556
CAPITAL		
Acquisition of tangible capital assets	(5,781,935)	(3,266,472)
Share of LAWSS adjustment on tangible capital assets	(31,917)	194,020
Net decrease in cash from capital transactions	(5,813,852)	(3,072,452)
INVESTING		
Dividends received from Bluewater Power Corporation	78,156	75,634
Equity increase in LAWSS due to change in % ownership	(106,688)	(322,543)
(Increase) decrease in investments	(386,172)	427,384
Net (decrease) increase in cash from investing transactions	(414,704)	180,475
FINANCING		
Municipal debt advances	2,500,000	-
DECREASE IN CASH AND CASH EQUIVALENTS	(2,068,938)	(1,270,421)
CASH AND CASH EQUIVALENTS - beginning of year	3,661,488	4,931,909
CASH AND CASH EQUIVALENTS - end of year	1,592,550	3,661,488
Cash received from interest	311,938	424,240

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

The Corporation of the Village of Point Edward ("Village") is a municipality in the Province of Ontario, Canada. It was incorporated in 1878 and conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Municipal Affairs Act and related legislation. The Village provides municipal services such as fire, public works, planning, parks and recreation and other general government operations.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Village are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) as defined in the CPA Canada Public Sector Accounting Handbook. Significant aspects of the accounting policies are as follows:

a) *Basis of Consolidation*

i. *Consolidated Entity*

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all committees and local boards accountable for the administration of their financial affairs and resources of the Village and which are owned or controlled by the Village.

These entities include:

- Point Edward Electricity Holdings Inc.

Inter-departmental and inter-organizational transactions and balances with this entity have been eliminated.

ii. *Government Business Enterprise*

The Village's investment in Bluewater Power Corporation ("BPC") is accounted for on the modified equity basis, consistent with Canadian public sector accounting standards as recommended by PSAB for investments in government business enterprises. Under the modified equity basis, BPC's accounting policies are not adjusted to conform to those of the Village and inter-organizations transactions and balances are not eliminated. The Village recognizes its equity interest in the annual income or loss of BPC in its Consolidated Statement of Operations with corresponding increase or decrease in its investment asset account. Any dividends that the Village may receive from BPC will be reflected as reductions in the investment asset account.

iii. *Joint Local Board*

The Lambton Area Water Supply System ("LAWSS") has been consolidated on a proportionate basis based upon the water flow of the Village in proportion to the entire flows provided by the joint board for the previous year. Under the proportionate basis, the Village's pro rata share of each assets, liabilities, revenues and expenditures of LAWSS are consolidated with similar items in the Village's financial statements. For 2025, the Village's share of LAWSS was 1.63% (2024 - 1.67%). Material inter-organizational transactions and balances have been eliminated.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of Consolidation (continued)

iv. Accounting for County and School Board Transactions

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

b) Basis of accounting

The Village follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of a receipt of goods or services and/or the creation of a legal obligation to pay.

c) Non-financial assets

Non-financial assets are not yet available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

d) Tangible capital assets

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

Asset	Useful Life - Years
Land improvements	20 - 50 years
Buildings and building improvements	15 - 100 years
Transportation infrastructure	15 - 50 years
Environmental infrastructure	35 - 100 years
Vehicles	7 - 15 years
Equipment	5 - 25 years

Amortization is charged starting in the year subsequent to acquisition and a full year of amortization is charged in the year of disposition. Assets under construction are not amortized until the year after the asset is available for productive use.

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

The Village's tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of a tangible capital asset. Works of art and cultural and historic assets are not recorded as assets in these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments

Financial instruments are classified in one of the following categories: (i) fair value; (ii) cost or amortized cost. The Corporation determines the classification of its financial instruments at initial recognition.

Unsecured debentures and other long-term debt are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Transaction costs related to the issuance of long-term debt are capitalized and amortized over the term of the debt.

Financial Instrument	Measurement Method
Cash	Cost
Investments	Amortized cost
Taxes receivable	Cost
Trade and other receivables	Cost
Accounts payable and accrued liabilities	Cost

Other financial instruments, including cash and cash equivalents, accounts receivable, taxes receivable, accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment. The above table provides the carrying amount information of the Village's financial instrument by category.

Upon standard implementation, amortized cost will be measured using the effective interest rate method, as opposed to the straight-line method.

Fair value category: The Village manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the consolidated statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the consolidated statement of operations and related balances reverses from the consolidated statement of remeasurement gains and losses. As the Village has no applicable financial instruments recognized at fair value, the Village does not have a Statement of Remeasurement Gains and Losses.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price at the trade date, which is the fair value of the consideration given or received. After initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market data. These include comparisons with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Amortized cost category: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category.

Cost category: Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations.

The Village does not hold any portfolios investments. As a result, they do not present the Statement of Remeasurement Gains/Losses.

g) Revenue recognition

Property tax billings are prepared by the Village based on the assessment roles issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in the property assessments. Once a supplementary assessment roll is received, the Village determines the taxes applicable and renders a supplementary tax billing. Taxation revenues are recorded at the time the tax billings are issued.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Revenue recognition (continued)

The Village is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Taxation revenues in any year may also be reduced as a result of reductions in assessment values arising from assessment and/or tax appeals. Each year, an amount is identified to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals and other deficiencies in tax revenues (e.g., uncollectible amounts, write-offs, etc.).

Government transfer revenue is recorded once it is authorized by the transferring government. The Village is eligible to receive the transfer and the amount can be reasonably estimated. Any amount received but restricted is recorded as deferred revenue in accordance with Section 3100 of the Canadian Public Sector Accounting handbook and recognized as revenue in the period in which the resources are used for the purpose specified.

Investment income earned on surplus funds is recognized when earned.

Casino revenue is recognized when earned.

The Village's share of net income in Bluewater Power is recognized when earned

The Village recognizes revenue from fines and penalties on late tax payments and parking fines. These non-exchange transactions have no performance obligations and are recognized at their realizable value when the Village has the authority to claim or retain economic inflows based on a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized when the Village satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time. The Village recognizes revenues from utilities, licenses and permits, certificates, and facility rentals at a point in time, which occurs when the goods and/or services have been provided. In determining the transaction price, the Village measures revenue based on the consideration that is expected to receive in exchange for providing the goods and/or services.

h) Accumulated surplus

Accumulated surplus represents the Corporation's net economic resources. It is an amount by which all assets (financial and non-financial) exceed liabilities. An accumulated surplus indicates that the Corporation has net resources (financial and physical) that can be used to provide future services. An accumulated deficit means that liabilities are greater than assets.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates are used with accounting for items such as accrued receivables, tangible capital assets, accrued liabilities and asset retirement obligation.

In addition, the Village's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets. Actual results could differ from these estimates.

j) Employee future benefits

The contributions to the Ontario Municipal Employers Retirement System ("OMERS"), a multi-employer defined benefit pension plan, are expensed when contributions are due.

k) 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.

l) Deferred revenue

The Village receives contributions pursuant to legislation, regulations or agreements that may only be used for certain programs or in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the related expenses are incurred or services performed.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Budget figures

The Village completes separate budget reviews for tax supported operating and capital, as well as water and wastewater budgets each year. Budget figures have been provided for comparison purposes. Given differences between the budgeting model and generally accepted accounting principles established by the Public Sector Accounting Board (PSAB), certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

n) Related party disclosures

Related parties exist when one party has the ability to control or has shared control over another party. Individuals that are key management personnel or close family members may also be related parties.

Disclosure is made when the transactions or events between related parties occur at a value different from what would have been recorded if they were not related and the transactions could have a material financial impact on the consolidated financial statements.

o) Inter-entity transactions

Transactions between related parties are recorded at carrying amounts with the exception of the following:

- Transactions in the normal course of business are recorded at exchange amount.
- Transactions with fair value consideration are recorded at exchange amount.
- Transfer of an asset or liability at nominal or no consideration is recorded by the provider at carrying amount and the recipient has the choice of either carrying amount or fair value.
- Cost allocations are reported using the exchange amount and revenues and expenses are reported on a gross basis.
- Unallocated costs for the provision of goods or services may be recorded by the provider at costs, fair value or another amount dictated by policy, accountability structure or budget practice.

2. FUTURE ACCOUNTING STANDARDS

Effective April 1, 2026, the Town adopted the Public Sector Accounting Board's ("PSAB") revised Section PS 1202, Financial Statement Presentation, along with the related Conceptual Framework for Financial Reporting in the Public Sector.

PS 1202 establishes a revised financial reporting model and introduces changes to the presentation and structure of financial statements, including:

- A new Statement of Net Financial Assets (Net Financial Liabilities)
- A new Statement of Changes in Net Assets (Net Liabilities)
- A revised Statement of Financial Position, including updated classifications of financial and non-financial assets and liabilities; and
- Updated terminology and enhanced disclosure requirements aligned with the revised conceptual framework.

The Town is currently assessing the impact of the standard. The adoption is expected to result in changes to financial presentation and disclosure; however, it is not expected to have a material impact on the Town's accumulated surplus or annual results.

3. CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Cash on deposit	1,590,915	1,444,624
Cash equivalents	1,635	2,216,864
	1,592,550	3,661,488

Included in cash equivalents is savings accounts including, guaranteed investment certificates (GICs) of \$Nil (2024 - \$1,458,424).

4. INVESTMENTS

The Village has investments in guaranteed investment certificates (GICs) of \$1,145,918 (2024 - \$759,746) with maturity dates ranging from January 2026 to October 2028 and interest rates from 2.4% to 5.01% (2024 – 2.0% to 5.01%).

5. TAXES RECEIVABLE

Taxes receivables are reported net of allowance for doubtful accounts of \$NIL (2024 - \$NIL). As at December 31, the balances are as follows:

	2025	2024
	\$	\$
Taxes receivable	307,186	310,587
Penalties and interest	44,468	40,586
	351,654	351,173

6. ACCOUNTS RECEIVABLE

Included in accounts receivable is a loan receivable of \$2,004,468 (2024 - \$1,898,922) bearing interest at 6% per annum on the outstanding balance and must be repaid once the sale close upon completion of environmental inspections.

7. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF LAMBTON

During 2025, requisitions were made by the County of Lambton and School Boards requiring the Village to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards	County
	\$	\$
Property taxes	1,337,037	2,213,222
Payments in lieu	700	276,424
	1,337,737	2,489,646

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

8. INVESTMENT IN BLUEWATER POWER CORPORATION

In recognition of the requirements of Bill 35 (The Energy Competition Act, 1998) the Village through Point Edward Electricity Holdings Inc. (holding company), along with the City of Sarnia, Town of Petrolia, Township of Warwick, Village of Oil Springs and Village of Alvinston passed in the year 2000 transfer by-laws that transferred, effective October 31, 2000, all of their hydro assets and liabilities to Bluewater Power Distribution Corporation. Upon determination of the fair value of assets and liabilities transferred, each municipality received a promissory note from Bluewater Power Distribution Corporation and shares of Bluewater Power Corporation, which owns 100% of Bluewater Power Distribution Corporation, equal to the percentage of the fair market value of assets and liabilities each municipality contributed compared to the total fair market value of the assets and liabilities contributed by the municipalities. The fair market value of the assets and liabilities contributed by the Village of Point Edward was determined to be 3.37% of the fair market value of all of the assets and liabilities contributed by all of the six participating municipalities.

For its contribution the Village took back a promissory note from Bluewater Power Distribution Corporation bearing interest at 7.25% and Point Edward Electricity Holdings Inc., wholly owned by the Village was incorporated to hold the Village's investment in 3.37% of the common shares of Bluewater Power Corporation. This investment in 3.37% of the common shares of Bluewater Power Corporation was valued at \$607,682.

Commencing May 1, 2009, the interest rate payable on the promissory note increased from 7.25% to 7.62%, the deemed debt cost allowed by the Ontario Energy Board and on May 1, 2013 the increase rate declined to 6.39%. In May 2016 the rate was adjusted to 6.73%. In May 2018 the rate was adjusted to 6.98%. In May 2023, the rate was adjusted to 7.93%.

The financial statements of Bluewater Power Corporation were prepared in accordance with International Financial Reporting Standards (IFRS).

The investment in Bluewater Power Corporation is reported on the modified equity basis.

CORPORATION OF THE VILLAGE OF POINT EDWARD
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025
NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN BLUEWATER POWER CORPORATION (continued)

The investment is comprised of the following:

	2025	2024
	\$	\$
Promissory Note	653,025	653,025
Point Edward Electricity Holdings Inc. common shares	607,682	607,682
Share of net income since acquisition, net of dividends received	2,029,556	1,842,178
	3,290,263	3,102,885

	2025	2024
	\$	\$
Balance, beginning of year	3,102,885	3,012,331
Share of net income for the year	265,536	166,188
Dividends received during the year	(78,158)	(75,634)
Net increase in equity during the year	187,378	90,554
	3,290,263	3,102,885

The promissory note is due from Bluewater Power Distribution Corporation is unsecured, subordinated and due eighteen months following demand for payment. During 2025, the Village of Point Edward received \$51,956 (2024 - \$51,956) of interest income on the promissory note.

CORPORATION OF THE VILLAGE OF POINT EDWARD
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025
NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN BLUEWATER POWER CORPORATION (continued)

The following is the financial information presented by Bluewater Power Corporation for the year ended December 31:

Consolidated Statement of Financial Position

	2025	2024
	\$	\$
Assets		
Current assets	51,988,103	46,382,833
Other assets	120,406,647	113,456,975
Total assets	172,394,750	159,839,808
Regulatory balances	7,196,123	5,877,024
Total assets and regulatory balances	179,590,873	165,716,832
Liabilities		
Current liabilities	33,434,379	27,019,759
Non-current liabilities	64,013,392	63,309,409
Total liabilities	97,447,771	90,329,168
Equity		
Share capital	18,032,105	18,032,105
Retained earnings	59,392,507	55,017,910
Accumulated other comprehensive income	831,710	(353,880)
Total equity	78,256,322	72,696,135
Total liabilities and equity	175,704,093	163,025,303
Regulatory balances	3,886,780	2,691,529
Total liabilities, equity and regulatory balances	179,590,873	165,716,832

Consolidated Statements of Comprehensive Income

	2025	2024
	\$	\$
Revenue	160,851,811	153,689,070
Operating expenditures	(149,316,256)	(141,837,083)
Finance income and costs	(1,932,627)	(2,632,511)
Income tax expense	(2,734,000)	(2,339,000)
Net income for the year	6,868,928	6,880,476
Net movement in regulatory balances, net of tax	(175,152)	(2,195,342)
Other comprehensive income (expense)	1,185,590	246,252
Total comprehensive income	7,879,366	4,931,386

8. INVESTMENT IN BLUEWATER POWER CORPORATION (continued)

Due to the ownership of Bluewater Power Corporation, the Village would be responsible for their related commitments and contingencies. Future commitments in the aggregate amount of \$106,086 can be found within the standalone financial statements of Bluewater Power Corporation.

During the year, Bluewater Power Corporation billed on behalf of the Village \$1,598,132 (2024 - \$1,445,622) of water and wastewater charges

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are the government remittances totalling \$48,204 (2024 – \$56,101).

10. BANK INDEBTEDNESS

The Village has an operating loan agreement with a Canadian Chartered bank for a credit facility up to \$600,000, payable on demand, bearing interest at the bank's prime rate per annum. The balance on the credit facility at December 31, 2025 was \$NIL (2024 - \$NIL).

11. TANGIBLE CAPITAL ASSETS

The net book value of the tangible capital assets is as follows:

	2025	2024
	\$	\$
General		
Land and land improvements	1,851,166	1,922,103
Buildings	11,239,052	11,380,282
Vehicles and equipment	2,682,911	2,038,874
Infrastructure		
Transportation	2,911,941	3,087,318
Environment	4,933,113	5,011,066
	23,618,182	23,439,643
Work in progress	8,991,840	4,530,998
	32,610,023	27,970,641

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 1).

During 2025, there were no write-downs of assets (2024 - \$Nil).

12. MUNICIPAL DEBT

The balance of municipal debt reported on the statement of financial position is comprised of the following loan:

	2025	2024
	\$	\$
Infrastructure Ontario	2,500,000	-

In 2023, the Village was approved to receive funding up to \$6,000,000 (2024 - \$6,000,000) from Ontario Infrastructure upon request for the St. Clair Road project. As of December 31, 2025, the Village was advanced \$2,500,000 (2024 - \$Nil), at the Village's request, bearing a variable interest rate. Interest is paid monthly based on Infrastructure Ontario's Advance Interest Rate. The principal repayment term is determined upon completion of the project.

The total interest charges for the year for municipal debt which is reported on the statement of operation and accumulated surplus was \$18,559 (2024 - \$Nil).

During the year, the Village authorized the borrowing of \$848,959 and \$1,072,547 at an annual interest rate of 3.15% from its water reserve fund in order to finance the St. Clair Road project. At December 31 2025, the principal balance remaining to be repaid to the water reserve fund for this loan is \$1,878,876.

13. PENSION AGREEMENTS

The Village makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2025 was \$200,823 (2024 - \$188,509). The contribution rate for 2025 was 9.2% to 15.8% depending on age and income level (2024 - 9.2% to 15.8%)

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Village does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2024. At that time the plan reported a \$1.32 billion actuarial deficit (2024 - \$2.91 billion actuarial deficit), based on actuarial liabilities of \$149.58 billion (2024 - \$140.77 billion) and actuarial assets of \$145.24 billion (2024 - \$138.17 billion). Ongoing adequacy of the current contribution rates will need to be monitored as declines in the financial markets may lead to increased future funding requirements.

14. ASSET RETIREMENT OBLIGATIONS

The Village's financial statements include their proportionate ownership of the LAWSS asset retirement obligation for the remediation of asbestos and other designated substances contained within buildings. The related asset retirement costs are being amortized on a straight-line basis. The liability has been estimated using a net present value technique with a discount rate of 5.57%. The estimated total undiscounted future expenditures are \$87,511, which are to be incurred over the remaining productive useful life of the buildings. The liability is expected to be settled at the end of the buildings' productive useful lives.

The carrying amount of the liability at December 31, 2025 is \$4,842 (2024 - \$4,712).

Note that the total amount of the liability may change due to changes in estimates noted above, such as the discount rate, estimated total undiscounted future expenditures, and expected remediation date.

15. ACCUMULATED SURPLUS

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

	2025	2024
	\$	\$
Surplus		
Investment in Bluewater Power Corporation	3,290,263	3,102,885
Unfunded liabilities	(2,504,842)	-
Amounts to be recovered from future revenues	(1,878,876)	-
Invested in Capital Assets		
Tangible capital assets – net book value	32,610,022	27,970,641
Surplus	31,516,568	31,073,526

15. ACCUMULATED SURPLUS (continued)

Reserves		
Emergencies	1,379,633	2,308,895
Water	885,332	924,399
Working capital	849,053	849,053
Engine truck replacement	933,539	650,000
Playground	633,096	423,096
LAWSS	387,138	351,980
MAT tax	498,192	57
Storm station update	425,461	325,461
Point Edward Electricity Holdings	154,247	209,091
Public works dump truck	170,000	145,000
Planning licenses and permits	126,542	126,542
Fire department air pack	185,000	125,000
Ice resurfacer replacement	154,868	104,868
Fire department training and certification	89,378	89,378
Land	58,500	58,500
Public works winter maintenance	51,980	51,980
Pipe repairs	70,000	45,000
Donation reserve	41,647	41,647
Health & safety	32,913	32,913
Cleaning wells	37,500	27,500
150 th Anniversary	50,000	25,000
General Election	27,518	17,518
Insurance claims	16,468	16,468
Parks sick leave	15,825	15,825
Generator	15,000	15,000
M Grant	13,251	13,251
Cannabis Fund	10,000	10,000
Concession	2,500	2,500
WSIB	86,738	-
Capital expenditures	107,059	-
Interest	25,000	-
Total Reserves	7,533,378	7,005,922
	39,049,946	38,079,448

16. JOINT LOCAL BOARD CONSOLIDATION – LAWSS

The following summarizes the financial position and operations of Lambton Area Water Supply System (LAWSS) which has been reported in these consolidated financial statements using the proportionate consolidation method.

The consolidated financial statements include the Village's 1.63% (2024 - 1.67%) proportionate interest as follows:

Consolidated Statement of Financial Position

	2025	2024
	\$	\$
Cash	413,576	361,448
Accounts and notes receivable	3,517	11,467
Accounts payable and accrued liabilities	(25,113)	(16,223)
Asset retirement obligation	(4,841)	(4,712)
Net financial debt	387,139	351,980
 Tangible capital assets	 1,587,812	 1,590,342
Accumulated surplus	1,974,951	1,942,322

Consolidated Statement of Operations

	2025	2024
	\$	\$
Total revenues	237,738	231,409
Total expenses	(158,587)	(146,489)
Annual surplus	79,151	84,920

CORPORATION OF THE VILLAGE OF POINT EDWARD
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025
NOTES TO THE FINANCIAL STATEMENTS

17. BUDGET FIGURES

Budget data presented in these consolidated financial statements are based upon the 2025 operating and capital budget approved by Council. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Village Approved Budget \$	PSAB Adjustment & Consolidated Entities \$	Budget per Financial Statements \$
General revenues	9,096,419	331,559	9,427,978
General expenses	(6,647,060)	(1,447,159)	(8,094,217)
Non-Statement of Operations Transactions:			
Capital expenditures	(2,643,112)	2,643,112	-
Reserve transfers	970,416	(970,416)	-
Annual surplus	776,663	557,098	1,333,761

18. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Salaries and benefits	3,195,919	3,210,256	3,072,521
Interest charges	690	242	952
Materials	2,500,153	2,627,476	2,716,875
Contracted services	878,339	1,110,978	1,068,580
Rents and financial expenses	6,578	24,764	6,367
External transfers	65,381	80,393	80,178
Amortization	1,447,157	1,170,448	1,214,489
	8,094,217	8,224,557	8,159,261

19. COMMITMENTS

The Village entered into a service agreement with Marcotte Disposal for waste collection for a ten-year term ending June 30, 2032 at an approximate cost of \$127,256 in 2026, including HST.

The total waste collection commitment is as follows:

2026	\$	127,256
2027		129,801
2028		132,397
2029		135,045
2030		137,746
Thereafter		<u>211,447</u>
		<u>873,692</u>

The Village has entered into a service agreement with the Ontario Provincial Police for the provision of policing services which will expire on December 31, 2026. The 2026 annual cost will be \$608,676; subsequent years' amounts are to be determined on an annual basis based on estimated salary and benefit costs.

The Village has entered into a service agreement with the City of Sarnia for the provision of transit services which will expire on December 31, 2026 at a cost of \$285,000 including HST.

The Village has entered into a contract with Maaten Construction Limited related to the digester lid refurbishment. The contract is for \$580,124 including HST. Final phase of construction expected to be completed in 2027.

The Village has entered into an agreement with Sourcewell to purchase a firetruck. The agreement is for \$1,279,905. The truck is expected to be delivered in 2026.

The Village has entered into a contract with Dixin Construction related to the water pollution control plant. The contract is estimated at \$1,983,150 including HST. Final phase of construction is expected to be completed in 2027.

Further to note 16 the Village has proportionate interest in joint local board – LAWSS including their related commitments. Future capital commitments in the aggregate amount of \$21,011,557 can be found within the standalone financial statements of Lambton Area Water Supply System (LAWSS).

20. CONTINGENT LIABILITIES

From time to time, the Village is subject to claims and other lawsuits that arise in the ordinary course of business, some of which may seek damages in substantial amounts. Liability for any claims and lawsuits are recorded to the extent that the probability of a loss is likely and it is estimable.

The Village has proportionate interest in joint local board – LAWSS including their related contingencies. LAWSS was subject to claims totaling \$27 million, the outcome of such matters were still being determined as of the reporting date. Further details can be found within the standalone financial statements of Lambton Area Water Supply System (LAWSS).

Subsequent to year end LAWSS was ordered to pay \$7,765,180 under the Ontario Dispute Adjudication for Construction Contracts (ODACC) as a result of the July 6, 2026 determination.

21. SEGMENTED INFORMATION

The Village is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of those segments and the activities they encompass are as follows:

General Government

The departments within general government are responsible for the general management and control of the Village, including adopting by-laws, adopting administrative policy, levying taxes, and providing administrative services. They also ensure that quality services are provided to the community and that the services are aligned with Council approved actions.

Protection Services

Protection is comprised of police services, fire protection, building department and animal control. The Police services is contracted to the Ontario Provincial Police and they work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression services, fire prevention programs, training and education related to prevention, detection or extinguishment of fires and emergency rescue services. The building department is responsible for permit processing and building inspections. The animal control department is responsible to provide a licensing system for dogs.

Transportation Services

Transportation includes the delivery of municipal public works services related to the planning, development and maintenance of the Village's infrastructure including roads, bridges, storm drains, sidewalks, streetlights, traffic signals and winter control and funding for mobility transit services.

Environmental Services

Environmental services consist of providing sanitary and storm sewer, water, waste collection and disposal, and recycling services. Environment services also ensures the maintenance and proper operation of 4 wastewater pump stations and 2 storm water pump stations.

21. SEGMENTED INFORMATION (continued)

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Village's citizens. The Village is responsible for the development, provision and maintenance of the Point Edward Arena and Community Hall, as well as parks and recreation.

Planning and Development

The County of Lambton Planning Department provides advice, guidance and recommendations to Council, the Committee of Adjustment and staff members on all planning issues. The administration for all planning application is dealt with by municipal office staff. The Point Edward Committee of Adjustment supports an open and inclusive planning process and considers decisions on severance and minor variance applications.

22. FINANCIAL INSTRUMENTS AND RISKS

Unless otherwise noted, it is management's opinion that the Village is not exposed to significant risks. There have been no changes in the Village's risk exposures from the prior year.

Credit risk

The Village is exposed to credit risk through its cash, taxes receivable and accounts receivable. There is a possibility of non-collection of its accounts receivable. The majority of the Village's receivables are from rate payers and government entities. The Village mitigates its exposure to credit loss by placing its cash with major financial institutions.

Accounts receivable credit risk is resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The Village manages its credit risk by limiting the amount of days aged in accounts receivable before appropriate action is taken.

The Village's maximum exposure to credit risk at the financial statement date is the carrying value of accounts receivable and other accounts receivable as presented on the statement of financial position.

22. FINANCIAL INSTRUMENTS AND RISKS (continued)

At year end, the amounts outstanding for the Village's accounts receivable are as follows:

2025					
	Current	31-60 days	61-90 days	91-120 days	Total
Accounts receivable	1,161,015	190,329	12,472	2,018,165	3,381,981
Taxes receivable	-	-	-	351,654	351,654
	1,161,015	190,329	12,472	2,429,344	3,793,160

2024					
	Current	31-60 days	61-90 days	91-120 days	Total
Accounts receivable	1,733,025	60,169	23,860	1,859,954	3,677,008
Taxes receivable	-	-	-	351,173	351,173
	1,733,025	60,169	23,860	2,211,127	4,028,181

Liquidity risk

Liquidity risk is the risk that the Village will not be able to meet its obligations as they become due. The Village is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and deferred revenue. The Village manages this risk by establishing budgets and funding plans to fund its expenses and debt repayments. The Village also maintains certain credit facilities, which can be drawn upon as needed.

The following tables sets out the expected maturities (representing undiscounted contractual cash-flow of financial liabilities):

2025				
	Within 1 year	1-5 years	Over 5 years	Total
Accounts payable and accrued liabilities	839,282	-	-	839,282
Municipal debt	-	2,500,000	-	2,500,000
	902,484	2,500,000	-	3,339,282

2024				
	Within 1 year	1-5 years	Over 5 years	Total
Accounts payable and accrued liabilities	1,527,218	-	-	1,527,218

22. FINANCIAL INSTRUMENTS AND RISKS (continued)

Interest rate risk

Interest rate risk is the risk of potential loss caused by fluctuations in fair value of cashflow of financial instruments due to the changes in market interest rates. The Village is exposed to this risk through its interest-bearing investments. The Village manages this risk through investing in fixed-rate securities of short to medium term maturity and plans to hold the securities to maturity.

23. ECONOMIC DEPENDENCE

Approximately 17% (2024 - 18%) of the Village's total revenues are generated from the Ontario Lottery and Gaming Corporation (OLG). The loss of a material amount of casino revenue from OLG could have a material adverse effect on the operations of the Village.

CORPORATION OF THE VILLAGE OF POINT EDWARD

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2025

	General			Infrastructure		Work in Progress	Totals
	Land and Land Improvements	Buildings	Vehicles and Equipment	Transportation	Environmental		
	\$	\$	\$	\$	\$	\$	\$
COST							
Balance, beginning of year	4,852,300	23,292,244	5,271,610	8,101,593	9,242,411	4,530,998	55,291,156
Add: additions during the year	7,582	383,895	910,563	19,053	-	4,460,842	5,781,935
Less: disposals during the year	-	19,970	29,849	3,515		-	53,334
LAWSS equity adjustment	-	-	-	-	8,246	-	8,246
Balance, end of year	4,859,882	23,656,169	6,152,324	8,117,131	9,250,657	8,991,840	61,028,003
ACCUMULATED AMORTIZATION							
Balance, beginning of year	2,930,197	11,911,962	3,232,736	5,014,275	4,231,345	-	27,320,515
Add: amortization for the year	78,519	521,103	266,525	194,431	109,870	-	1,170,448
Less: disposals during the year	-	15,948	29,849	3,515	-	-	49,312
LAWSS equity adjustment	-	-	-	-	(23,671)	-	(23,671)
Balance, end of year	3,008,716	12,417,117	3,469,412	5,205,191	4,317,544	-	28,417,980
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,851,166	11,239,052	2,682,912	2,911,940	4,933,113	8,991,840	32,610,023

CORPORATION OF THE VILLAGE OF POINT EDWARD

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 30, 2024

	General			Infrastructure		Work in	Totals
	Land and Land Improvements	Buildings	Vehicles and Equipment	Transportation	Environmental	Progress	
	\$	\$	\$	\$	\$	\$	\$
COST							
Balance, beginning of year	4,787,431	23,148,900	5,178,333	8,185,406	9,601,354	1,682,627	52,584,051
Add: additions during the year	64,869	164,035	150,432	38,765	-	2,848,371	3,266,472
Less: disposals during the year	-	20,691	57,155	122,578	-	-	200,424
LAWSS equity adjustment	-	-	-	-	(358,943)	-	(358,943)
Balance, end of year	4,852,300	23,292,244	5,271,610	8,101,593	9,242,411	4,530,998	55,291,156
ACCUMULATED AMORTIZATION							
Balance, beginning of year	2,852,034	11,391,401	3,014,873	4,929,763	4,282,284	-	26,470,355
Add: amortization for the year	78,163	540,234	275,018	207,090	113,984	-	1,214,489
Less: disposals during the year	-	19,673	57,155	122,578	-	-	199,406
LAWSS equity adjustment	-	-	-	-	(164,923)	-	(164,923)
Balance, end of year	2,930,197	11,911,962	3,232,736	5,014,275	4,231,345	-	27,320,515
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	1,922,103	11,380,282	2,038,874	3,087,318	5,011,066	4,530,998	27,970,641

CORPORATION OF THE VILLAGE OF POINT EDWARD

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the year ended December 31, 2025

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenue							
Property taxation	3,669,970	-	-	-	-	-	3,669,970
User charges	236,747	32,130	19,659	2,266,184	399,248	1,200	2,955,168
Government transfers - operating	-	362	83,625	206,368	-	-	290,355
Other municipalities	-	17,964	119,615	-	-	-	137,579
Penalties and interest on taxes	71,888	-	-	-	-	-	71,888
Investment income	315,820	-	-	-	-	-	315,820
Loss on sale of tangible capital assets	(4,022)	-	-	-	-	-	(4,022)
Casino	1,599,450	-	-	-	-	-	1,599,450
Equity in income of Bluewater Power Corporation	265,535	-	-	-	-	-	265,535
Total revenues	6,155,388	50,456	222,899	2,472,552	399,248	1,200	9,301,743
Expenses							
Salaries and benefits	736,057	739,285	527,822	673,637	529,919	3,536	3,210,256
Interest charges	-	-	-	242	-	-	242
Materials	581,792	287,148	525,602	807,897	425,037	-	2,627,476
Contracted services	-	544,179	323,440	243,359	-	-	1,110,978
Rents and financial expenses	24,764	-	-	-	-	-	24,764
External transfers	41,512	38,881	-	-	-	-	80,393
Amortization	43,288	113,359	261,288	397,079	355,434	-	1,170,448
Total expenses	1,427,413	1,722,852	1,638,152	2,122,214	1,310,390	3,536	8,224,557
Net surplus/(deficit)	4,727,975	(1,672,396)	(1,415,253)	350,338	(911,142)	(2,336)	1,077,186

CORPORATION OF THE VILLAGE OF POINT EDWARD

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the year ended December 30, 2024

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenue							
Property taxation	3,442,949	-	-	-	-	-	3,442,949
User charges	150,496	4,853	3,574	2,088,658	386,143	4,300	2,638,024
Government transfers - operating	-	6,435	498,740	1,007,404	-	-	1,512,579
Other municipalities	-	17,964	113,338	-	-	-	131,302
Penalties and interest on taxes	59,939	-	-	-	-	-	59,939
Investment income	438,707	-	-	-	-	-	438,707
Loss on sale of tangible capital assets	(1,018)	-	-	-	-	-	(1,018)
Casino	1,792,512	-	-	-	-	-	1,792,512
Equity in income of Bluewater Power Corporation	166,188	-	-	-	-	-	166,188
Total revenues	6,049,773	29,252	615,652	3,096,062	386,143	4,300	10,181,182
Expenses							
Salaries and benefits	728,123	732,786	495,364	642,442	469,925	3,881	3,072,521
Interest charges	-	-	193	262	497	-	952
Materials	553,817	265,419	551,907	912,024	433,008	-	2,716,175
Contracted services	-	551,112	291,904	225,564	-	-	1,068,580
Rents and financial expenses	6,367	-	-	-	-	-	6,367
External transfers	42,175	38,003	-	-	-	-	80,178
Amortization	45,982	114,706	284,293	396,028	373,479	-	1,214,489
Total expenses	1,376,464	1,702,026	1,623,661	2,176,320	1,276,909	3,881	8,159,261
Net surplus/(deficit)	4,673,309	(1,672,774)	(1,008,009)	919,742	(890,766)	419	2,021,921