



KING



FIRE DEPARTMENT
ANNEXION



For the year ended
December 31, 2025



The Corporation of
the Township of King
King, Ontario, Canada



Prepared by Finance,
Township of King

Financial Report & Consolidated Financial Statements

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A large wooden pavilion with a green roof and a stone planter box in the foreground. The pavilion has a complex wooden truss structure under the roof. In the foreground, there is a stone planter box with colorful flowers. The background shows trees and a clear blue sky.

2025 Introduction

KING
king.ca

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Government Finance Officers Association

**Canadian Award
for
Financial Reporting**

Presented to

**The Corporation of the Township of King
Ontario**

For its Annual
Financial Report
for the Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to Township of King for its annual financial report for the fiscal year ended December 31, 2024. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



Message from Mayor Pellegrini

On behalf of Council, I'm pleased to share King Township's 2025 Year-End Financial Report.

King is a special place to call home. We're proud of our rural character, our beautiful natural landscapes—from the Holland Marsh to the Oak Ridges Moraine—and the strong sense of community that connects us, all while staying close to the amenities families rely on every day.

This report reflects more than numbers. It shows how the Township carefully managed tax dollars with a focus on accountability, transparency and long-term sustainability. That fiscal responsibility is something Council and staff take seriously, and it's reflected in our audited financial statements.

I want to thank residents for their continued support and trust. Because of it, the Township has been able to move forward with projects that make a real difference in people's lives. In 2025, we proudly opened the Zancor Centre, made possible with support from our federal and provincial partners. We also advanced important improvements across King, including the revitalization of the King Heritage & Cultural Centre and Train Station, as well as key road reconstruction projects like Kettleby Road.

These accomplishments are grounded in sound financial management and a clear commitment to doing what's right for our community, not just today, but for the future.

King continues to grow in a thoughtful and responsible way, and I'm excited about what lies ahead. Together, we're building a strong, connected and resilient community we can all be proud of.

A handwritten signature in black ink, appearing to read "S. Pellegrini".

Mayor
Steve Pellegrini

June 1, 2026

Community Profile

“About King”

The Township of King is a unique, special place proud of its natural heritage and scenic beauty, agricultural lands, and rich local and rural history. King’s traditions of farming and mills contribute to a vibrant quality of life. King Township is located just 40 kilometres north of downtown Toronto, covering 339 square kilometres and boasting some of Ontario’s most beautiful and rolling country sides and natural areas. Over 98 per cent of King Township is within the Greenbelt area, with 65 per cent of King contained within the Oak Ridges Moraine, a famed geological formation created by a retreating glacier in the last ice age.

King Township is one of nine municipalities that make up the Regional Municipality of York. King includes the villages and hamlets of Ansnorveldt, Kettleby, King City, Laskay, Lloydtown, Nobleton, Pottageville, Schomberg and Snowball. The Township is easily accessible by Highways 9, 27, 400, and 407 and is only 30 minutes from Toronto Pearson International Airport.

King has a population surpassing 29,000 people and is projected to grow to 49,800 people by 2051. An important asset of King Township is its strong rural economy and agricultural sector, which depend on the Holland Marsh’s deep fertile soils and rich growing season. About 60 per cent of the Holland Marsh, also known as “Ontario’s Vegetable Basket,” is in King.

The Township’s major infrastructure includes roads and bridges; water distribution and wastewater collection; waste management (collection); disposal and recycling; recreation facilities; parks; and fire and emergency services. Infrastructure also includes administration facilities for fire, operations and other service departments and vehicles for parks, operations and fire and emergency services.



The Township of King provides the following major services and many others:

- Fire and emergency services
- Recreation programs and facilities
- Water distribution systems
- Wastewater collection systems
- Garbage collection, disposal and recycling
- Municipal roads and bridges
- Parks
- Economic development
- Community planning and growth management
- Building Permit Issuance and Inspections
- By-law Enforcement
- Library Services
- Fleet Services



Community Profile

“About King”



Mayor Steve Pellegrini

King Township is governed by an elected Mayor and six Councillors, each representing one of the six wards within the Township. As head of Council, the Mayor represents the Township on York Regional Council. Council sets policy and directs the affairs of the municipality with assistance from a staff of dedicated full-time employees.

Legislation dictates municipal elections be held every four years.

Members of Council



**Councillor
Jordan Cescolini**
Ward 1



**Councillor
David Boyd**
Ward 2



**Councillor
Jennifer Anstey**
Ward 3



**Councillor
Mary Asselstine**
Ward 4



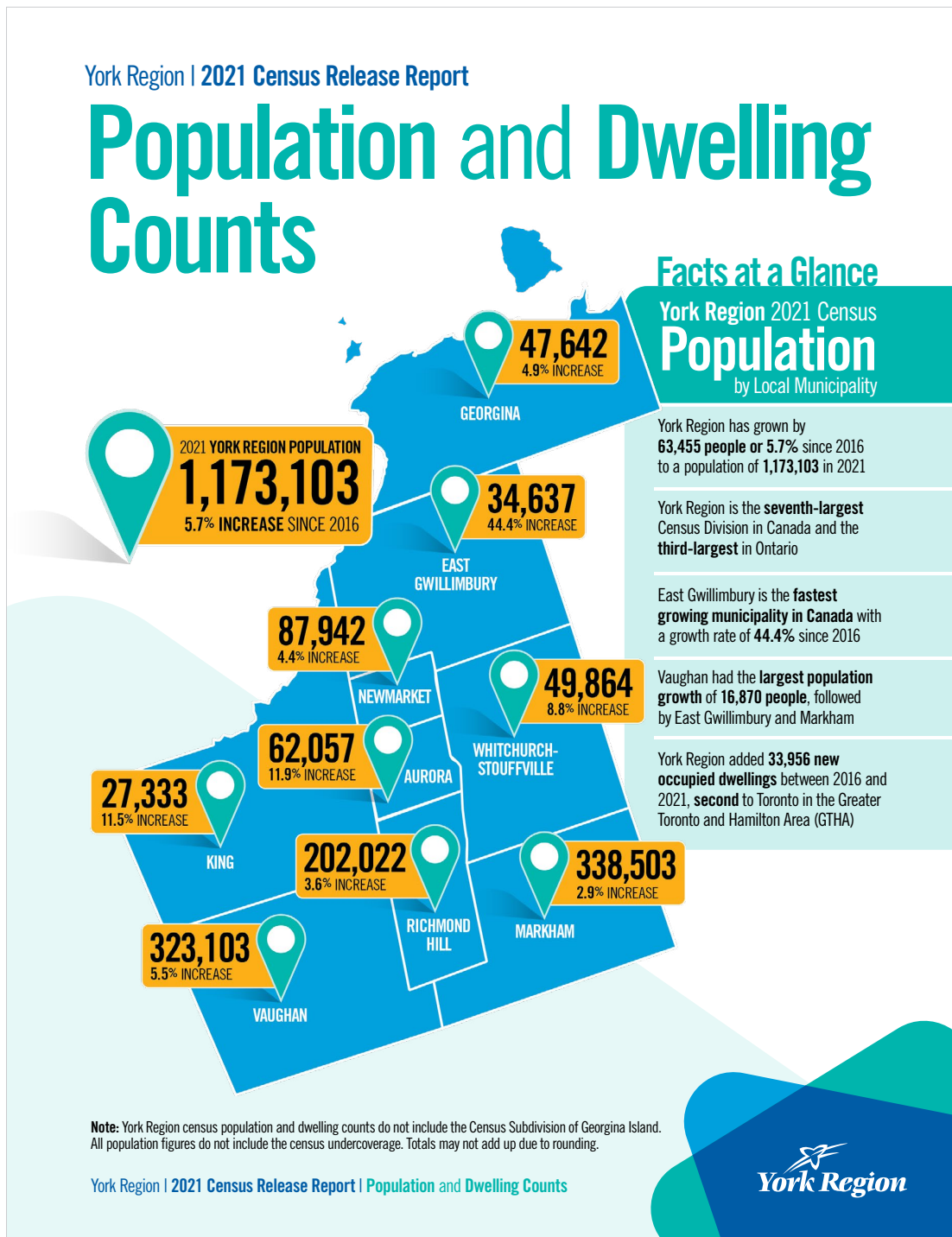
**Councillor
Debbie Schaefer**
Ward 5



**Councillor
Avia Eek**
Ward 6

Where are we located?

King Township is one of 9 municipalities located within the Regional Municipality of York, as indicated by this map of the Region, and a map of the Township that follows on the next page.



Ward locations

Ward 1 King City and Snowball

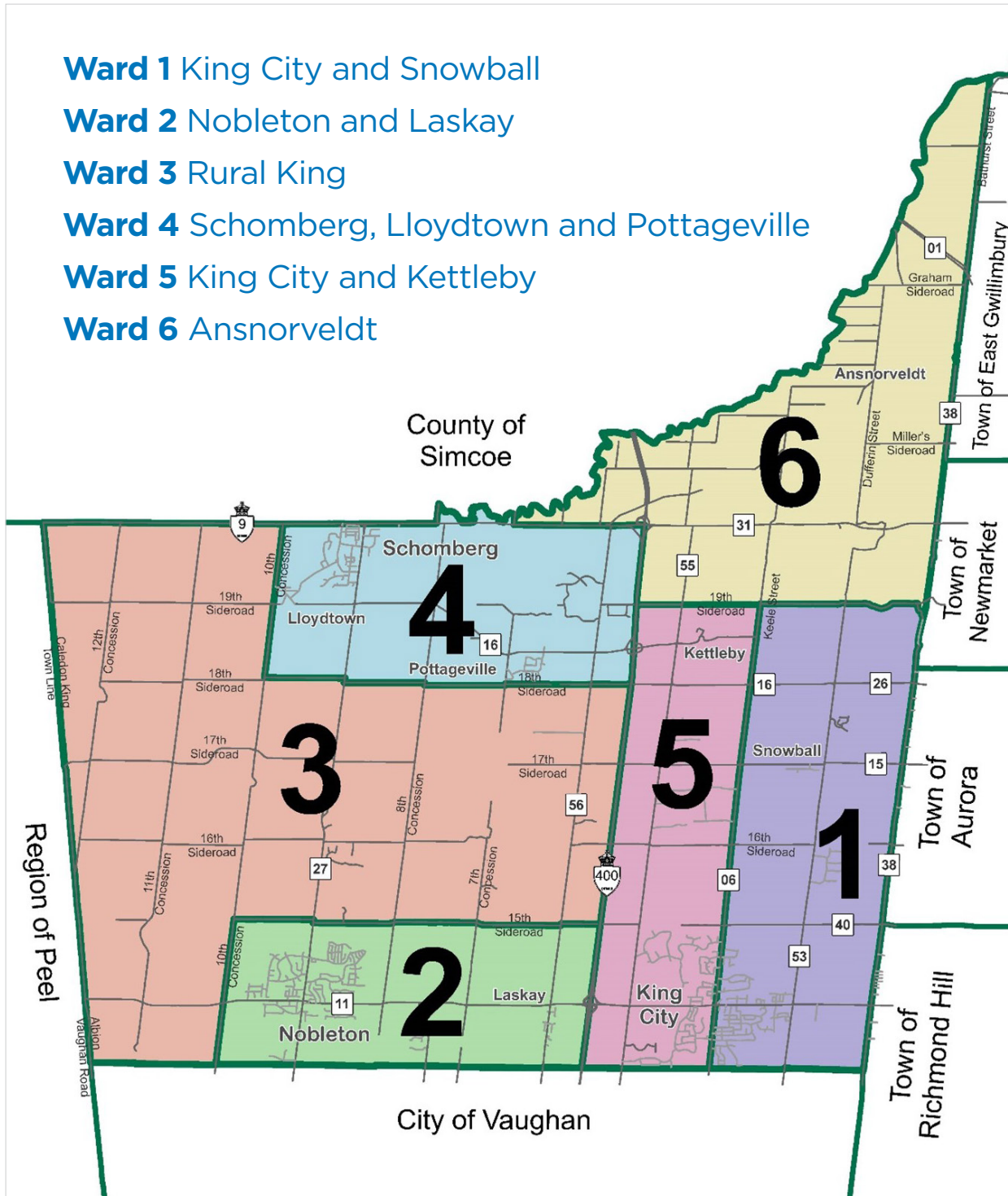
Ward 2 Nobleton and Laskay

Ward 3 Rural King

Ward 4 Schomberg, Lloydtown and Pottageville

Ward 5 King City and Kettleby

Ward 6 Ansnorveldt



Economic Profile

The Township is anticipated to grow to a population of approximately 50,000 and 17,700 jobs by 2051. King is approximately 40 kilometers from Downtown Toronto, strategically located near major highways and neighbors the County of Simcoe and Peel Region.

King is home to a diverse mix of over 1550¹ businesses, including the corporate head office of Priestly Demolition Inc., Astemo Canada, Brookdale Treeland Nurseries, King Animal Hospital, Clublink and Robert B. Somerville Company.

Most of the economic development within the Township is situated in its three villages, King City, Nobleton and Schomberg which, attract both residents and businesses seeking to locate in a rural community that features urban amenities. The Township is also home to the Holland Marsh Specialty Crop Area, which plays a vital role in Canada's food export market and generates over \$1 billion annually through farming, processing and distribution.

King is also home to three post-secondary institutions focused on applied research, education and training opportunities: Seneca Polytechnic College - King City Campus; Koffler Scientific Reserve at Jokers Hill, University of Toronto; and the Muck Crops Research Station, University of Guelph.



¹Note that 1550 business number have been reported via Lightcast dataset from December 2024 in Analyst. This is an economic analysis software made available to municipalities by the Ontario Ministry of Rural Affairs. The Regional Municipality of York conducts an annual Employment Survey in King which captures store front businesses within the municipality. The total storefront businesses in King through the 2024 York Region Employment Survey is 516 Businesses.

Employment Area Lands

Major designated or zoned industrial and commercial areas are found within the communities of King City, Nobleton and Schomberg. Areas designated by the Official Plan as Employment Area include 95 Acres within King City, approximately 35 acres in Nobleton and approximately 20 acres in Schomberg.

To accommodate anticipated growth, the Township is also planning for the expansion of employment lands in the Nobleton Village Reserve, Schomberg and King City via the Official Plan update. A portion of the Whitebelt lands, currently unurbanized lands outside of the Greenbelt, are also being considered as a potential new settlement area for future employment uses.

There are opportunities for redevelopment and intensification in the three village cores, including an update to the Community Improvement Plan (CIP) and comprehensive village core design guidelines that will nurture and guide development in a sustainable manner.



Business Profile

Over the years, many companies have chosen to set up business in King. Today, the Township is home to 1,414 companies from different industries.

Top 10 employers within the Township of King are:

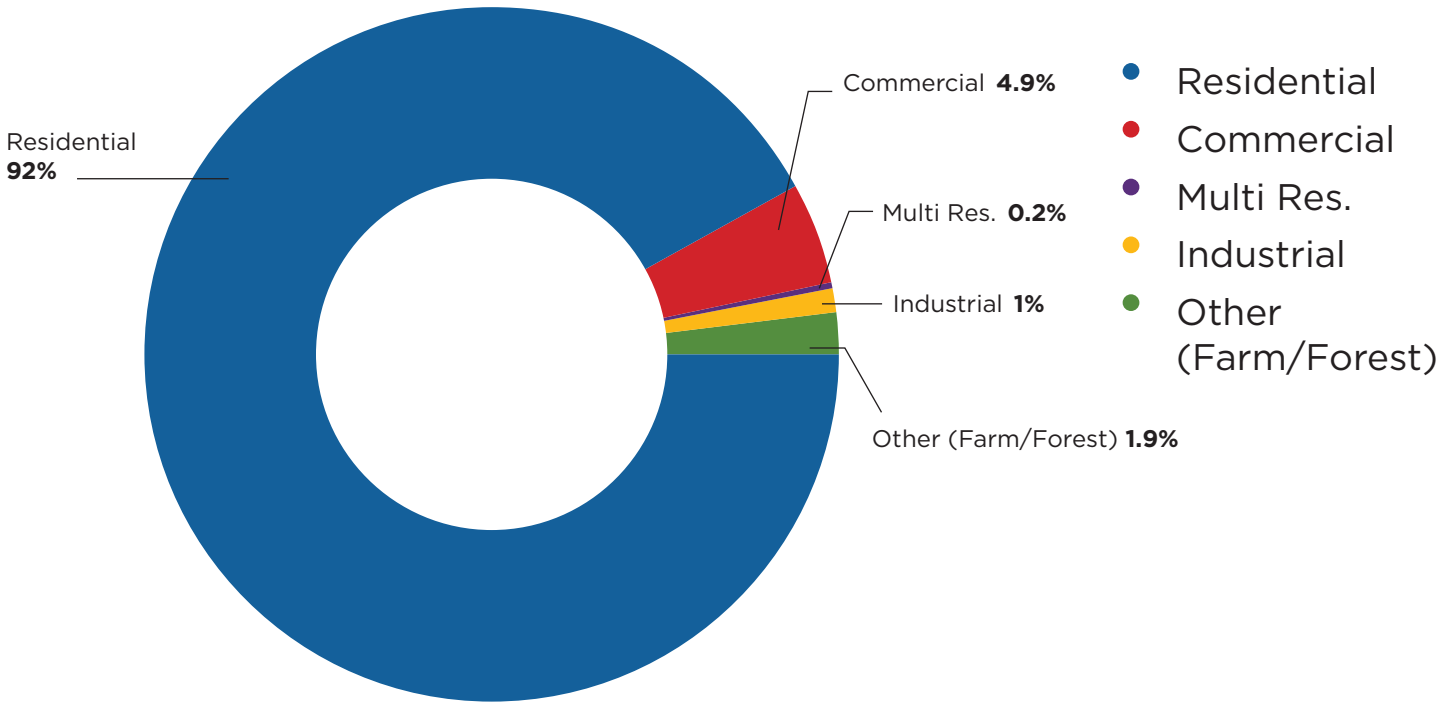
1. Priestly Demolition Inc.
2. Seneca College
3. Astemo Canada Inc.
4. Brookdale Treeland Nurseries Limited
5. Cardinal Golf Club
6. King Animal Hospital
7. Robert B. Somerville Company Limited
8. The Country Day School
9. Township of King - Municipal Offices
10. Showa

Within the Economic Development Division includes several programs and services for Business Retention such as:

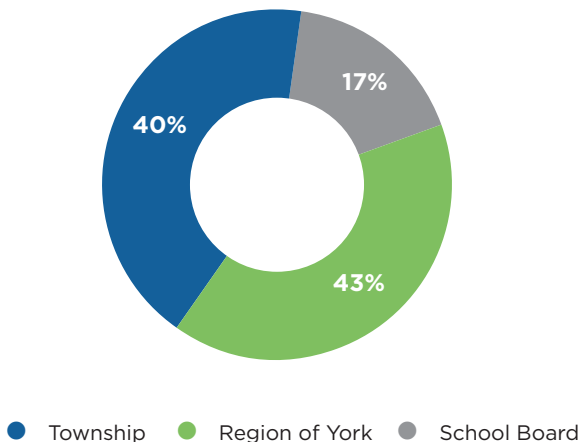
- Business Concierge Program
- CIP Grant Program
 - Village Vibrancy Stream
 - Pop-up Patio Program
 - Rural Resiliency Stream
- Government and Stakeholder Partnerships
- Partnership with
- Tourism Events
- Marketing Campaigns to support Business Development and Tourism.

Assessment Value

The Township of King has seen a considerable amount of growth in recent years; however, it is mainly focused in residential areas and a smaller percentage is focused in commercial and industrial areas. Below is the split in the various categories:



The Township collects property taxes on behalf of the Region of York and the School Boards. The split is represented below between the three levels of government.



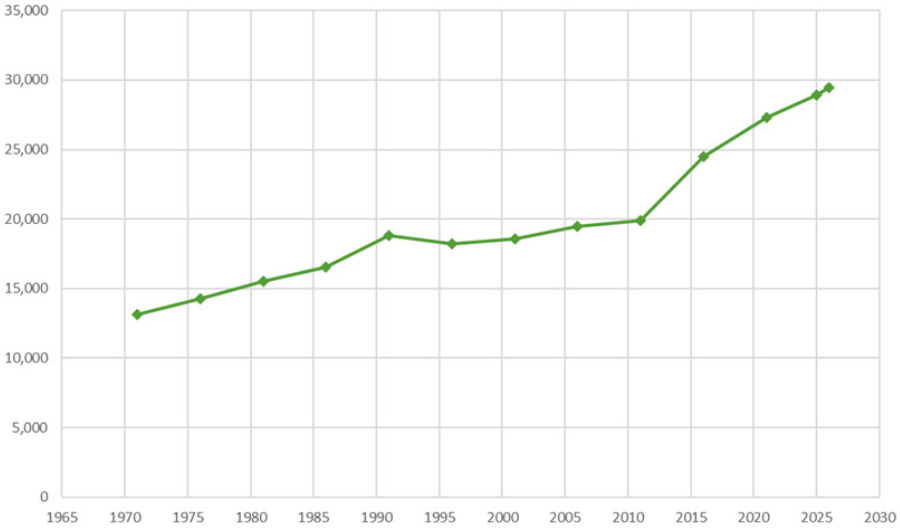
Public schools with classes from kindergarten through grade twelve are administered by the York Region District School Board and the York Catholic District School Board. A private Catholic high school, St. Thomas of Villanova College, and private JK -12 school, The Country Day School, are also located in the township.



Seneca College owns a campus located in the southeastern portion of King Township, where the College offers various programs.

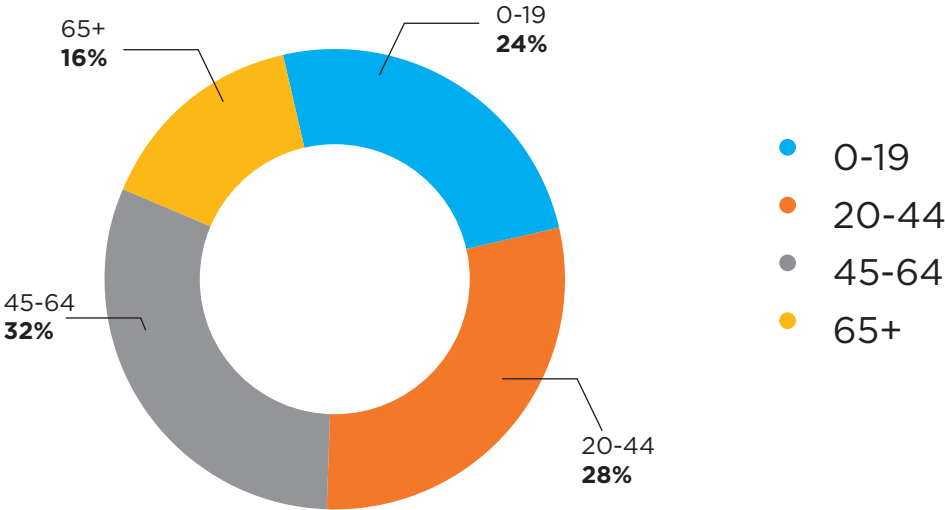
Demographics

King Township’s population grew by 11.5% between 2016 and 2021, from 24,512 to 27,333. The population density is 73.6 people per square kilometre; however, the Township is characterized by areas of low density farming communities and the much higher density of its three major communities. In 2021, of the 27,333 residents in the Township, 8,396 resided in King City, 6,50 in Nobleton, and 2,656 in Schomberg. The population growth from 2021 to 2026 is estimated to be 7.8%.



Year	Population
1971	13,120
1976	14,297
1981	15,553
1986	16,573
1991	18,791
1996	18,223
2001	18,553
2006	19,487
2011	19,899
2016	24,512
2021	27,333
2025	28,889
2026 estimated	29,467

The age demographics show an even distribution between the age groups. The median age as of 2021 was 43.6, slightly higher than the Ontario median age of 41.6.



(Based on statistics Canada and the BMA Municipal Study)

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Message from the Chief Administrative Officer



As Chief Administrative Officer, I am pleased to present the successful completion of King Township's 2025 year-end audited financial statements. This achievement reflects the collective dedication, professionalism and collaboration of staff across the organization.

Throughout 2025, the Township navigated a number of financial pressures, including slower-than-anticipated growth due to broader economic conditions and higher interest rates. While revenues from recreation and parks have shown gradual improvement, they did not fully meet budgeted targets. Staff responded proactively by implementing expenditure controls and cost-mitigation measures, resulting in an overall year-end deficit that was carefully managed within the Township's broader financial framework.

The Annual Financial Plan highlights the Township's continued ability to deliver services effectively while advancing the priorities outlined in King's 2023-2026 Corporate Strategic Plan.

Key accomplishments in 2025 include:

- Successful transition to the provincially administered Blue Box recycling program.
- Delivery of a Council-endorsed Customer Experience Strategy grounded in evidence and best practices.
- Integration of finalized Levels of Service into the Comprehensive Asset Management Plan.
- Strengthened emissions management through Council-approved governance, improved data, and operational enhancements.
- Opening of the Zancor Centre, a zero-carbon facility supporting long-term sustainability goals.

King Township remains committed to maintaining service levels and delivering high-quality programs in a cost-effective and fiscally responsible manner. This report provides a clear overview of the Township's financial position, along with a snapshot of key achievements from the past year.

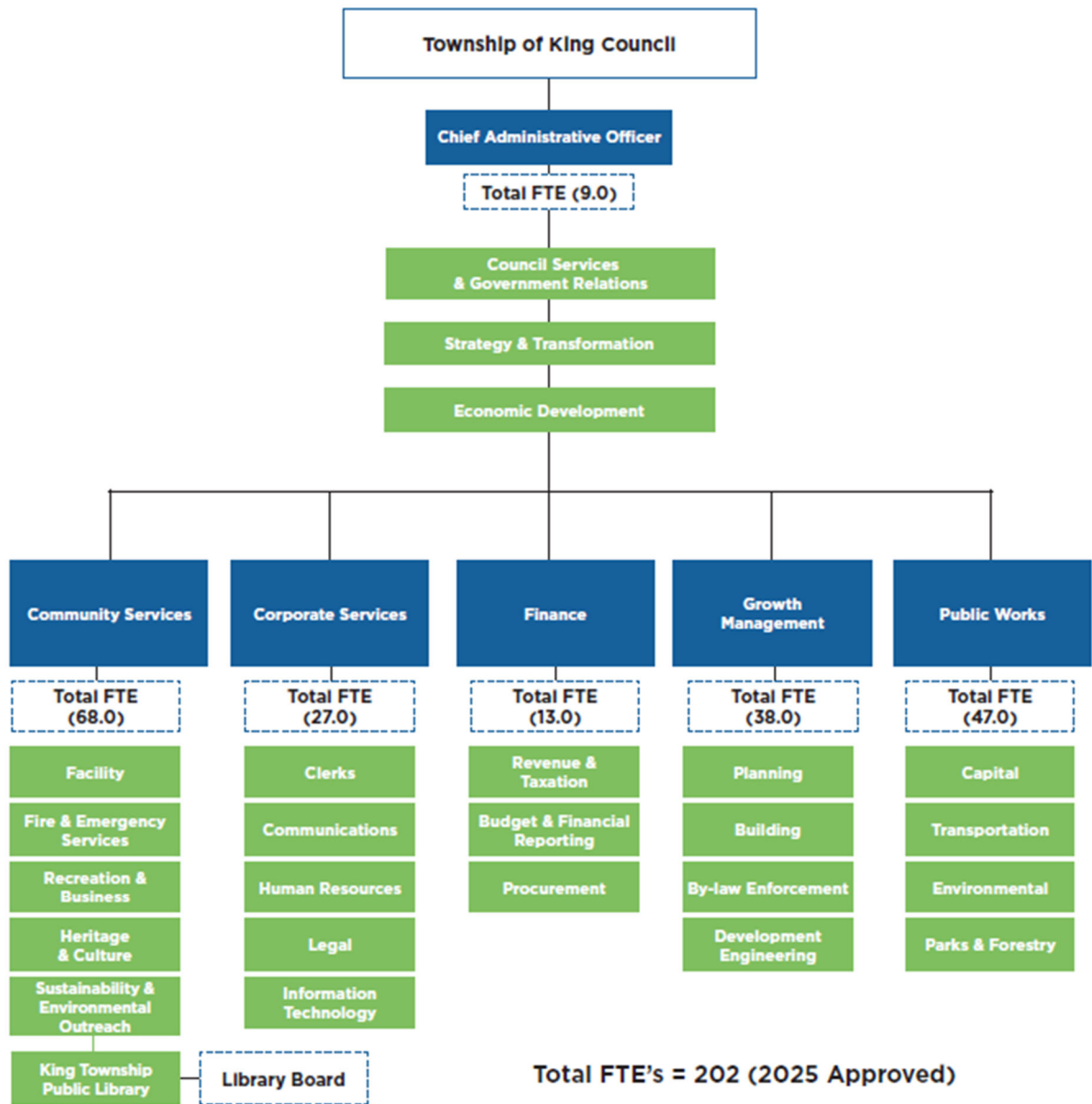
I would like to acknowledge and thank all staff for their contributions. Each department plays a vital role in advancing King's priorities and supporting the continued success of our community.

A handwritten signature in blue ink, appearing to read 'DK', written in a cursive style.

Chief Administrative Officer
Daniel Kostopoulos

June 1, 2026

Department Summary



Office of the CAO

The Chief Administrative Officer (CAO) provides corporate leadership in overall management of the Township's Senior Leadership Team. The CAO reviews and approves all recommendations made to Council and Committees of Council and guides

Department Summary

corporate strategic planning. The CAO also acts as department head to the Office of the CAO Department, which includes the Economic Development and Strategy and Transformation Divisions.

The Office of the CAO is responsible for ensuring that Council directives are coordinated between departments and relevant agencies while guiding operations of the organization in alignment with the vision and values of the Township and Council's priorities as identified in the corporate strategic plan.

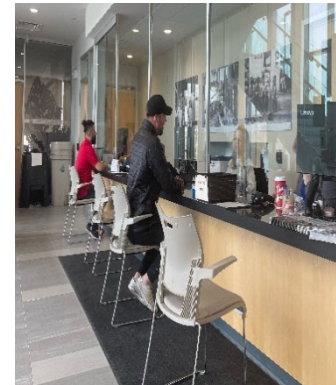


Community Services

The Community Services Department is responsible for the provision of recreational, cultural, and active opportunities through key divisions that include Facility Services, Recreation and Business Services, Heritage and Culture, and Sustainability and Environmental Outreach.

The department bases its service delivery on corporately established values that include alignment and accountability, customer service excellence, teamwork and engagement, communication, balance, community, integrity, and respect. The department also strives to ensure staff approaches operations in a professional manner while remaining innovative, creative, and equitable in the delivery of services. These corporate values are recognized through departmental vision and mission statements.

Department Summary

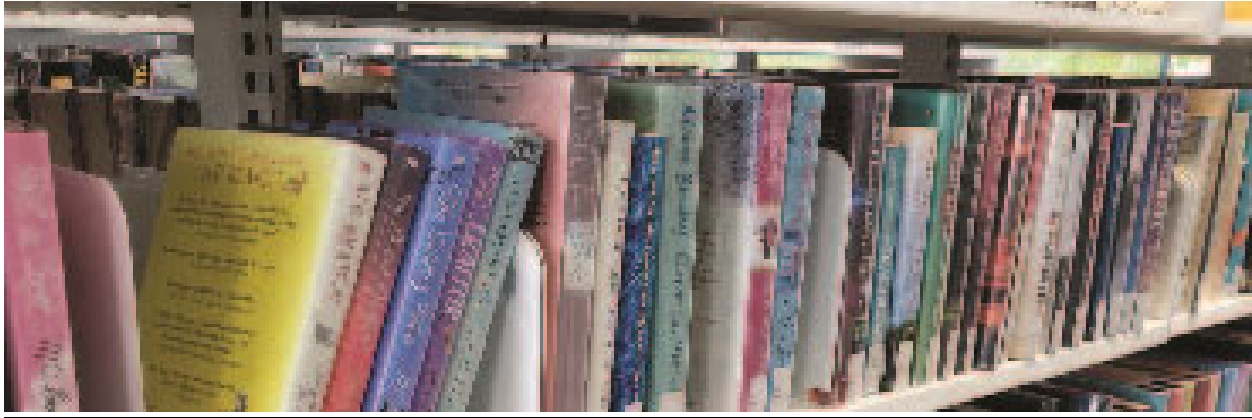


King Fire & Emergency Services proudly protects an area of 333 square kilometres and a population of over 28,000 residents. Serviced by three Firehouses and a complement of 150 dedicated volunteer firefighters, King Fire & Emergency Services provides Fire & Life Safety Education, Fire Prevention / Investigation Services, Fire Suppression Medical Aid Response, and Specialized Rescue Services.



King Township Public Library (KTPL) is a four-branch system that offers both traditional and progressive programs and services as well as a contemporary, innovative multi-format collection. The Library is engaged in the King community, with numerous partnerships, community relationships and presence at a variety of community events. Library services offers universal access to print and digital material, information, and online services, as well as a wide variety of programs and outreach initiatives for people of all ages.

The Corporation of the Township of King



Corporate Services

The Corporate Services Department is responsible for a variety of legislative, corporate, and public services. This includes the development, coordination, implementation and maintenance of broad and complex organization-wide services, projects, policies, and procedures. The Corporate Services Department consists of Clerks, Communications, Human Resources, Legal, and Information Technology.



The Corporation of the Township of King



Finance

The Finance Department is responsible for handling all the financial affairs of the municipality on behalf of, and in the manner directed by, Council. The Department's roles and responsibilities include the coordination of the annual operating and capital budgets, development charges, water, and wastewater budget, and reporting of the Corporation's finances; co-coordinating and supporting asset management planning and best practices; developing and implementing a financial strategy for the Township; administering of property tax billing and collection on behalf of the Township, Region of York, and School Boards; establishing the water and wastewater rate, billing, and collection of payments; regular reporting to Council with respect to the financial affairs of the municipality as it requires or requests; and ensuring investments of the municipality are made in compliance with the regulations made under section 418 of the *Municipal Act*.

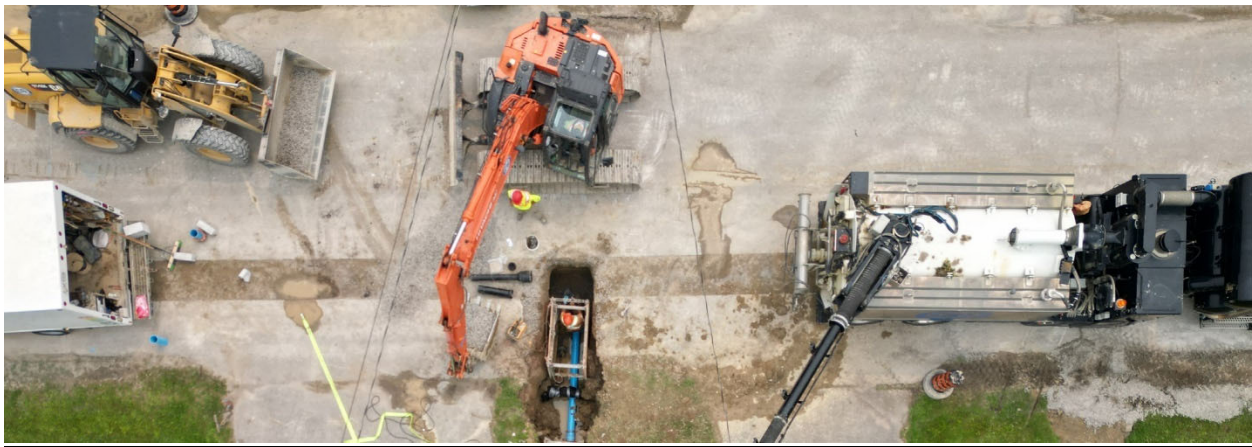
The Corporation of the Township of King



Growth Management Services

The Growth Management Services Department (GMS) consists of Building, By-law Enforcement, Development Engineering, and Planning. Growth Management Services is responsible for many growth-related processes for the Township. Roles and responsibilities include development review and approvals (Planning), the issuance of building permits (Building), and monitoring compliance of buildings and activities through municipal by-laws (By-law Enforcement). King takes a comprehensive, synergistic approach in efficiently managing the activities of the Department.

The Corporation of the Township of King



The Corporation of the Township of King

Public Works

The Public Works Department is responsible for the operation and maintenance of the Township's roadways, water distribution, wastewater collection, stormwater collection and treatment systems. Now Public Works includes Parks and Forestry and Fleet Services in addition to Transportation, Water and Wastewater Master Planning and Asset Management and Waste Management.



The Corporation of the Township of King

Below is the tracking of the Full-Time Equivalent (FTE) from 2023-2025

DEPARTMENT	2023 APPROVED	2024 APPROVED	2025 APPROVED
OFFICE OF THE CAO			
STRATEGY AND TRANSFORMATION	7	7	7
ECONOMIC DEVELOPMENT	2	2	2
TOTAL	9	9	9
COMMUNITY SERVICES			
FACILITIES	28	17	17
RECREATION AND CULTURE	20	20	20
COMMUNITY ENGAGEMENT	7	6	6
SERVICE KING	4	4	4
FIRE AND EMERGENCY SERVICES	7	7	7
LIBRARY (KTPL)	13	14	14
TOTAL	79	68	68
CORPORATE SERVICES			
CLERKS	7	8	8
COMMUNICATIONS	2	4	4
HUMAN RESOURCES	5	5	5
INFORMATION TECHNOLOGY	7	8	8
LEGAL	2	2	2
TOTAL	23	27	27
FINANCE	12	13	13
TOTAL	12	13	13
GROWTH MANAGEMENT			
BUILDING	7	8	8
BY-LAW ENFORCEMENT	6	6	6
DEVELOPMENT ENGINEERING	9	9	9
PLANNING / POLICY	13	15	15
TOTAL	35	38	38
PUBLIC WORKS			
PARKS AND FORESTRY	8	9	9
ENVIRONMENTAL OPERATIONS	9	9	10
FLEET	3	3	3
CAPITAL ENGINEERING	6	9	10
TRANSPORTATION OPERATIONS	15	15	15
TOTAL	33	45	47
TOTAL FULL TIME EQUIVALENTS	191	200	202



2025 Financial Information

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Message from Chief Financial Officer and Treasurer

The Township of King is pleased to present its 2025 Financial Report and Consolidated Financial Statements, for the year ended December 31, 2025. This report has been prepared in accordance with the Municipal Act, 2001 and based on the reporting standards set by the Public Sector Accounting Board of Chartered Professional Accountants of Canada and the best practices in financial reporting by the Municipal Finance Officers Association (MFOA).

In 2025, the Township reported a surplus and contributed \$16 million to reserve funds. Capital projects totaling \$16.2 million were funded from reserves, resulting in a net decrease of \$243 thousand. Reserve funds closed the year at \$51.2 million. Notable projects completed in 2025 included the Kettleby Road reconstruction, as well as the renovation of the King Heritage & Cultural Centre and Train Station.

Total revenues decreased by \$12 million compared to 2024, primarily due to an \$8 million reduction in government grant funding following the completion of the Zancor Centre, which opened in January 2025, and the one-time \$5 million gain from the sale of surplus lands in 2024 that did not recur in 2025. These decreases were partially offset by higher user fee revenues from recreation, planning, and building services.

Expenses increased by \$6 million, mainly driven by higher costs for goods and services, severe winter weather conditions that increased snow removal costs, and the opening of the new Zancor Centre, which added staffing and hydro costs.

Looking ahead, the Township will continue to focus on maintaining its financial health in a challenging fiscal environment, while delivering transparent and accountable service to staff, Council, and residents.

A handwritten signature in black ink, appearing to read 'M. Fung', with a stylized flourish at the end.

Chief Financial Officer and Treasurer
Marina Fung

Financial Report

The 2025 Financial Report and Consolidated Financial Statements are the responsibility of Management of the Corporation of the Township of King. The financial statements have been examined by KPMG LLP Chartered Professional Accountants, the external auditors for the Corporation. The responsibility of the external auditor is to express an opinion on whether the financial statements are fairly presented, in all material respects, in accordance with public sector accounting standards.

The Financial Highlights have been extracted from the Township's Audited Consolidated Financial Statements.



King Township Municipal Centre (KTMC)

Section 296 (1) of the *Municipal Act*, requires that all municipalities appoint an auditor licensed under the *Public Accounting Act, 2004* who is responsible for annually auditing the accounts and transactions of the municipality and its local boards and express an opinion on the financial statements of these bodies based on the audit.

Financial Report

KPMG LLP Chartered Accountants were appointed in September 2022 after completing a competitive tender process with other local municipalities within York Region. They have audited the Township's 2025 Consolidated Financial Statements and expressed their opinion within the Independent Auditor's Report that precedes the financial statements.

Under Section 294.1 of the *Municipal Act*, a municipality shall, for each fiscal year, prepare annual financial statements for the municipality in accordance with generally accepted accounting principles (GAAP) for local governments as recommended, from time to time, by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants (CPA) of Canada. Section 295 contains requirements for municipalities to publish a full set of financial statements in a newspaper in the municipality or to advertise the availability of the financial statements within 60 days of receiving the audited financial statements of the previous fiscal year.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards. Management is also responsible for establishing, reviewing, and managing systems of internal control to ensure the safety and security of the Township's assets from potential loss or misuse.

The financial statements have been prepared in accordance with the *Municipal Act, 2001* and based on the reporting standards set by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and best practices in financial reporting by the Municipal Finance Officers Association (MFOA).

The Financial Report provide a high-level overview of the financial position of the Township of King for the fiscal year ended December 31, 2025.

There are five required financial statements which include:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Change in Net Financial Assets
- Consolidated Statement of Remeasurement Gains and Losses
- Consolidated Statement of Cash Flows

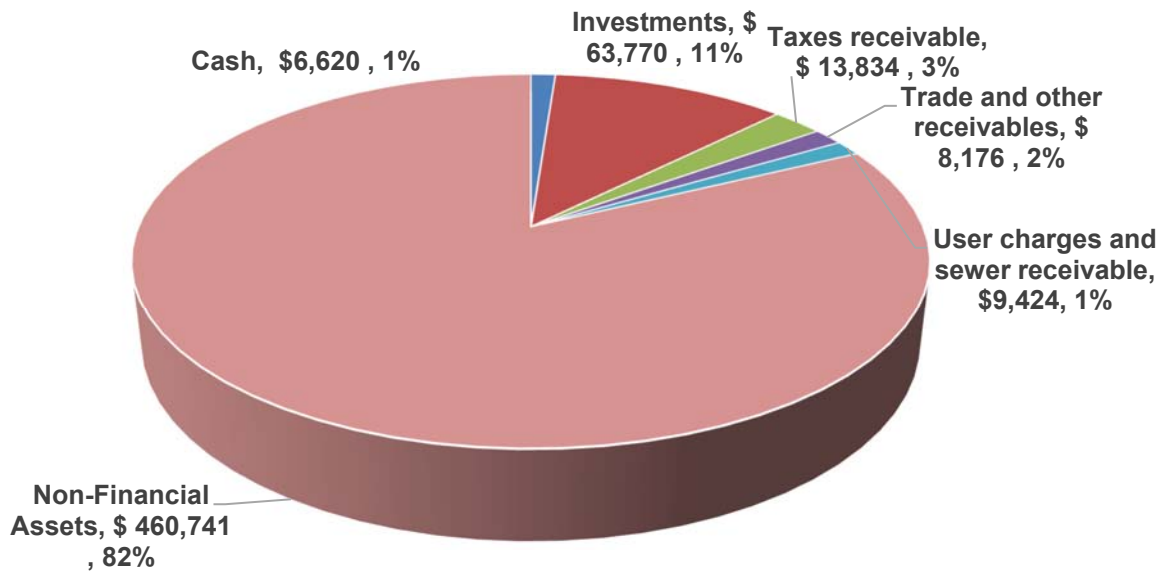
These financial statements provide information on the cost of the Township activities, what we own (Assets), what we owe (Liabilities), the Revenues, and Expenses. The next few pages give you a financial picture and breakdown of each area.

Financial Report

Statement of Financial Position

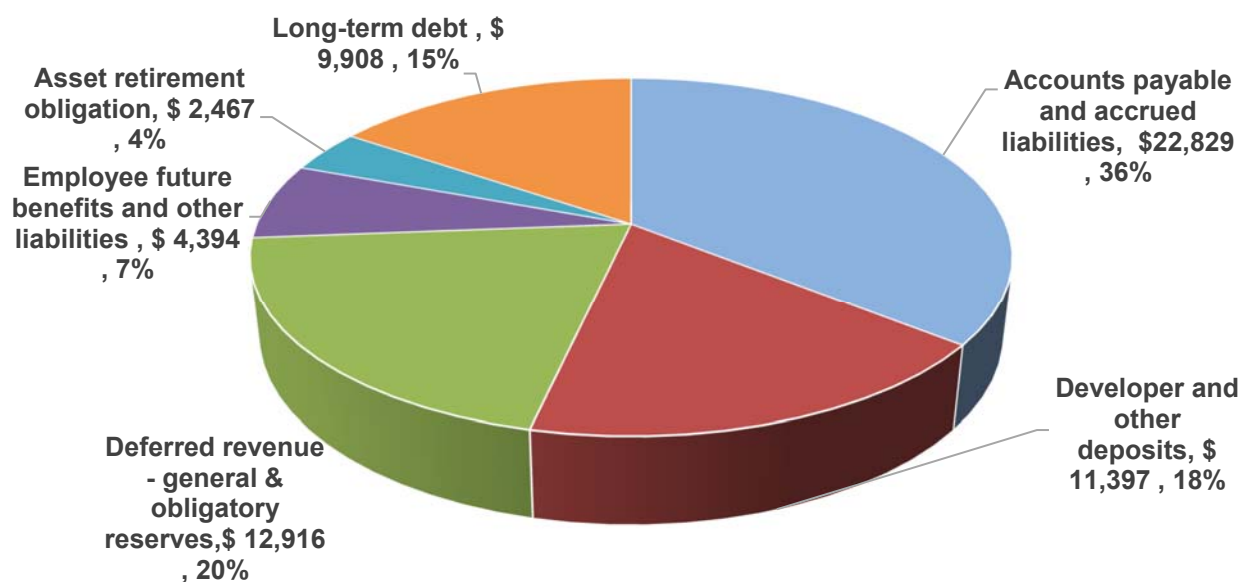
The following highlights outline the Financial Position as at December 31, 2025
(In thousands of dollars)

As at December 31, 2025	2025	
What we own (Assets)	\$000's	%
Cash	\$6,620	1%
Investments	63,770	11%
Taxes receivable	13,834	2%
Trade and other receivables	8,176	1%
User charges and sewer receivable	7,349	1%
Non-Financial Assets	460,741	82%
Total	\$560,490	100%



Financial Report

As at December 31, 2025		2025	
What we owe (Liabilities)		\$000's	%
Accounts payable and accrued liabilities	\$22,829		27%
Developer and other deposits	11,397		13%
Deferred revenue - general & obligatory reserves	12,916		15%
Employee future benefits and other liabilities	4,394		5%
Asset retirement obligation	2,467		3%
Long-term debt	9,908		12%
Total	\$63,911		100%
Net Worth		\$000's	
Accumulated operating surplus	\$(13,962)		-3%
Investment in Tangible Capital Assets	459,306		97%
Reserve and Reserve Funds	51,235		11%
Total	\$496,579		100%
Total Liabilities and Net Worth		\$560,490	

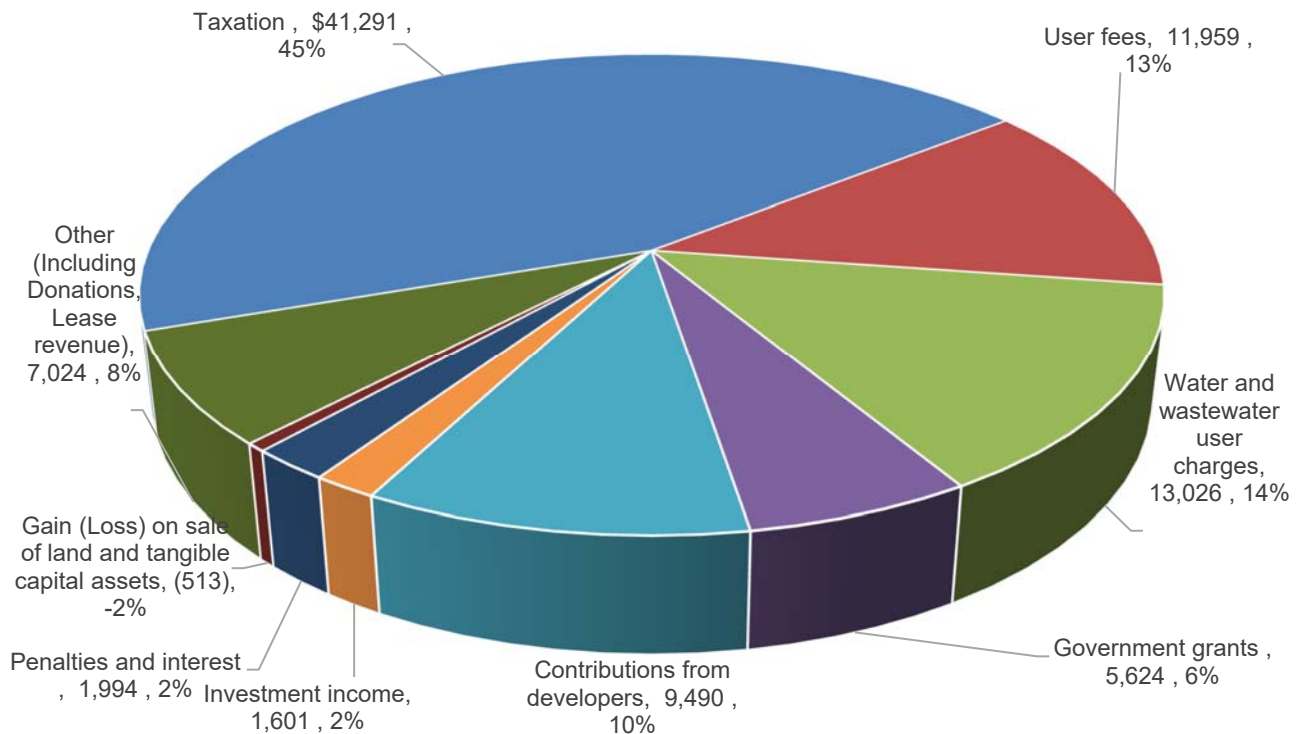


Financial Report

Revenues and Expenses

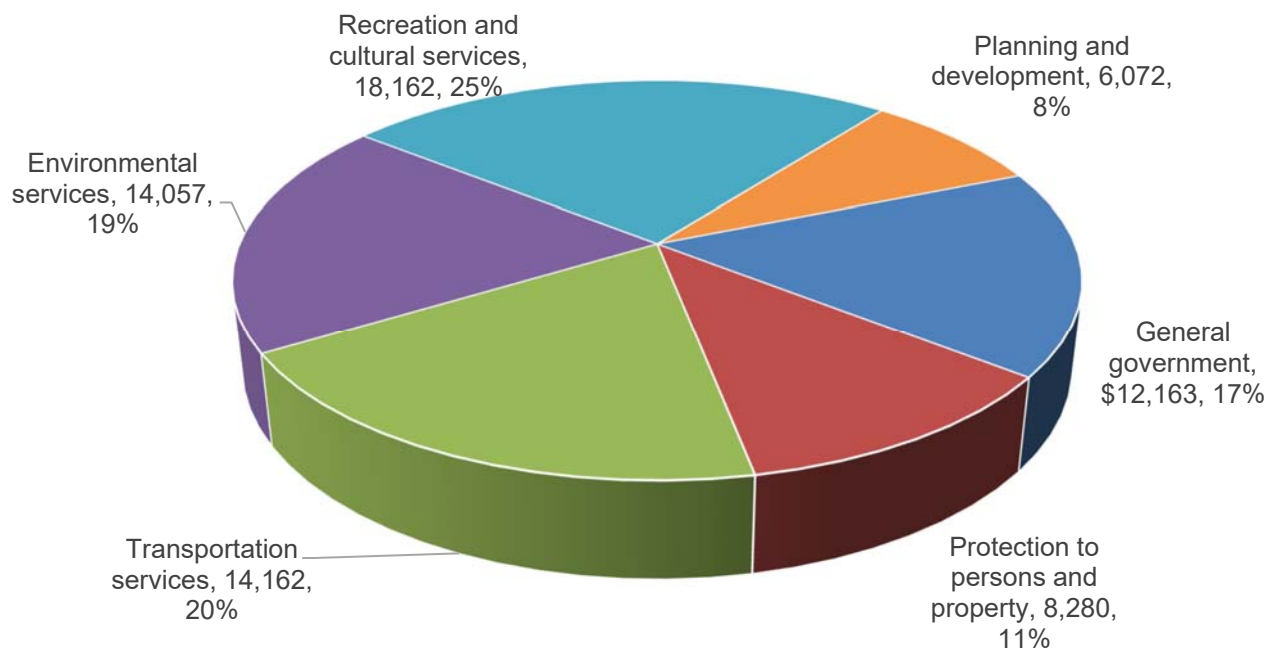
The following highlights outline the Statement of Operations as at December 31, 2025
(In thousands of dollars)

For the year ended December 31, 2025		
Where the funding comes from (Revenues)	\$000's	%
Taxation	\$41,291	45%
User fees	11,959	13%
Water and wastewater user charges	13,026	14%
Government grants	5,624	6%
Contributions from developers	9,490	10%
Investment income	1,601	2%
Penalties and interest	1,994	2%
Gain (Loss) on sale of land and tangible capital assets	(513)	-1%
Other (Including Donations, Lease revenue)	7,024	8%
Total	\$91,496	100%



Financial Report

For the year ended December 31, 2025		
What the funding was used for (Expenses)	\$000's	%
General government	\$12,163	17%
Protection to persons and property	8,280	11%
Transportation services	14,162	19%
Environmental services	14,057	19%
Recreation and cultural services	18,162	25%
Planning and development	6,072	8%
Total	\$72,896	100%



In addition to the Financial Discussion and Analysis and the Consolidated Financial Statements, the 2025 Financial Report contains supplementary financial, non-financial and statistical information about the Township. (See Statistical Section).

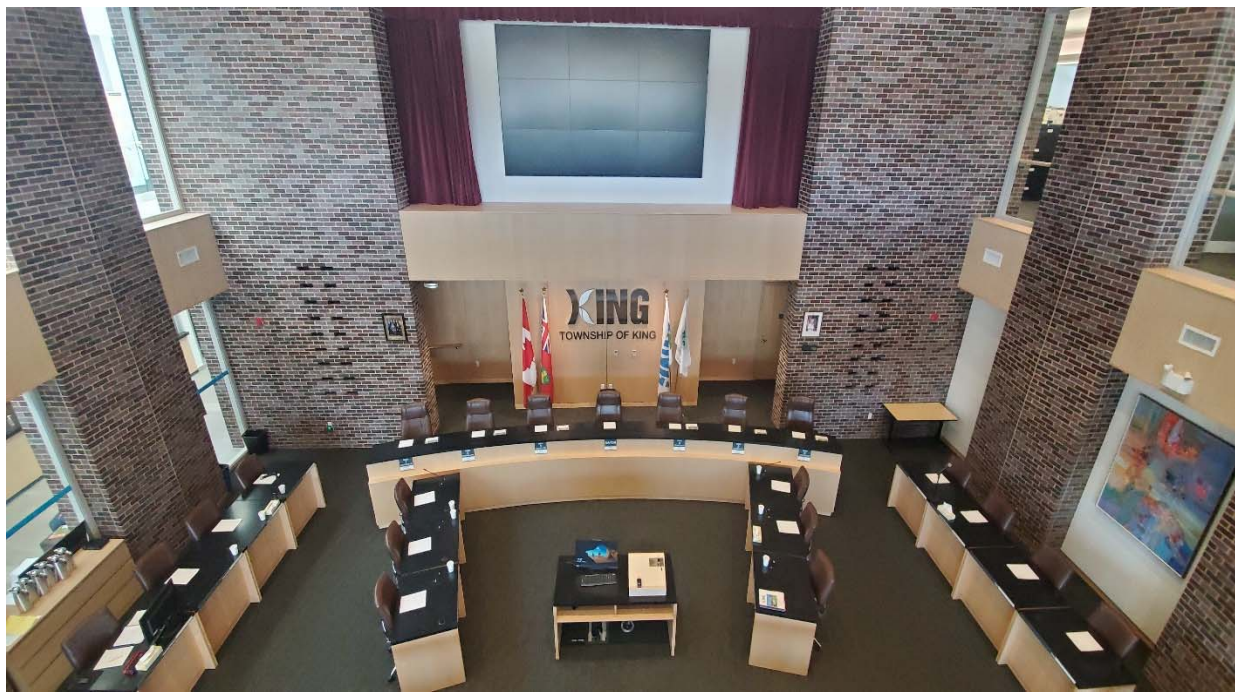
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FINANCIAL REPORT

The Township of King is pleased to present its 2025 Financial Report and Consolidated Financial Statements, for the year ended December 31, 2025. This report has been prepared in accordance with the *Municipal Act, 2001* and based on the reporting standards set by the Public Sector Accounting Board of Chartered Professional Accountants of Canada and the best practices in financial reporting by the Municipal Finance Officers Association (MFOA).

The 2025 Financial Report and Consolidated Financial Statements are the responsibility of Management of the Corporation of the Township of King. The financial statements have been examined by KPMG Canada LLP Chartered Professional Accountants, the external auditors for the Corporation. The responsibility of the external auditor is to express an opinion on whether the financial statements are fairly presented, in all material respects, in accordance with public sector accounting standards.

The financial highlights have been extracted from the Township's Audited Consolidated Financial Statements.



King Township Municipal Centre (KTMC)

The Township of King prepares its budget on a fund accounting basis where budgeted operating expenditures and capital are balanced with revenues. Like all other municipalities, the Township of King is required under the Public Sector Accounting Board rules to prepare financial statements on the full accrual basis accounting, including amortization, tangible capital assets, asset retirement obligations, and future employment benefits.

The Consolidated Financial Statements in the 2025 Financial Report have been prepared in accordance with general accepted accounting principles for local government as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. By converting the Township’s statements to a full accrual basis, it changes the budget from a balanced budget to recognize either a surplus or deficit. The statements and related information are the responsibility of management and include the financial activities of all deemed entities controlled by the Township of King.

Some highlights of the 2025 financial statements include:

- (\$47.9) million decrease in cash mainly due to staff prioritizing investment purchases during the year to lock-in high interest rates at the beginning of the year. This is evidenced by the increase in investments by \$28.7 million.
- Increase of \$2.9 million for taxes receivable with additional billing at year-end for supplementary assessment changes from MPAC and transfers to taxes for Nobleton Sewer connection fee payments.
- An investment in Tangible Capital Assets of \$15.1 million which included but not limited to infrastructure, roads, bridges, equipment, and vehicles.
- An increase in the amount of development charges collected and used to fund capital projects with a net decrease of \$3.3 million.

Financial Assets

Table 1:

As at December 31 (\$ millions)	2025	2024	Change in 2025 Increase / (Decrease)
Financial Assets			
Cash	\$6.6	\$54.5	\$(47.9)
Investments	\$63.8	\$35.1	28.7
Taxes receivable	\$13.8	\$10.9	2.9
Trade and other receivables	\$8.2	\$6.2	2.0
User charges and sewer receivable	\$7.3	\$8.8	\$(1.5)
Total	\$99.7	\$115.5	\$(15.8)

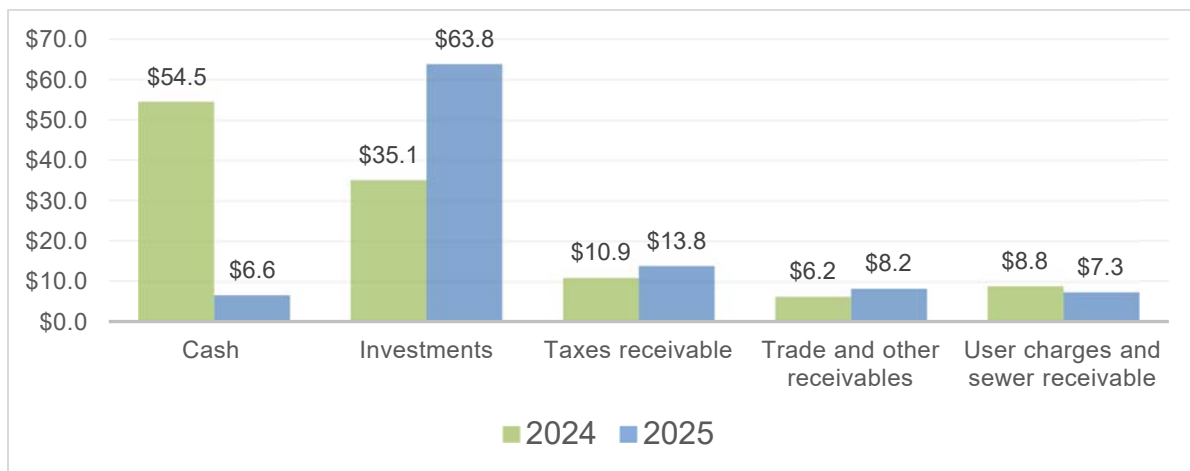
The decrease of \$15.8 million in financial assets for the Township is mainly attributed to the following:

- (\$47.9) million decrease in cash mainly due to staff prioritizing investment purchases during the year to lock-in high interest rates at the beginning of the year. This is evidenced by the increase in investments by \$28.7 million. There were also no significant

development charge payments (DCs) received at the end of 2025 as there was in 2024 when \$19.5 million was received in December 2024 for the Jane and King Development.

- Increase of \$2.9 million for taxes receivable with additional billing at year-end for supplementary assessment changes from MPAC and transfers to taxes for Nobleton Sewer connection fee payments.
- Increase of \$2 million for trade and other receivables due to issuing more engineering development cost recovery invoices because of the strong development activity in the year and a higher accrual to recognize the investment income we've earned but not yet received.
- Decrease of (\$1.5) million in user charges and sewer receivables to reflect the Nobleton Sewer payments from residents that selected the option to have the capital charge split over 15 years on their tax bill. This is for all contracts within Nobleton from 2010 to current.

Table 2: Summary of Financial Assets 2025 vs 2024



Investments

The Township diversifies its investment portfolio into different options to strengthen its interest revenue. The Township invests in High Interest Savings Account (HISA), Guaranteed Investment Certificates (GIC'S), Principal Protected Notes, and Callable bonds in a wide range of terms. Below is a summary of the investments, date of purchase, type, maturity date, rate, and amount invested.

2025 MANAGEMENT DISCUSSION AND ANALYSIS



Table 3:

Purchase Date	Investment Term	Maturity Date	Rate	Amount Invested
28-May-24	Callable Accrual Note (BNS) - 10 year - Callable 3-year	29-May-34	6.42%	\$ 1,800,000.00
30-Aug-24	Linear Accrual GIC (NBC) - Extendible - 10 year - Callable 2-year	30-Aug-34	5.41%	\$ 5,000,000.00
19-Sep-24	Principal Protected Note (BNS) - 7 year - Callable 2-year	26-Sep-31	8.25%	\$ 3,500,000.00
24-Sep-24	Linear Accrual Note (BMO) - 15 year - Callable 1-year	24-Sep-39	6.05%	\$ 5,000,000.00
18-Oct-24	Principal Protected Note (BMO) - 7 year - Callable 2-year	24-Oct-31	7.00%	\$ 5,000,000.00
18-Dec-24	Principal Protected Note (BNS) - 15 year - Callable 3-year	18-Dec-39	5.90%	\$ 5,000,000.00
27-Jan-25	Prinicpal Protected Note (TD) - 2 year - Callable 1-year	27-Jan-27	4.70%	\$ 5,000,000.00
30-Jan-25	Principal Protected Note (TD) - 4 year - Non-callable	30-Jan-29	8.83%	\$ 5,000,000.00
29-Jan-25	Principal Protected Note (BNS) - 7 year - Callable 2-year	5-Feb-32	7.50%	\$ 5,000,000.00
31-Jan-25	Principal Protected Note (RBC) - 3.5 year - Non-callable	20-Jul-28	9.14%	\$ 5,000,000.00
20-Mar-25	Principal Protected Note (RBC) - 7 year - Callable 2-year	22-Mar-32	6.42%	\$ 5,000,000.00
9-May-25	Linear Accrual Note (CIBC) - 10 year - Callable 1-year	9-May-35	5.65%	\$ 5,000,000.00
27-Aug-25	Prinicpal Protected Deposit (BNS) - 7 year - Callable 2-year	27-Aug-32	6.50%	\$ 5,000,000.00
	Unrealized Gain			\$ 3,470,490.00
	Current Balance			\$ 63,770,490.00

The fair value adjustment net gain of \$3,470,490 recognizes the fair value of certain investments under the new accounting standard PS 3450.

Taxes Receivable

The Township is continuing to implement a tax arrears program to help reduce property taxes outstanding. The program involves communicating with the property owners, offering special payment arrangements and payment plans, notifying mortgage companies, and proactively processing tax sales on eligible properties.

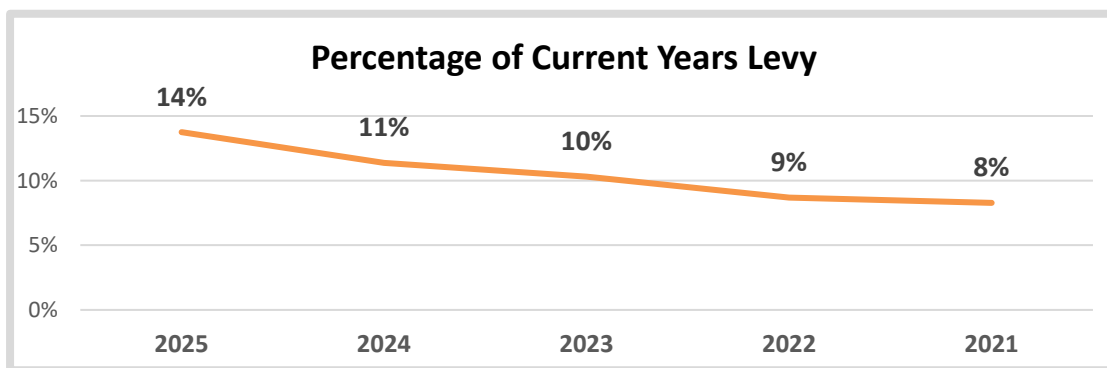
Tax arrears have been an issue with the Township over the years as indicated in the table below that shows the tax arrears from 2021-2025. We see a slight increase in taxes receivable for 2025 which is mainly due to timing of supplementary billing with assessment changes from MPAC and transfers to taxes due to lack of payment for outstanding invoices from by-law.

There is a concern that the percentage is increasing, and staff are looking at options to increase its collection practices to ensure more timely payments for tax arrears.

Below is a chart to show the history of arrears over the last 5 years.

Table 4:

Taxes Receivable, End of Year	2025	2024	2023	2022	2021
Taxes Receivable	\$ 13,833,929	\$ 10,867,120	\$ 9,639,269	\$ 7,877,777	\$ 7,225,326
Total Taxes Levied	\$ 100,598,356	\$ 95,606,531	\$ 93,542,126	\$ 90,699,749	\$ 87,209,932
Percentage of Current Years Levy	14%	11%	10%	9%	8%



The Township reports our financial indicators to the province with the yearly reporting in the Financial Information Return (FIR). The Township’s tax arrears historically have been over the 10% industry standard indicating a moderate to high level of risk which was flagged by Ministry staff in 2020. Staff have seen a gradual increase in the tax arrears and will work on targets to address properties with long standing issues. Staff will continue this approach for future collections to ensure the taxes receivable balance decreases. It is important to note the Township collects on behalf of the York Region and the school boards and must make payments to them on an installment basis regardless if property owners pay or not.

Financial Liabilities

Table 5:

As at December 31 (\$ millions)	2025	2024	Change in 2025 Increase / (Decrease)
Financial Liabilities			
Accounts payable and accrued liabilities	\$22.8	\$35.7	\$(12.9)
Developer and other deposits	\$11.4	\$13.3	\$(1.9)
Deferred revenue (General & Obligatory)	\$12.9	\$16.2	\$(3.3)
Employee future benefits and other liabilities	\$4.4	\$4.2	0.2
Asset retirement obligation	\$2.5	\$2.8	\$(0.3)
Long-term debt	\$9.9	\$13.1	\$(3.2)
Total	\$63.9	\$85.3	\$(21.4)

The decrease of \$21.4 million in financial liabilities for the Township is mainly attributed to the following:

- (\$12.9) million decreases in accounts payable and accrued liabilities as the Township paid a significant \$12 million DC payment to York Region and the school boards for their portion of the DC received from the Jane and King development which was outstanding at the end of 2024. There was no such large DC payable owing at the end of 2025. There was also a significant decrease in holdbacks payable as the Township paid \$7 million to the

2025 MANAGEMENT DISCUSSION AND ANALYSIS



contractor for the Township Wide Recreation Facility (Zancor Centre), when the project construction was completed in 2025.

- (\$1.9) million decreases in site alteration, lot and road deposits as some large deposits were released and exchanged for letters of credits in 2025 which are not recorded as liabilities for the Township.
- (\$3.3) million decreases in deferred revenue to recognize the additional development charges received in 2025 which is netted against the funding requirements for capital projects in 2025. In particular, funding \$6 million for various road projects, and \$442 thousand for various studies and \$3.1 million for water and wastewater works in the King City East development.
- (\$3.2) million decreases in long-term debt which reflects the principal payments associated with the Township’s debt servicing payment obligations that have drawn down the total debt outstanding related to debenture payments to York Region.

Table 6: Summary of Financial Liabilities 2025 vs 2024



Non-Financial Assets

Table 7:

As at December 31 (\$ millions)	2025	2024	Change in 2025 Increase / (Decrease)
Non-Financial Assets			
Tangible capital assets	\$459.3	\$443.5	15.8
Inventory held for own use	\$0.2	\$0.1	0.1
Prepaid expenses	\$1.3	\$0.5	0.8
Total	\$460.8	\$444.1	\$16.7

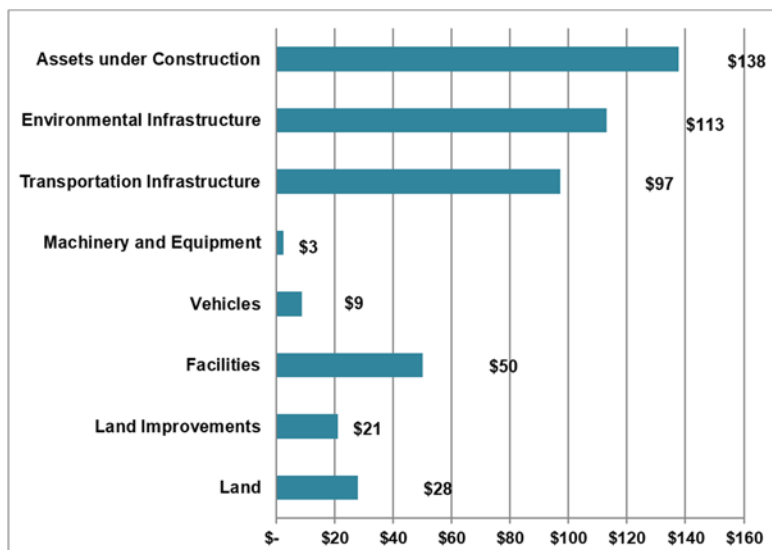
Most of the year over year change within Non-Financial Assets relates to the recognition of new tangible capital assets. The Township made significant investments in tangible capital assets totalling \$15.8 million in 2025 which is net of the \$11.4 million amortization expenses.

Table 8: Some of the additions in 2025 for a total of \$15.1 million

Additions for 2025	Value \$ (millions)
• Various Road Improvements, Sidewalk and Retaining Walls	\$8.4
• Bridges & Culverts	\$3.0
• Watermain Replacement	\$2.8
• Pumper Rescue Truck	\$0.9

The following table represents the Net Book Value (NBV) of assets in millions:

Table 9: **Total NBV \$459.3 million**

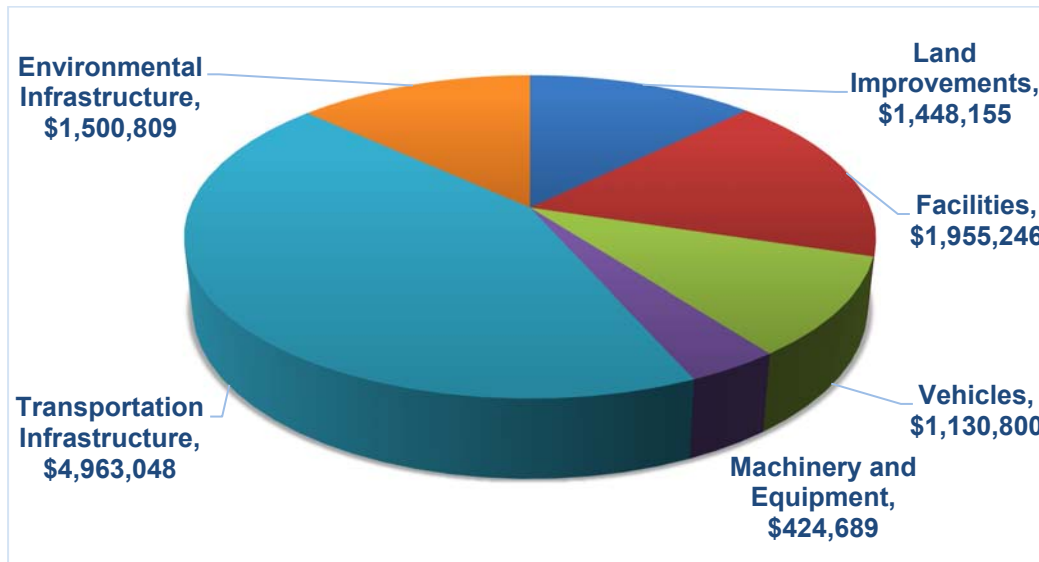


2025 MANAGEMENT DISCUSSION AND ANALYSIS



The value of amortization per class of assets is shown below:

Table 10: Total Amortization is \$11.4 million



Amortization provides an indication of how much should be set aside / spent each year to repair and replace the Township assets. However, amortization is based on historical cost of assets and the future cost to replace an asset (such as a road or bridge) will cost more than what the Township paid for it more than 50 years ago. The difference between the historical cost and the replacement cost is called the infrastructure funding gap.

The Township needs to build-up sustainable funding for capital. In recent years, the Township has actively worked to reduce the infrastructure funding shortfall by levying more property tax dollars for capital purposes.

The plan is to build up our tax funded capital and funding for infrastructure repair and replacement in the amount of \$8.6 million in 2025 and forecasted to increase \$0.5 million per year in the 10-year plan. In 2025, the Township approved its Comprehensive Asset Management Plan which includes a 1.99% increase for the capital portion of the 2026 tax levy. The asset management plan outlines the amount to be increased for future funding of all core and non-core assets to ensure sufficient funding is identified for Township infrastructure.

As part of the Township’s Fiscal Strategy, we must look at our 10-year capital forecast and balance the needs of growth and non-growth. In conjunction with our Asset Management Plan (AMP) we must include the various studies to help formulate the 10-year plan. These include but, are not limited to the Community Service plan that looks at the various amenities for parks, recreation, and culture. The Fire Master Plan that looks at community risk assessment, the Official Plan for population growth for both residential and commercial / industrial, the Development Charge Study which is a 5-year plan that was adopted by Council in January 2021 and the Paving strategy.



Table 11:

The following table is the 10 Year Capital Forecast (2025-2034) by Service Area:

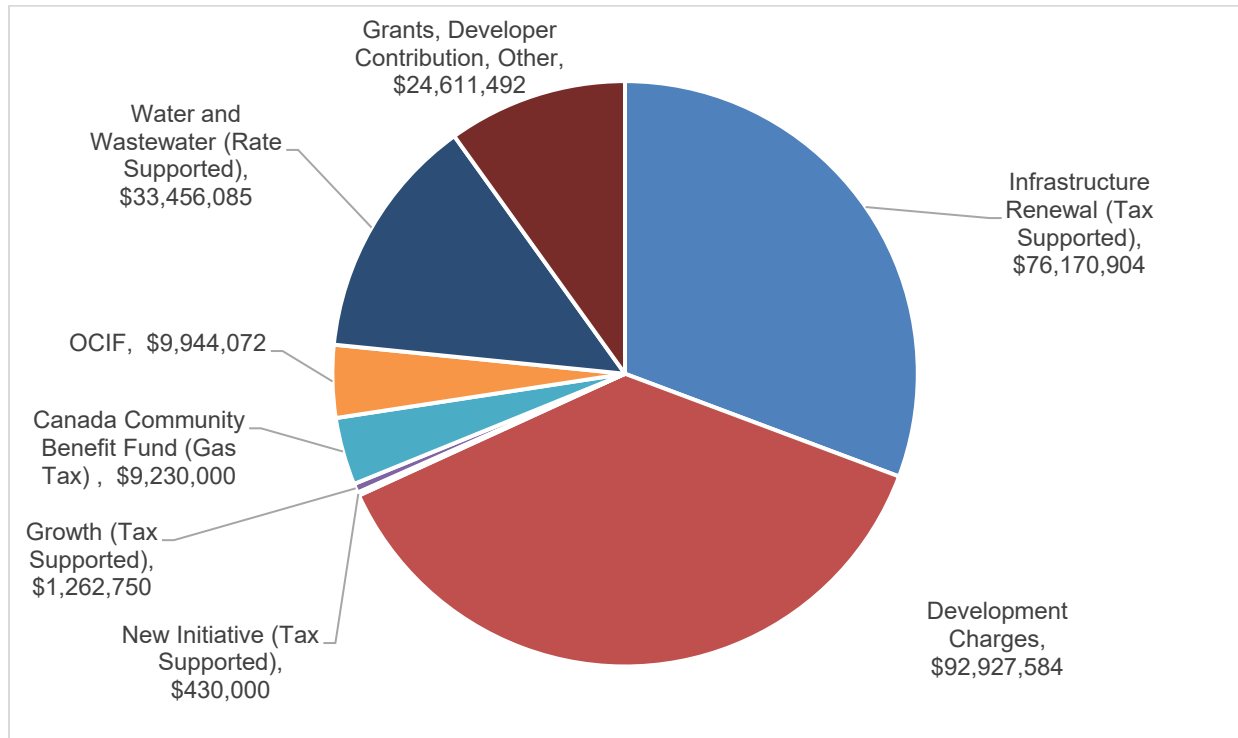
	2025	2026	2027	2028	2029	2030-2034	Total
Greening King							
Parks, Trails & Open Spaces	2,275,000	2,300,000	2,245,200	3,602,200	5,716,950	13,869,750	30,009,100
Climate Change Initiatives	100,000	100,000	100,000	100,000	100,000	500,000	1,000,000
Total Greening King	2,375,000	2,400,000	2,345,200	3,702,200	5,816,950	14,369,750	31,009,100
Keeping King Safe							
Fire & Emergency Services	1,108,000	1,165,000	1,128,500	2,332,500	1,820,000	7,574,000	15,128,000
Traffic Calming		150,000	150,000	150,000	150,000	750,000	1,350,000
Total Keeping King Safe	1,108,000	1,315,000	1,278,500	2,482,500	1,970,000	8,324,000	16,478,000
Maintaining King							
Road Maintenance	10,441,121	7,831,288	15,381,685	16,730,114	16,563,448	48,161,031	115,108,687
Sidewalk Maintenance	400,000	400,000	200,000	200,000	200,000	1,000,000	2,400,000
Street Lighting	150,000	400,000	100,000	100,000	150,000	650,000	1,550,000
Facility Maintenance	1,100,000	500,000	12,800,000	12,825,000	5,788,000	2,325,000	35,338,000
Fleet Services	1,195,000	4,526,364	2,055,910	1,618,840	550,710	3,631,743	13,578,567
Asset Management						3,000,000	3,000,000
Total Maintaining King	13,286,121	13,657,652	30,537,595	31,473,954	23,252,158	58,767,774	170,975,254
Planning & Growing King							
Development Engineering				50,000		150,000	200,000
Planning & Policy	50,000	350,000	450,000	150,000	650,000	2,100,000	3,750,000
Business Attraction and Retention		60,000	60,000	50,000	60,000	20,000	250,000
Total Planning & Growing King	50,000	410,000	510,000	250,000	710,000	2,270,000	4,200,000
Serving King							
Recreational Services	5,518,300		680,000	250,000		0	6,448,300
Library Services	51,612	216,467	1,133,522	7,011,986	7,074,141	504,505	15,992,233
Heritage & Culture	750,000					0	750,000
Total Serving King	6,319,912	216,467	1,813,522	7,261,986	7,074,141	504,505	23,190,533
Support Services							
Information Technology	330,000	400,000	400,000	150,000	150,000	750,000	2,180,000
Total Support Services	330,000	400,000	400,000	150,000	150,000	750,000	2,180,000
Total Capital Service Based Budget	23,469,033	18,399,119	36,884,817	45,320,640	38,973,249	84,986,029	248,032,887

2025 MANAGEMENT DISCUSSION AND ANALYSIS



Table 12:

In relation to the table above, the funding sources forecasted for the capital projects totaling \$248,032,887 for 2025 to 2034 is reflected in the below:



Accumulated Surplus

Table 13:

As at December 31 (\$ millions)	2025	2024	Change in 2025 Increase / (Decrease)
Financial Assets	\$99.7	\$115.6	\$(15.9)
Financial Liabilities	\$63.9	\$85.3	\$(21.4)
Net Financial Assets	\$35.8	\$30.3	\$5.5
Non-Financial Assets	\$460.8	\$444.1	\$16.7
Total Net Assets	\$496.6	\$474.4	\$22.2
Accumulated operating surplus	\$493.1	\$474.5	\$18.6
Accumulated remeasurement gains (losses)	\$3.5	\$(0.1)	\$3.6
Accumulated Surplus - End of Year	\$496.6	\$474.4	\$22.2

The change in the 2025 accumulated operating surplus is equal to the 2025 annual surplus from operations from the Statement of Operations. In 2025, the Township's change represents an increase of \$18.6 million to the accumulated surplus at the end of December 31, 2025. Details are provided in the financial statements under note 13 for more information.



OPERATIONS AND ACCUMULATED SURPLUS

The budgets for the Township are prepared using fund accounting where revenues equal expenses for the budget / planning purposes. On the fund basis of accounting, the Township ended the 2025 year with a deficit of \$139 thousand due to higher winter maintenance costs, revenue shortfalls in recreation and higher than expected facility maintenance and utility costs. Staff took steps earlier in the year to reduce spending where possible, and delayed staffing recruitment to gap vacancies to offset the higher-than-expected operating costs.

Some highlights for the 2025 Statement of Operations include:

- (\$217,116) unfavourable variance in investment income due to investing in more investments that accrue interest payments until maturity. This is the net amount that is being funded by the operating budget as a pre-determined amount of interest revenue is allocated to reserve funds as per corporate reserve policy.
- \$274,313 favourable variance related to supplementary tax revenue.
- \$651,430 favourable variance in tax penalties revenue due to higher tax arrears balance at 14% leading to additional interest revenue.
- (\$686,509) unfavourable variance in winter maintenance materials (salt and sand) and contracted services due to severe winter weather during the year.
- \$105,132 favourable variance in park rental revenues and road permit revenues including half load exemptions and road occupancies.
- (\$302,537) unfavourable variance in capital services payroll recovery due to staff vacancies and capital project budget constraints
- \$177,311 favourable variance in waste and recycle management contract costs due to less tonnage collected than expected
- (\$418,518) unfavourable variance in salaries and benefits due to increased staffing demands in Active Living, Aquatics and the Trisan and Zancor Centre as well as overtime costs for Facilities staff
- (\$571,465) increase in salaries and benefits in particular for the volunteer firefighters with additional response times and rate adjustments.
- \$90,977 favourable variance in ice rentals with strong demand at the Zancor Centre offset by lower than budgeted ice rentals at Trisan and Nobleton Arenas.

- \$110,897 favourable variance in fitness and gym rental related revenues due to growth in programming with the opening of the Zancor Centre. Also, active membership numbers jumped from 500 to 1600 in the first year of offering the RecPass.
- \$82,920 favourable variance in fire-related cost recoveries and donations.
- (\$385,206) unfavourable variance in aquatics programming revenue due to slow uptake in the first year of operations. Revenues were budgeted with full programming at 70% capacity however programs only ran at 30% fill rate in first year of operations.
- (\$491,311) unfavourable variance in contractual services due to several facility repairs including: the removal and disposal of brine at King City arena, a new rooftop air conditioning unit and heat pump installed at Nobleton Arena, a costly leak repair, repainting of the driveway and relamping over the ice rink at Trisan Centre, repairing of doors, HVAC, electrical, toilets and the generator at the Public Works Depot, and numerous vehicle repairs and annual inspections incurred for the fire vehicles and trucks. There were also high rates of surrounding municipalities responding to fire emergencies across the Township leading to higher fire agreement costs.
- (\$447,237) unfavourable variance in utilities mainly due to higher than expected hydro usage at the Zancor Centre in its' first year of operations.
- \$995,528 favourable variance in development revenues net of costs due to receiving subdivision agreement fees for Remcor-Bracor, King Jane Industrial Holdings, Nobleton 2715 Limited Partners and Forestbrook.
- \$349,451 favourable variance in subdivision, site plan and zoning application revenues due to higher activity.
- \$268,169 favourable variance in building permits revenue due to higher activity.
- \$61,530 favourable variance in bylaw fines revenues due to higher efficiencies in the Administrative Monetary Penalties (AMPS) program for parking and bylaw violations.

A detailed reporting of the fund basis operating budget deficit will be provided in a separate report as part of the year-end process in Report (FIN-2026-006).

Conversion to Full Accrual Accounting

In order to comply with PSAB reporting, the Township converts its fund basis of accounting to the full accrual accounting for both revenues and expenses. For example, prior to 2009 there was no requirement to present tangible capital assets on the Township's Statement of Financial Position. At the time, all Ontario municipalities at the time expensed tangible capital assets (TCA) additions with revenues related to capital project additions shown to fully offset the expenses.

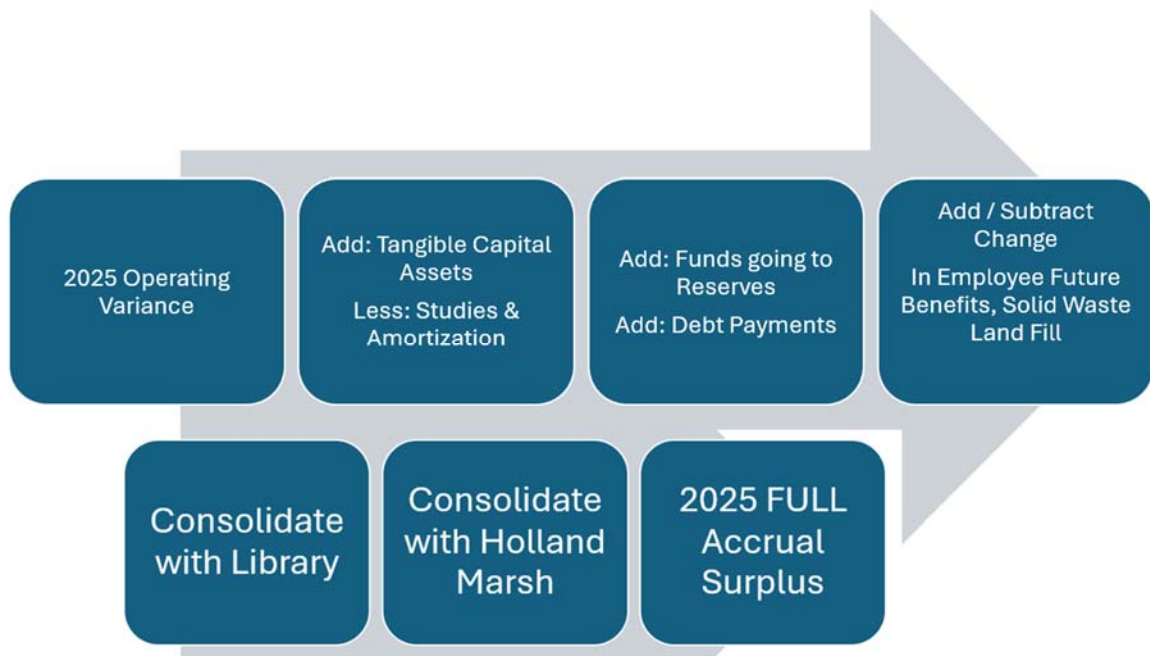
Under the full accrual method of accounting, the TCA additions are now capitalized on the Township's Statement of Financial Position similar to other private businesses and organizations. Municipalities now show amortization expense as listed on the Statement of Operations which is one of the largest expenses for many municipalities due the volume of assets under a municipality's control such as roads, bridges, fleet, facilities, and equipment.

2025 MANAGEMENT DISCUSSION AND ANALYSIS



The items below are included in the December 31, 2025 financial statements:

- Amortization of tangible capital assets
- Accumulated Surplus/(Deficit) from Operations
- Net Book Value Gain / Loss on disposal of Tangible Capital Assets
- Revenue – Grants (including Federal Gas Tax)/Development Charges/Recoveries from other municipalities/ other - for Capital
- Revenue – Contributed Assets (assets assumed by the Township by developers)
- Transfer from/to Reserves are not considered Revenue or Expenses and are removed from the Township’s Surplus



2025 MANAGEMENT DISCUSSION AND ANALYSIS



Table 14: The following is the adjustment from the Township’s fund accounting deficit of \$139 thousand to the actual full accrual surplus of \$18.6 million:

	\$ Thousands
2025 Fund Accounting Operating Budget Deficit	(\$139)
Tangible Capital Asset (TCA) Adjustments	
Tangible Capital Asset Amortization	(\$11,423)
2025 Tax Levy Funded Capital Program	\$14,419
Capital Budget Items not considered Tangible Capital Assets	(\$2,972)
Net Book Value loss on Disposal of Tangible Capital Assets	(\$612)
	(\$588)
Surplus after accounting for TCA	(\$727)
Other Full Accrual Adjustments	
Transfers to Reserves not considered an expense	\$19,032
Transfers from Reserves not considered revenue	(\$2,868)
Long term debt (external) not considered as expenditures	\$2,747
Change in Employee Future Benefits Liability	(\$93)
Change in Solid Waste Landfill Closure and Post Closure Liability	\$353
Consolidation of Library Board and Holland Marsh	\$158
	\$19,329
2025 Full Accrual Surplus	\$18,602

MUNICIPAL DEBT

King Township’s capital planning requirements may rely on the use of debenture financing to support investment in municipal infrastructure. This approach has been analyzed on the basis of the Township’s current debt structure, in conjunction with Ministry defined debenture capacity / annual repayment limits, and with a comprehensive understanding of current reserve and reserve funds.

Under section 401 of the *Municipal Act*, debentures are issued by the upper tier; therefore, the Region of York issues debentures on behalf of the Township of King. Debenture issuance at the Township will only be undertaken in compliance with the provisions of the *Municipal Act, 2001*, specifically Part XIII Debt and Investment, as well as Ontario Regulation 403/02 (Debt and Financial Obligation Limit).

At the end of 2025, the Township’s net outstanding debt is \$9.9 million.

The long-term debt incurred by the Township and outstanding at the end of the year consists of the following:

Table 15:

By-law	Purpose / Description	Issue Date	Maturity Date	Interest Rate	Type	2025	2024
2015-62	For the construction of road and watermain in the community of Nobleton, in the amount of \$6,000,000. This is a sinking fund debenture	2015-06-15	2025-12-15	2.60%	Sinking Fund	-	6,000,000
2016-54	For the construction of sewer works in the community of Nobleton, in the amount of \$6,000,000, with annual principle payments of \$400,000	2011-07-04	2026-07-06	3.80%	Serial	400,000	800,000
2019-21	For the King Roads project in the amount of \$6,100,000. This is a sinking fund debenture.	2019-04-18	2029-04-18	2.65%	Sinking Fund	6,100,000	6,100,000
2019-52	For King Buildings including the King Township Municipal Centre (KTMC), King City Library / Senior Centre and Graham Sideroad Bridge. This is a sinking fund debenture.	2019-04-18	2029-04-18	2.65%	Sinking Fund	10,000,000	10,000,000
2022-19	For the construction of sewer works in the community of Nobleton, in the amount of \$4,500,000, with annual principle payments of \$300,000	2023-07-15	2037-07-15	4.45%	Serial	3,600,000	3,900,000
Long-Term Liabilities						20,100,000	26,800,000
Less: Sinking Fund Assets						(10,192,144)	(13,718,770)
Net Long-Term Liabilities						9,907,856	13,081,230

Type of debentures:

Serial Debentures: Designed to pay equal, semi-annual principles amounts with interest calculated on the declining balances;

Amortized Debentures: Constructed to pay equal, semi-annual total payments with the interest component decreasing over the term;

Sinking Fund Debentures: Designed to pay equal, annual sinking fund contributions and equal, semi-annual interest payments to a fund that when combined with interest earned is used to repay the principal at the maturity.

2015-62 – Construction of Road and Watermain in Nobleton

This debenture was issued in 2015 for the construction of a road and watermain in the community of Nobleton for a total of \$6.0 million. This was issued as a sinking fund debenture with an interest rate of 2.6% and a maturity date of December 15, 2025. The Township has repaid this debenture to the Region of York as of the end of 2025.

2016-54 – Sewer Works in Nobleton

Issued in 2011, for the construction of the sewer works in the community of Nobleton in the amount of \$6.0 million. This is a traditional serial debenture with a principal payment of \$400,000 a year plus interest of 3.8% for a maturity date of July 6, 2026.

2019-21 – King Road Projects

2025 MANAGEMENT DISCUSSION AND ANALYSIS



This debenture was issued in 2019 for the construction of various road projects throughout the Township for a total of \$6.1 million. This was issued as a sinking fund debenture with an interest rate of 2.65% and a maturity date of April 18, 2029. Semi-Annual payments are made for interest payments and the principle paid at maturity.

2019-52 – Various Town Projects

This debenture was issued in 2019 for the construction of Graham Sideroad Bridge, the King Township Municipal Centre (KTMC) and the King City Library / Senior Centre for a total of \$10.0 million. This was issued as a sinking fund debenture with an interest rate of 2.65% and a maturity date of April 18, 2029. Semi-Annual payments are made for interest payments and the principle paid at maturity.

2022-19 – Sewer Works in Nobleton

This debenture was issued in 2023 for the construction of sewer works (phase 3) in the community of Nobleton, in the amount of \$4.5 million. This is a traditional serial debenture with a principal payment of \$300,000 a year plus interest of 4.45% for a maturity date of July 15, 2037.

Annual debt charges are included in the amount of the property tax rate, user rate, and area specific charge (benefitting landowner) calculations. The table below summarizes the annual debt charges (principal and interest) for the Township's existing debt obligation; it does not include any new proposed debt.

Table 16:

Year	Principal	Interest	Total
2026	2,094,986	594,971	2,689,957
2027	1,804,290	570,190	2,374,480
2028	1,804,290	557,187	2,361,477
2029	1,804,290	330,165	2,134,455
2030	300,000	103,490	403,490
2031-2037	2,100,000	350,886	2,450,886
TOTAL	9,907,856	2,506,889	12,414,745

Annual Debt Repayment Limit

The Province of Ontario, through regulation, prescribes the Annual Debt Repayment Limit (ARL) for municipalities. The ARL is calculated based on 25% of the municipality’s own source revenues and represents the maximum amount which the municipality has available to commit to payments relating to debt and financial obligation. Prior to the authorization by Council of a long-term debt or financial obligation, this limit must be adjusted by the Treasurer in the prescribed manner. As per the debt policy within the Township of King, we have an approved limit of 10% for all debt.

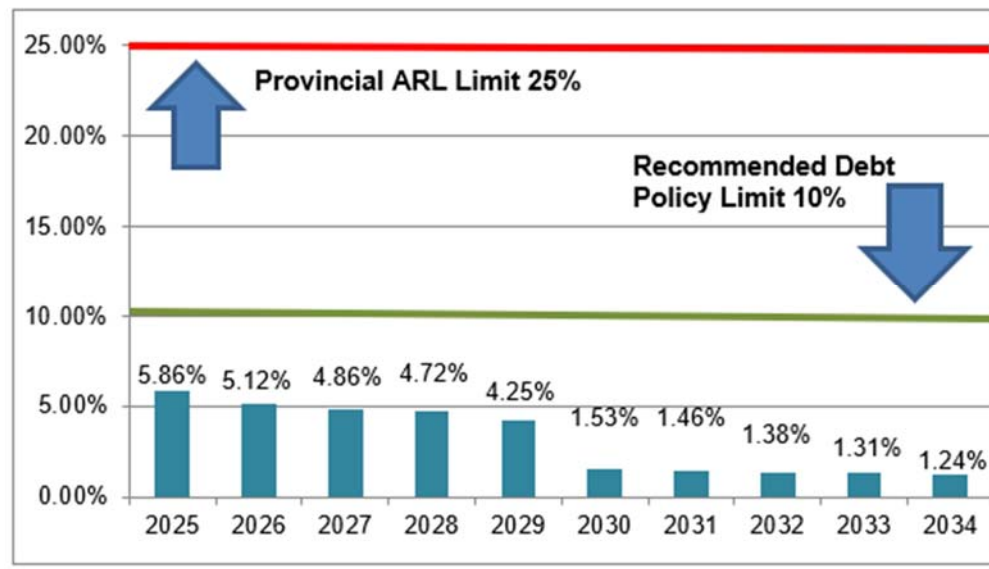
The ARL statement report indicates that the Township has a debt limit of \$15,055,419 for 2025. The current amount utilized is \$3,526,330 which represents 5.86% for 2025. The chart below includes the 2025 to 2034 estimated debt ARL which includes principal and interest for all debentures including sinking fund contributions and long-term leases.

Debt Forecast

The Bar Chart below entitled *Forecast: Total Debt (2025-2034)* illustrates current principal repayment requirements together with forecasted principal repayment requirements (post 2025) by the municipality based on the Township’s 2025 capital plan.

Table 17:

Forecast: Total Debt 2025-2034



The forecast includes an estimated debenture starting in 2026 for the Town Wide Recreation Centre of \$5 million at a rate of 3.70% amortized at 10 years. This will be confirmed based on development charges collected and whether the debt will be required to bring the development charge reserve for parks and recreation to a positive balance.

Annual Reporting Requirements

The Chief Financial Officer / Treasurer will determine the short- and long-term borrowing needs and report to Council annually on any outstanding debt balance, their use and measured to key financial indicators. Through the Capital Budget process, the Chief Financial Officer / Treasurer will also seek Council approval on all new debt prior to works being formally undertaken and will advise Council of issuance of debt when it is appropriate.

The Corporate Debt Policy will be reviewed periodically and updated if necessary. Any required changes will then be submitted to Council for approval. Otherwise, the Corporate Debt Policy will be formally reviewed, at a minimum of every five (5) years from the date of the last review.

CONCLUSION

In consultation with Council, the Senior Leadership Team and staff will continue to present a well-balanced annual budget and additional financial strategies to provide a fiscally responsible outlook for the Township of King.

Some of the principles staff take into consideration in developing its fiscal strategies are flexibility, transparency, governance, and reliability.

The overall Fiscal Strategy is intended to guide the financial policies and corporate strategies to ensure the goals and objectives of the Corporate Strategic Plan are achievable over the long-term.

Responsibility for Financial Reporting

MANAGEMENT'S REPORT

The integrity, relevance and comparability in the accompanying consolidated financial statements are the responsibility of management.

The consolidated financial statements are prepared by management, in accordance with generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. They necessarily include some amounts that are based on the best estimates and judgments of management. Financial data elsewhere in the report is consistent with that in the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Township Council, through the Audit Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Audit Committee meets with management and the external auditors to review and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

KPMG LLP Chartered Accountants have been appointed by Township Council to express an opinion on The Township's consolidated financial statements. Their report follows.



Daniel Kostopoulos
Chief Administrative Officer



Marina Fung, CPA
Chief Financial Officer / Treasurer

King City, Canada
June 1, 2026

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025



KPMG LLP
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Tel 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of The Corporation of the Township of King

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of King (the Municipality), which comprise:

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

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2025, and its consolidated results of operations, its consolidated remeasurement of gains and losses, its consolidated changes in net debt 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 Financial Statements***” section of our auditor’s report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Management Discussion and Analysis as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 1, 2026

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31	2025	2024
Financial Assets		
Cash (Note 3)	6,619,634	54,474,692
Investments (Note 4)	63,770,490	35,169,250
Taxes receivable (Note 5)	13,833,929	10,867,120
Trade and other receivables (Note 6)	8,176,142	6,222,327
User charges and sewer receivable (Note 7)	7,349,143	8,797,081
	<u>99,749,338</u>	<u>115,530,470</u>
Financial Liabilities		
Accounts payable and accrued liabilities	22,829,428	35,663,435
Developer and other deposits	11,397,491	13,332,516
Deferred revenue (Note 8)	12,916,276	16,187,511
Employee future benefits and other liabilities (Note 9)	4,394,403	4,181,100
Asset retirement obligation (Note 10)	2,466,714	2,819,947
Long-term debt (Note 11)	9,907,856	13,081,230
	<u>63,912,168</u>	<u>85,265,739</u>
Net Financial Assets	<u>35,837,170</u>	<u>30,264,731</u>
Non-Financial Assets		
Tangible capital assets (Note 12)	459,306,401	443,539,892
Inventory held for own use	155,366	122,076
Prepaid expenses	1,279,501	448,356
	<u>460,741,268</u>	<u>444,110,324</u>
Total Net Assets	<u>496,578,438</u>	<u>474,375,055</u>
Accumulated Surplus - End of Year (Note 13)	<u>496,578,438</u>	<u>474,375,055</u>
Accumulated Surplus is comprised of:		
Accumulated operating surplus	493,107,948	474,505,805
Accumulated remeasurement gains (losses)	3,470,490	(130,750)
	<u>496,578,438</u>	<u>474,375,055</u>

Commitments and contractual obligations (Note 21), Contingencies (Note 22)

Approved by

Mayor

Treasurer

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

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31	2025 Budget (Note 19)	2025 Actual	2024 Actual
Revenues			
Taxation (Note 16)	41,555,372	41,291,456	39,192,536
User fees	8,535,148	11,958,763	8,255,357
Water and wastewater user charges	13,460,623	13,026,334	12,093,142
Government grants (Note 20)	651,719	5,624,440	13,804,690
Contributions from developers (Note 17)	-	9,490,225	11,223,883
Investment income	1,655,600	1,600,772	3,262,620
Penalties and interest	1,300,000	1,994,042	1,666,526
(Loss)/Gain on disposal of tangible capital assets	-	(512,858)	5,208,631
Other	3,038,625	7,024,038	8,908,584
	70,197,087	91,497,212	103,615,969
Expenses (Note 25)			
General government	12,320,341	12,162,546	11,133,776
Protection services	7,357,702	8,280,261	7,578,305
Transportation services	13,824,388	14,161,568	12,579,953
Environmental services	14,723,211	14,056,527	13,872,260
Recreation and cultural services	16,563,528	18,161,834	16,432,501
Planning and development	5,370,431	6,072,333	5,220,177
	70,159,601	72,895,069	66,816,972
Annual Surplus from Operations	37,486	18,602,143	36,798,997
Accumulated Operating Surplus - Beginning of Year	474,505,805	474,505,805	437,706,808
Accumulated Operating Surplus - End of Year	474,543,291	493,107,948	474,505,805

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

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	2025 Budget (Note 19)	2025 Actual	2024 Actual
Annual Surplus from Operations	37,486	18,602,143	36,798,997
Acquisition of tangible capital assets (net of changes in construction in progress)	(23,389,033)	(27,800,717)	(44,625,062)
Amortization of tangible capital assets	11,216,127	11,422,747	12,148,680
Proceeds on disposal of tangible capital assets	-	98,603	5,797,815
Loss/(Gain) on disposal of tangible capital assets	-	512,858	(5,208,631)
	(12,172,906)	(15,766,509)	(31,887,198)
Inventory held for own use	-	(33,290)	(14,436)
Change in prepaid expenses	-	(831,145)	298,562
(Decrease)/Increase in Net Financial Assets (Debt) excluding net remeasurement gains and (losses)	(12,135,420)	1,971,199	5,195,925
Net remeasurement gains (losses)	-	3,601,240	(213,700)
Change in Net Financial Assets (Debt)	(12,135,420)	5,572,439	4,982,225
Net Financial Assets - Beginning of Year	30,264,731	30,264,731	25,282,506
Net Financial Assets - End of Year	18,129,311	35,837,170	30,264,731

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

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the year ended December 31	2025	2024
Accumulated remeasurement (losses) gains, beginning of the year	(130,750)	82,950
Unrealized gains (losses) attributable to:		
Investments	3,601,240	(213,700)
Accumulated remeasurement gains (losses), end of the year	3,470,490	(130,750)

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

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31	2025	2024
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus from operations	18,602,143	36,798,997
Items not involving cash		
Amortization of tangible capital assets	11,422,747	12,148,680
Loss/(Gain) on disposal of tangible capital assets	512,858	(5,208,631)
	<u>30,537,748</u>	<u>43,739,046</u>
Changes in working capital items (Note 15)	(22,517,318)	17,042,204
Capital Activities		
Acquisition of tangible capital assets (net of changes in construction in progress)	(27,800,717)	(44,625,062)
Proceeds on disposal of tangible capital assets	98,603	5,797,815
	<u>(27,702,114)</u>	<u>(38,827,247)</u>
Investing Activities		
Purchase of short-term investments	(35,000,000)	(30,300,000)
Proceeds on redemption of short-term investments	10,000,000	45,883,500
Financing Activities		
Sinking fund contributions	(2,473,374)	(2,461,656)
Principal repayment on long-term debt	(700,000)	(700,000)
Debenture proceeds	-	-
	<u>(3,173,374)</u>	<u>(3,161,656)</u>
Net Change in Cash	(47,855,058)	34,375,847
Cash - Beginning of Year	54,474,692	20,098,845
Cash - End of Year	<u>6,619,634</u>	<u>54,474,692</u>

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

THE CORPORATION OF THE TOWNSHIP OF KING

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

The Corporation of the Township of King (the "Township") is a lower-tier municipality located in the Regional Municipality of York, Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Township are the responsibility of management. They have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

a) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Township. They include the activities of all organizations, committees of Council and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These include:

King Township Library Board	100%
The Holland Marsh Drainage System Joint Municipal Services Board	59.15%

All interfund assets, liabilities, revenues and expenses have been eliminated on consolidation. The Township's portion of The Holland Marsh Drainage System Joint Municipal Services Board has been included in these consolidated financial statements on a proportionate consolidation basis.

b) Basis of Accounting

i) Accrual Basis of Accounting

The Township 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 receipt of goods or services and/or the creation of a legal obligation to pay.

ii) Revenue Recognition

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 uncollectable amounts.

Charges for sewer and water usage are recorded as user fees. User fees and other revenues are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided. Connection fee revenues are recognized when the connection has become available.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable. A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, is recognised as income in the period in which it is receivable.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

ii) Revenue Recognition (continued)

Developer contributions and fees for services are recognized over the period of service or when required expenses occur if applicable.

Sales of other services and other revenues are recognized on an accrual basis.

Investment income earned on reserve funds and obligatory reserve funds are added to the fund balance and forms part of the respective reserve funds and deferred revenue balances.

iii) Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Interest expense is recognized as incurred. Expenses paid in the current period attributable to future benefits received are classified as prepaid expenses in the Township's non-financial assets.

Government transfer payments to other public sector entities are recognized in the year that the transfer is authorized, and all eligibility criteria have been met by the recipient. Any transfers paid in advance are deemed to have met all eligibility criteria.

iv) Government Transfers

Government transfers are recognized in the consolidated financial statements when the transfer is authorized and any eligibility criteria have been met, except to the extent that the 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 statement of operations as the stipulation liabilities are settled.

v) Property Taxes and Related Revenues

Property tax billings are prepared by the Township based on an assessment roll prepared by Municipal Property Assessment Corporation (MPAC) based upon Current Value Assessment (CVA). Tax rates are established annually by Township Council, incorporating amounts to be raised for local services and the requisition made by the Region of York in respect of regional services. The Township is required to collect education taxes on behalf of the Province of Ontario. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known.

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

vi) Assets

The assets standard provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events from which future economic benefits are to be obtained. For the year ended December 31, 2025, all material assets have been disclosed and reported within this definition.

vii) Cash

Cash is comprised of cash on hand and cash held in financial institutions.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

viii) Non-Financial Assets

Non-financial assets are not 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.

ix) Tangible Capital Assets

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

Land	No amortization
Land improvements	15-50 years
Facilities	20-90 years
Vehicles	8-20 years
Machinery and equipment	3-80 years
Transportation infrastructure	7-75 years
Environmental infrastructure	20-100 years

Tangible capital assets under construction are not amortized until the asset is available for productive use. For larger scale linear infrastructure projects (such as sanitary sewer and concurrent road works), these assets are not amortized until all contracts/phases of the project are complete. No amortization is charged in the year of acquisition.

Contributed tangible capital assets are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Tangible capital assets conveyed from developers are recorded at the estimated engineering value at time of registration.

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

x) Contractual Rights and Obligations

Contractual rights reflect future rights to economic resources arising from contracts and/or agreements that will result in both an asset and revenue in future fiscal periods.

Contractual obligations represent obligations, which will result in liabilities upon the completion of agreed upon terms specified in contracts and/or agreements in future fiscal periods.

xi) Contingent Assets and Liabilities

Contingent assets and contingent liabilities arise from circumstances when the Township is uncertain whether it has an asset and/or liability on the date of the Statements. The existence of the asset and/or liability is ultimately dependent upon the occurrence or nonoccurrence of a future event that is outside of the Township's control.

For the year ended December 31, 2025, the Township is not aware of any contingent assets. However, disclosure regarding the Township's contingent liabilities can be found in Note 22.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

xii) Deferred Revenue - General

Funds received in advance to conduct certain programs, or in the completion of specific work pursuant to legislation, regulation or agreement are recorded as deferred revenue. Deferred revenue also includes user charges and fees collected for services not yet rendered. Revenue is recognized in the fiscal period in which the related expenses are incurred or services are performed.

xiii) Deferred revenue - Obligatory Reserve Funds

Deferred revenue includes funds received for specific purposes such as development charge contribution and federal gas tax revenue which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes. These funds, by their nature, are restricted in their use and, until applied to applicable capital works, are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

xiv) Employee Future Benefits

The Township accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits. The Township has adopted the following valuation methods and assumptions:

Actuarial cost method:

Accrued benefit obligations are computed using the projected benefit method prorated on service, as defined in PSAB 3250 and PSAB 3255. The objective under this method is to expense each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement. Under this method an equal portion of total estimated future benefit is attributed to each year of service.

Accounting policies:

Actuarial gains and losses are recognized as income or expenses over the three year period of the related actuarial evaluation in which the determination of the gain or loss occurred. Obligations are attributed to the period beginning on the member's date of hire and ending on the expected date of termination, death or retirement, depending on the benefit value. Vacation entitlements are accrued for as entitlements are earned. The Township's fiscal year-end is December 31 and the measurement date of the Township's obligation is as such.

xv) Asset Retirement Obligation

The township recognizes the fair value of asset retirement obligation ("ARO") when all of the following criteria have been met:

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

The liability for the closure and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the Township has also been recognized based on estimated future expenses on closure of the site and post-closure care. Lastly, a liability for the decommissioning of various capital assets has also been recognized based on estimated future expenses. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised annually.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

- xv) Asset Retirement Obligation (continued)**
The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in (ix).

Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability are recognized in the Consolidated Statement of Operations and Accumulated Surplus at the time of remediation.

- xvi) Long-Term Debt**
Long-term debt is recorded net of related sinking fund asset balances.

- xvii) Reserve Funds**
Certain amounts, as approved by Township Council, are set aside in reserve funds for future operating and capital purposes. Transfers to/from reserve funds are an adjustment to the respective funds when approved.

- xviii) Use of Estimates**
The preparation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions on such areas as the employee future benefits liability, the solid waste landfill closure and post-closure liability, the taxes receivable, taxation revenue, the allowance for doubtful accounts and the historical cost and estimated useful lives of tangible capital assets.

- xix) Financial Instruments**
Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Consolidated Statement of Operations and Accumulated Surplus.

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 and Accumulated Surplus and any unrealized gain or loss is adjusted through the Consolidated Statement of Remeasurement Gains and Losses.

When the asset is sold, the unrealized gains and losses previously recognized in the Consolidated Statement of Remeasurement Gains and Losses are reversed and recognized in the Consolidated Statement of Operations and Accumulated Surplus.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

xx) Budget Figures

The approved operating and capital budgets for 2025 are reflected on the Consolidated Statement of Operations and Accumulated Surplus and on the Consolidated Statement of Change in Net Financial Assets. The Capital budget is on a project-oriented basis, the costs of which may be carried but over one or more years and, therefore, may not be comparable with the current year actual amounts. The budget presented in these financial statements has been reconciled to the approved budgets to reflect the accrual basis of accounting in Note 19.

xxi) Pension Plan

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer pension plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by eligible employees based on the length of credited service and the average earnings. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Township uses defined contribution plan accounting principles for the Plan because insufficient information is available to apply defined benefit plan accounting principles. As such, the Township's contributions due during the year are expensed as incurred.

xxii) Related Party Transaction

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties also include key management personnel, such as Township Councillors, as well as their close family members.

PS 2200 - Related Party Disclosure, requires the Township to disclose circumstances in which the entity enters into transactions with its related parties at a value different from that which would have been arrived at if the parties were unrelated (i.e. not at arm's length) and these transactions are considered to have a significant financial impact on the Township's consolidated financial statements. In the event qualifying transactions are identified, the Township would disclose the nature of relationships with all involved parties, type of related party transaction, and amounts recognized in the consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

2. FUTURE ACCOUNTING PRONOUNCEMENTS

These standards and amendments were not yet effective for the year ended December 31, 2025, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of these standards on the future financial statements.

(i) The conceptual framework for financial reporting in the public sector was revised and 2024-2025 Annual Improvements to Public Sector Accounting Standards were issued. The PSAB approved amendments providing terminology updates to align various sections of the PSAS Handbook with PSAB's Conceptual Framework and Reporting Model. These revisions and amendments are effective for fiscal years beginning on or after April 1, 2026 (the Township's December 31, 2027 year end).

(ii) PS 1202, Financial Statement Presentation, will replace the current section PS 1201. This guideline is effective for fiscal years beginning on or after April 1, 2026 (the Township's December 31, 2027 year end).

(iii) PS 3251, Employee Benefits, will replace the current sections PS 3250 and PS 3255. The proposed section is currently pending final approval, with an expected effective date of April 1, 2029 (the Township's December 31, 2030 year end).

(v) PS 3150, Tangible Capital Assets. The PSAB has issued amendments related to PS 3150 in May 2025 as a result of implementing its Government Not-for-Profit Strategy, which incorporates the PS 4200 series into public sector accounting standards with potential customization. The amendments to this section are effective for fiscal periods beginning on or after April 1, 2030 (the Township's December 31, 2031 year end).

(vii) PS 3155, Intangible Assets, will replace the current section PSG 8, Purchased Intangibles. The proposed section is currently pending final approval and an effective date for the proposed standard is currently not known.

3. CASH

The Township has an available bank operating credit line in the amount of \$5,000,000. Outstanding indebtedness bears interest at prime less 0.75%. At year end the Township has not utilized any amount under this credit facility (2024 - \$Nil).

The Township also has an available demand installment loan in the amount of \$3,000,000. Outstanding indebtedness bears interest at prime less 0.75%. At year end, the Township has not utilized any amount under this credit facility (2024 - \$Nil).

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

4. INVESTMENTS

Fair value measurement hierarchy

All financial instruments must be classified in accordance with the significant of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable.

- i) Level 1 - valuation can be based on quoted prices in active markets for identical assets and liabilities.
- ii) Level 2 - valued using quoted prices for similar assets and liabilities, quoted prices in markets are not active, or models using inputs that are observable.
- iii) Level 3 - values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy of investment assets at December 31st is as follows:

	Level	2025	2024
Investments, at cost			
Fixed income	1	21,800,000	11,800,000
Investments, at fair value			
Principal protected notes	1	38,500,000	23,500,000
Unrealized (loss)/gain on principal protected notes		3,470,490	(130,750)
		63,770,490	35,169,250

5. TAXES RECEIVABLE

	2025	2024
Taxes receivable	13,930,394	10,963,585
Allowance for doubtful accounts	(96,465)	(96,465)
	13,833,929	10,867,120

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

6. TRADE AND OTHER RECEIVABLES

	2025	2024
Trade and other receivables	8,208,754	6,254,939
Allowance for doubtful accounts	(32,612)	(32,612)
	8,176,142	6,222,327

7. USER CHARGES AND SEWER RECEIVABLE

In April 2010, Council for the Township of King approved By-law 2010-38, further amended by By-law 2011-105, which provided for the installation of sanitary sewers within a designated sewer service area in the village of Nobleton. The total costs for this project were estimated at \$8.0M, of which \$4.0M was to be funded from growth (development charges), \$2.5M from contributions and \$16.2M from the existing benefitting landowners. This amount was spread over the total number of landowners, 860, to be serviced in the village and each benefitting landowner was assessed a lump sum amount of \$18,790. The Township of King provided a number of payment options to the benefitting landowners, one of these options was to include an annual charge, with applicable interest, on their property tax bill for the life of the debenture, being 15 years, from 2013 to 2027. For landowners that selected the 15-year debenture payment option, the Township recorded a corresponding receivable that declines each year by the amount of the annual charge of \$1,775 per residential unit equivalent.

In July 2019, Council for the Township of King approved By-law 2019-73, which provided for the installation of sanitary sewers within a designated sewer service area in the village of Nobleton. The total costs for this project were estimated at \$7.9M, of which \$1.1M was to be funded from developer contributions, \$1.1M from the Wastewater reserve, \$2.0M from the Infrastructure reserve, \$0.8M from grants, and \$2.9M from the existing benefitting landowners. This amount was spread over the total number of landowners, 107, to be serviced in the village and each benefitting landowner was assessed a lump sum amount of \$21,870. The Township of King provided a number of payment options to the benefitting landowners, one of these options was to include an annual charge, with applicable interest, on their property tax bill for the life of the debenture, being 15 years, from 2021 to 2035. For landowners that selected the 15-year debenture payment option, the Township recorded a corresponding receivable that declines each year by the amount of the annual charge of \$1,975 per residential unit equivalent.

In March 2022, Council for the Township of King approved By-law 2022-12, which provided for the installation of sanitary sewers within a designated sewer service area in the village of Nobleton. The total costs for this project were estimated at \$9.4M, of which \$5.1M was to be funded from developer contributions, and \$4.3M from the existing benefitting landowners. This amount was spread over the total number of landowners, 197, to be serviced in the village and each benefitting landowner was assessed a lump sum amount of \$23,500. The Township of King provided a number of payment options to the benefitting landowners, one of these options was to include an annual charge, with applicable interest, on their property tax bill for the life of the debenture, being 15 years, from 2022 to 2036. For landowners that selected the 15-year debenture payment option, the Township recorded a corresponding receivable that declines each year by the amount of the annual charge of \$2,180 per residential unit equivalent.

There have been no significant issues with the collection of these sewer receivables.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

8. DEFERRED REVENUE

	Balance at December 31, 2024	Contributions Received and Interest Income	Revenue Recognized	Balance at December 31, 2025
Obligatory Reserve Funds				
Development charges	9,846,221	4,162,352	(9,490,225)	4,518,348
Cash-in-lieu of Parkland Reserve Fund	3,709,958	258,902	-	3,968,860
Canada Community Building Fund	486,438	906,982	(1,182,299)	211,121
Ontario Community Infrastructure Fund	-	1,064,072	(1,006,093)	57,979
Road Safety Initiatives Fund	-	180,261	(123,529)	56,732
	14,042,617	6,572,569	(11,802,146)	8,813,040
General				
Deferred facility rentals	912,337	1,408,375	(1,014,187)	1,306,525
Deferred revenue	1,232,557	2,022,647	(458,493)	2,796,711
	2,144,894	3,431,022	(1,472,680)	4,103,236
	16,187,511	10,003,591	(13,274,826)	12,916,276

9. EMPLOYEE FUTURE BENEFITS AND OTHER LIABILITIES

The Township provides certain employee benefits that will require funding in future periods. Under the Township's sick leave plan, unused sick leave can accumulate and employees with five years of active service are entitled to a maximum benefit of 50% of the employee's annual salary at the date of retirement, termination or death. The Township also pays certain health, dental and travel life insurance benefits on behalf of its retired employees.

The Township recognizes the cost of its post retirement non-pension benefit costs and sick leave obligations in the period in which the employee rendered the services.

	2025	2024
Accrued post-retirement non-pension benefits	1,079,405	1,031,192
Vested sick leave benefits	2,022,809	1,977,857
Vacation payable - see Note	1,292,189	1,172,051
	4,394,403	4,181,100

Note - Vacation payable is not included in the actuarial valuation and has been determined based on management's calculation.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

9. EMPLOYEE FUTURE BENEFITS AND OTHER LIABILITIES (CONTINUED)

The actuarial results for each of the plans as at December 31, 2025 are as follows:

	Post Retirement Non-Pension Benefits	Vested Sick Leave Benefits	Total 2025	Total 2024
Accrued benefit liability, beginning of year	1,031,192	1,977,857	3,009,049	2,859,084
Current service cost	65,478	123,630	189,108	190,608
Interest cost	38,842	54,741	93,583	87,499
Benefit payments	(45,327)	(89,115)	(134,442)	(73,058)
Amortization of actuarial (gain)	(10,780)	(44,304)	(55,084)	(55,084)
Accrued benefit liability, end of year	1,079,405	2,022,809	3,102,214	3,009,049
Unamortized actuarial (gain)/loss	(172,476)	(620,259)	(792,735)	(847,819)
Accrued benefit obligation, end of year	906,929	1,402,550	2,309,479	2,161,230

The amortization of actuarial gains for the current year is in the amount of \$55,084 (2024 - \$55,084).

Actuarial evaluations for accounting purposes are performed every three years using the projected benefit method prorated on services. The most recent actuarial report was prepared as at January 1, 2023.

The assumptions used in the January 1, 2023 actuarial valuation and the projections for fiscal 2025 are:

Interest (discount) rate

The rate used to discount future benefits is assumed to be 4.40% per annum. This rate reflects the cost of borrowing and the market yields on high quality bonds at the time of preparing the valuation. The assumption used in the previous valuation was 2.60% per annum.

Salary rate

The assumed rate used to project salaries reflects the expected Consumer Price Index adjusted for productivity, merit and promotion.

Health costs

Health costs were assumed to be at a rate of 4.00% for 2025, increasing to 5.30% in 2029 and then decreasing by 0.90% over the next 10 years and remain at 4.00% thereafter (2024 - 4.00%).

Dental costs

Dental costs were assumed to be at a rate of 4.00% for 2025 increasing to 5.30% in 2029 and then decreasing by 0.90% over the next 10 years and remain at 4.00% thereafter (2024 - 4.00%).

Expected Average Remaining Service Life

The Township amortizes the amount of actuarial (gains)/losses over the Expected Average Remaining Service Life which is 17 to 19 years (2024 - over the Expected Average Remaining Service Life).

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

10. ASSET RETIREMENT OBLIGATION

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

a) Landfill obligation

The Township owns and operates two landfill sites. The liability for the closure of operational sites and post-closure care has been recognized under *PS 3280 – Asset Retirement Obligation*. The costs were based upon the most recent valuation prepared on December 31, 2023. The landfills are both closed and post-closure care is estimated to be required for 15 to 25 years from the date of valuation. These costs were discounted to December 31, 2025 using a discount rate of 2.20% per annum.

b) Asbestos obligation

The Township owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. In accordance with *PS3280 – Asset retirement obligations*, the Township recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at December 31, 2025. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

c) Decommissioning of assets obligation

The Township owns and operates various assets including fuel storage tanks, drinking water wells, septic tanks and bed systems, ice rinks with ammonia refrigeration systems and a sewage pond, where the decommissioning process is regulated under legislation. In accordance with *PS3280 – Asset retirement obligations*, the Township recognized an obligation relating to the decommissioning of these assets as estimated at December 31, 2025. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to decommission the various assets in accordance with current legislation.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

10. ASSET RETIREMENT OBLIGATION (CONTINUED)

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

	Landfill closure	Asbestos removal	Decommissioning of assets	Balance at December 31, 2024
Asset Retirement Obligation				
Opening balance	2,395,904	482,198	101,250	2,979,352
Accretion expense	52,710	-	-	52,710
Less: obligations settled during the year	(197,052)	(15,063)	-	(212,115)
Closing balance	2,251,562	467,135	101,250	2,819,947
	Landfill closure	Asbestos removal	Decommissioning of assets	Balance at December 31, 2025
Asset Retirement Obligation				
Opening balance	2,251,562	467,135	101,250	2,819,947
Accretion expense	49,535	-	-	49,535
Less: obligations settled during the year	(402,768)	-	-	(402,768)
Closing balance	1,898,329	467,135	101,250	2,466,714

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

11. LONG-TERM DEBT

(a) The Township has long-term debt managed and issued by the Region of York. The Township has the responsibility for the payment of principal and interest charges and/or annual contribution towards sinking funds that would be used to extinguish the debt at maturity. The total long-term debt reported on the consolidated statement of financial position include the following:

	2025	2024
Bylaw 2016-54 - long-term debt, issued in 2011 for the construction of sewer works in the community of Nobleton, in the amount of \$6,000,000, has annual principle payments of \$400,000 with an interest rate of 3.8% and a maturity date of July 6, 2026. At the end of the year, the outstanding principal amount of the liability is:	400,000	800,000
Bylaw 2015-62 - sinking fund debenture, issued in 2015 for the construction of road and watermain in the community of Nobleton, in the amount of \$6,000,000. The long-term debt has an interest rate of 2.6% and a maturity date of December 15, 2025. At the end of the year, the outstanding principal amount of the liability has been repaid.	-	6,000,000
Bylaw 2019-21 - sinking fund debenture, issued in 2019 for the King Roads project in the amount of \$6,100,000. The long-term debt has an interest rate of 2.65% and a maturity date of April 18, 2029. At the end of the year, the outstanding principal amount of the liability is:	6,100,000	6,100,000
By law 2019-52 - sinking fund debenture, issued in 2019 for the King Buildings project in the amount of \$10,000,000. The long-term debt has an interest rate of 2.65% and a maturity date of April 18, 2029. At the end of the year, the outstanding principal amount of the liability is:	10,000,000	10,000,000
By law 2022-19 - long-term debt, issued in 2022 for the construction of sewer works (phase 3) in the community of Nobleton, in the amount of \$4,500,000. The long-term debt has an interest rate of 4.45% and a maturity date of July 15, 2037. At the end of the year, the outstanding principal amount of the liability is:	3,600,000	3,900,000
Long-term liabilities	20,100,000	26,800,000
Less: sinking fund assets	(10,192,144)	(13,718,770)
Net long-term liabilities	9,907,856	13,081,230

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

11. LONG-TERM DEBT (CONTINUED)

The following table outlines the principal repayments, including sinking fund payments, and interest requirements on the long-term debt.

	Principal	Interest	Total
2026	2,094,986	594,971	2,689,957
2027	1,804,290	570,190	2,374,480
2028	1,804,290	557,187	2,361,477
2029	1,804,290	330,165	2,134,455
2030	300,000	103,490	403,490
2031 - 2037	2,100,000	350,886	2,450,886
	9,907,856	2,506,889	12,414,745

The long-term debt issued in the name of the Township has been approved by by-law. The annual principal and interest payments required to service these debts are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing. The annual principal and interest payments required to service the long-term liabilities of the municipality are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

Interest expense on long-term debt in the amount of \$759,097 (2024 - \$795,067) has been recognized on the consolidated statement of operations.

- (b) The 2015 debt issuance has matured on December 15, 2025 and the Township has repaid this long-term debt obligation to the Region of York. The balance in the restricted sinking fund is \$280,456 (2024 - \$5,608,944).
- (c) For the 2019 debt issuance, the Township is contributing \$569,948 annually to a sinking fund held at the Region of York. It is anticipated that the principal will be fully funded by maturity in 2029 of \$6,100,000 with the combined sinking fund contributions and investment income. The balance in the restricted sinking fund is \$3,755,360 (2024 - \$3,072,667).
- (d) For the 2019 debt issuance, the Township is contributing \$934,342 annually to a sinking fund held at the Region of York. It is anticipated that the principal will be fully funded by maturity in 2029 of \$10,000,000 with the combined sinking fund contributions and investment income. The balance in the restricted sinking fund is \$6,156,328 (2024 - \$5,037,159).

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

12. TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Facilities	Vehicles	Machinery and Equipment	Transportation Infrastructure	Environmental Infrastructure	Assets under Construction	Total 2025
Cost									
Balance, beginning of year	28,148,108	29,760,679	74,710,836	18,857,414	3,942,503	168,522,593	128,813,254	126,586,904	579,342,291
Additions during the year	-	-	549,662	1,053,856	1,232,379	10,527,355	3,305,787	11,131,678	27,800,717
Disposals/transfers during the year*	-	1,595,000	(2,246,991)	(1,112,854)	(231,525)	(4,002,833)	(234,871)	-	(6,234,074)
Balance, end of year	28,148,108	31,355,679	73,013,507	18,798,416	4,943,357	175,047,115	131,884,170	137,718,582	600,908,934
Accumulated Amortization									
Balance, beginning of year	-	8,267,239	22,023,796	9,729,141	2,025,996	76,271,272	17,484,955	-	135,802,399
Amortization during the year	-	1,448,155	1,955,246	1,130,800	424,689	4,963,048	1,500,809	-	11,422,747
Accumulated amortization on disposals/transfers*	-	358,875	(1,010,866)	(1,065,090)	(231,525)	(3,529,389)	(144,618)	-	(5,622,613)
Balance, end of year	-	10,074,269	22,968,176	9,794,851	2,219,160	77,704,931	18,841,146	-	141,602,533
Net Book Value of Tangible Capital Assets	28,148,108	21,281,410	50,045,331	9,003,565	2,724,197	97,342,184	113,043,024	137,718,582	459,306,401

*Disposals/Transfers during the year are comprised of assets that were replaced by new assets or merged with existing assets.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

12. TANGIBLE CAPITAL ASSETS (CONTINUED)

	Land	Land Improvements	Facilities	Vehicles	Machinery and Equipment	Transportation Infrastructure	Environmental Infrastructure	Assets under Construction	Total 2024
Cost									
Balance, beginning of year	26,969,746	31,699,645	74,697,351	17,937,935	3,677,162	167,614,570	126,786,867	91,824,929	541,208,205
Additions during the year	188,778	740,971	28,548	1,671,861	422,846	3,972,673	2,837,410	34,761,975	44,625,062
Disposals/transfers during the year	989,584	(2,679,937)	(15,063)	(752,382)	(157,505)	(3,064,650)	(811,023)	-	(6,490,976)
Balance, end of year	28,148,108	29,760,679	74,710,836	18,857,414	3,942,503	168,522,593	128,813,254	126,586,904	579,342,291
Accumulated Amortization									
Balance, beginning of year	-	9,553,689	19,394,878	9,404,992	1,718,209	73,310,571	16,173,172	-	129,555,511
Amortization during the year	-	1,393,487	2,643,981	1,042,307	465,292	5,127,244	1,476,369	-	12,148,680
Accumulated amortization on disposal	-	(2,679,937)	(15,063)	(718,158)	(157,505)	(2,166,543)	(164,586)	-	(5,901,792)
Balance, end of year	-	8,267,239	22,023,796	9,729,141	2,025,996	76,271,272	17,484,955	-	135,802,399
Net Book Value of Tangible Capital Assets	28,148,108	21,493,440	52,687,040	9,128,273	1,916,507	92,251,321	111,328,299	126,586,904	443,539,892

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

12. TANGIBLE CAPITAL ASSETS (CONTINUED)

a) Assets under construction:

Assets under construction having a value of \$137,718,582 (2024 - \$126,586,904) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Tangible capital assets recognized at nominal value:

Certain assets have been assigned a nominal value because of the difficulty of determining a valuation.

c) Capitalization of interest:

No interest was capitalized in 2025 (2024 - \$Nil)

d) Contributed assets:

The Township recorded \$-Nil (2024 - \$4,145,826) tangible capital assets conveyed from developers comprised of roads, sidewalks, streetlights, stormwater mains, watermains and wastewater mains.

13. ACCUMULATED SURPLUS

	2025	2024
General purposes	2,831,423	(511,555)
King Township Library Board Annual Surplus	(17,734)	(36,492)
Holland Marsh Drainage System Joint Municipal Services Board	159,958	175,898
Unfunded		
Employee benefits and post-employment liabilities	(4,394,403)	(4,181,100)
Asset retirement obligation liability	(2,466,714)	(2,819,947)
Invested in Tangible Capital Assets	459,306,401	443,539,892
Less: Amount financed by long-term debt	(9,907,856)	(13,081,230)
Interest on long-term debt	(167,491)	(187,915)
Reserve Funds (Note 14)	51,234,854	51,477,504
Accumulated Surplus	496,578,438	474,375,055

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

14. RESERVE FUNDS

	2025	2024
Reserve funds set aside by Council:		
Reserve funds For Existing Infrastructure Sustainability (Rehabilitation & Replacement)	33,434,376	32,752,470
Reserve funds for Growth & New Infrastructure	2,417,486	2,041,224
Reserve funds for Stabilization & Contingencies	7,796,829	8,261,882
Reserve funds for Special Purposes	6,809,945	7,674,350
Library Board Managed Reserve funds	776,218	747,578
	51,234,854	51,477,504

15. CHANGE IN WORKING CAPITAL ITEMS

	2025	2024
Increase in taxes receivable	(2,966,809)	(1,227,851)
Increase (Decrease) in trade and other receivables	(1,953,815)	1,383,419
Decrease in user charges receivable and sewer receivable	1,447,938	627,315
(Increase) in inventory held for own use	(33,290)	(14,436)
(Increase) Decrease in prepaid expenses	(831,145)	298,562
(Decrease) Increase in accounts payable and accrued liabilities	(12,834,007)	8,634,551
(Decrease) Increase in developer and other deposits	(1,935,025)	727,913
(Decrease) Increase in deferred revenue	(3,271,235)	6,497,450
Increase in employee future benefits and other liabilities	213,303	274,686
(Decrease) in asset retirement obligation	(353,233)	(159,405)
	(22,517,318)	17,042,204

16. TAXATION

During the year, the following taxation revenue was raised and remitted to the Regional Municipality of York and the School Boards:

	2025	2024
Taxation revenue	103,383,960	98,423,592
Amount levied and remitted to Regional Municipality of York	(41,832,346)	(39,374,891)
Amount levied and remitted to School Boards	(20,260,158)	(19,856,165)
Net taxation	41,291,456	39,192,536

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

17. CONTRIBUTIONS FROM DEVELOPERS

	2025	2024
Subdivision assumptions - tangible capital assets	-	4,145,826
Developer credits for King City East Spine Servicing	3,084,243	634,874
Development charges revenue recognized for Township Infrastructure	6,405,982	6,443,183
	9,490,225	11,223,883

18. PENSION AGREEMENTS

The Ontario Municipal Employees Retirement System (OMERS) provides pension services to more than half a million active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of the valuation disclosed total actuarial liabilities of \$151,365 million in respect of benefits accrued for service with actuarial assets at that date of \$150,043 million indicating an actuarial funding deficit of \$1,322 million. OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit. Matching contributions made by the Township to OMERS for 2025 were \$2,060,888 (2024 - \$1,959,950).

19. BUDGET RECONCILIATION

The authority of Council is required before monies can be spent by the Township. Approvals are given in the form of an annually approved budget. The budget approved by the Council on December 11, 2023 differs from the budget in the Consolidated Statement of Operations as the approved budget has been adjusted to account for the material changes due to PSAB reporting requirements.

	2025
Budgeted surplus (deficit) for the year, as approved by Council	
Operating	10,997,710
Capital	(23,389,033)
Total budgeted deficit for the year, as approved by Council	(12,391,323)
Add:	
Capital expenditures carried forward from previous years	23,389,033
Less:	
Amortization	(11,216,127)
Increase in asset retirement obligation	349,061
Decrease in post-retirement benefits	(93,158)
Budgeted surplus for the year, per statement of operations	37,486

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

20. GOVERNMENT GRANTS

Government grant revenue is comprised of the following types of grants:

	2025	2024
Federal grants	2,440,355	6,316,491
Provincial grants	3,043,900	7,302,709
Other	140,185	185,490
	5,624,440	13,804,690

21. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Township of King has entered into the following contract:

- a) The lease of photocopiers at all Township locations at an approximate cost of \$15,249 per year. The lease will expire August 31, 2030.

The Township has numerous contracts with a variety of suppliers for future capital projects that are budgeted in the next fiscal year.

22. CONTINGENCIES

In the ordinary course of business, various claims and lawsuits are brought against the Township. After reviewing the merits of these actions and claims with counsel and the insurers, management has incorporated a provisional estimate for any potential uninsured liability arising from these claims. Any adjustment as a result of these claims will be recognized at the time the amount is known or can be reasonably determined.

23. INSURANCE COVERAGE

The Township is self-insured for insurance claims up to \$50,000 for any individual claim and for any number of claims arising out of a single occurrence. Outside insurance coverage is in place for claims in excess of \$50,000 to a maximum of \$5,000,000 per claim occurrence. The Township has not made any provisions for self-insurance claims under \$50,000 in the reserves. Claim costs during the year amounted to \$128,745 (2024 - \$110,579).

During the year the Township's total paid premiums was \$610,767 (2024 - \$495,694), which has been reported as an expense in the consolidated statement of operations.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

24. FINANCIAL INSTRUMENT RISKS AND UNCERTAINTIES

The Township is exposed to various risks through its financial instruments. The following analysis provides a measure of the Township's risk exposure and concentrations as at December 31, 2025.

Financial risk management

The Township manages its investments according to its cash needs and in such a way to maximize investment income. The Township is not involved in any hedging relationships through its operations.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Township's main credit risks relate to its taxes receivable, trade and other receivables and user charges and sewer receivables. Allowances for doubtful accounts are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the Consolidated Statement of Financial Position are net of these allowances for doubtful accounts.

Liquidity risk

Liquidity risk relates to the risk that the Township will encounter difficulty in meeting its obligations associated with financial liabilities. The Township is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, developer and other deposits and long-term debt. The Township monitors its cash balance and cash flows generated from operations to meet its liquidity requirements.

Market risk

Market risk is the risk that the fair value or 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 other price risk. The Township is mainly exposed to interest rate risk.

i. Foreign Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Township is not exposed to any significant currency risk.

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Township is exposed to interest rate risk on its investments. The Township manages its interest rate risk by maintaining a mix of fixed income investments which meet the criteria outline in the Investment Policy.

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Township is not exposed to other price risks.

Changes in risk

There have been no significant changes in the Township's risk exposures from the 2024 fiscal year.

THE CORPORATION OF THE TOWNSHIP OF KING
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2025

25. SEGMENTED INFORMATION

The Township is a diversified municipal government that provides a wide range of services to its citizens. For management reporting purposes, the Township's operations and activities are organized functionally based on services provided.

A description of the services area for segmented information is as follows:

General government

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

Protection services

Protection services include fire, building permit and inspection services and protective inspection and control.

Transportation services

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

Environmental services

This function is responsible for providing water and sanitary sewer services to the Township as well as maintaining a storm sewer system. The solid waste and recycling program includes curbside collection of recyclables, organics, yard waste and garbage.

Recreation and cultural services

The recreation and cultural services function provides parks, indoor and outdoor recreational facilities and programs and cultural and library services.

Planning and development

The planning and development function manages planning and zoning, commercial, industrial and residential development within the Township.

Certain allocation methodologies are employed in the preparation of the segmented financial information. Taxation, payments-in-lieu of taxes and investment income are allocated to the segments based on the actual expenses. User charges and other revenue have been allocated to the segment that generated the revenue. Government grants have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2025

	General government	Protection services	Transportation services	Environmental services	Recreation and cultural services	Planning and development	Total 2025
Revenue							
Taxation	6,889,481	4,690,359	8,021,830	7,962,329	10,287,781	3,439,676	41,291,456
User fees and user charges	224,710	2,528,244	184,538	14,213,917	3,589,413	4,244,274	24,985,096
Grants	259,962	24,691	2,359,900	148,887	2,695,637	135,363	5,624,440
Other revenue*	6,239,042	636,589	9,636,002	540,854	1,769,424	774,309	19,596,220
	13,613,195	7,879,883	20,202,270	22,865,987	18,342,255	8,593,622	91,497,212
Expenses							
Salaries and benefits	6,485,437	5,988,859	3,626,516	2,503,412	8,007,078	3,070,235	29,681,537
Amortization on tangible capital assets	635,837	554,148	5,433,180	1,666,912	3,068,428	64,242	11,422,747
Materials and supplies	4,255,521	1,312,776	1,778,054	7,047,864	4,017,253	1,144,178	19,555,646
Contracted services	587,001	424,478	2,984,033	2,527,058	748,051	1,793,678	9,064,299
Interest on debt	198,750	-	339,785	220,562	-	-	759,097
Other expenses	-	-	-	90,719	2,321,024	-	2,411,743
	12,162,546	8,280,261	14,161,568	14,056,527	18,161,834	6,072,333	72,895,069
Net Surplus (Deficit)	1,450,649	(400,378)	6,040,702	8,809,460	180,421	2,521,289	18,602,143

*Other revenue includes contributions from developers, investment income, penalties and interest and gain on disposal of tangible capital assets.

THE CORPORATION OF THE TOWNSHIP OF KING

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2024

	General government	Protection services	Transportation services	Environmental services	Recreation and cultural services	Planning and development	Total 2024
Revenue							
Taxation	6,530,690	4,445,173	7,378,967	8,136,990	9,638,739	3,061,977	39,192,536
User fees and user charges	186,739	2,291,156	54,649	13,209,618	2,488,886	2,117,451	20,348,499
Grants	1,654,454	4,000	965,734	151,046	10,841,642	187,814	13,804,690
Other revenues	12,134,847	810,892	6,994,784	842,547	8,665,430	821,744	30,270,244
	20,506,730	7,551,221	15,394,134	22,340,201	31,634,697	6,188,986	103,615,969
Expenses							
Salaries and benefits	6,176,888	5,472,382	3,386,043	2,277,709	6,800,520	2,733,098	26,846,640
Amortization on tangible capital assets	702,834	577,095	5,515,927	1,630,620	3,654,903	67,301	12,148,680
Materials and supplies	3,665,758	1,083,016	1,647,728	6,965,488	3,218,381	957,022	17,537,393
Contracted services	389,546	445,812	1,685,355	2,658,106	566,448	1,462,756	7,208,023
Interest on debt	198,750	-	344,900	251,417	-	-	795,067
Other expenses	-	-	-	88,920	2,192,249	-	2,281,169
	11,133,776	7,578,305	12,579,953	13,872,260	16,432,501	5,220,177	66,816,972
Net Surplus (Deficit)	9,372,954	(27,084)	2,814,181	8,467,941	15,202,196	968,809	36,798,997

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2025 Statistics

KING
king.ca

NORTHBAY 205 MILES **KING** TORONTO 23 MILES



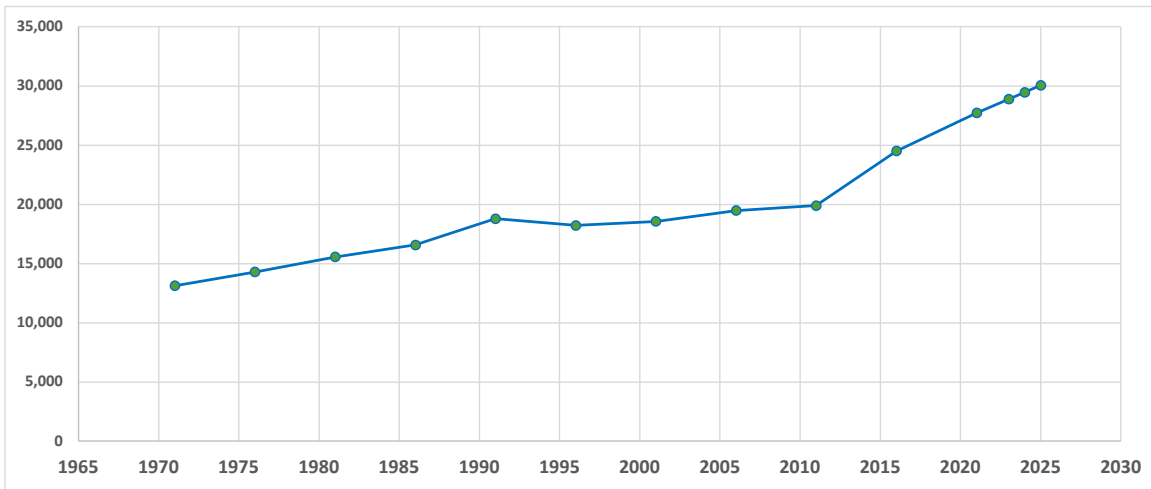
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FISCAL YEAR	2025	2024	2023	2022	2021
Population	30,056	29,467	28,889	28,295	27,713
Property Accounts (Residential / Commercial / Industrial)	10,902	10,769	10,578	10,463	10,404

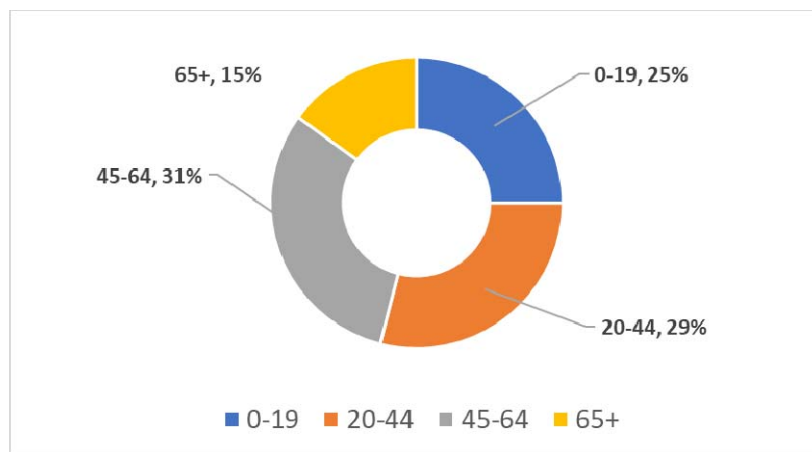
* Information pulled from the FIR / MPAC. 2019 was an average between 2018 & 2020

King Township's population grew by 23.2% between 2011 and 2016, from 19,899 to 24,512. The population density is 73.6 people per square kilometre; however, the Township is characterized by areas of low density farming communities and the much higher density of its three major communities. In 2016, of the 24,512 residents in the township, 6,970 resided in King City, 4,614 in Nobleton, and 2,691 in Schomberg. The estimated growth from 2021-2023 by 4.2%



Year	Population
1971	13,120
1976	14,297
1981	15,553
1986	16,573
1991	18,791
1996	18,223
2001	18,553
2006	19,487
2011	19,899
2016	24,512
2021	27,713
2023	28,889
2024	29,467
2025	30,056

The age demographics show an even distribution between the age groups. The median age as of 2016 was 42.5, slightly higher than the Ontario median age of 41.3.

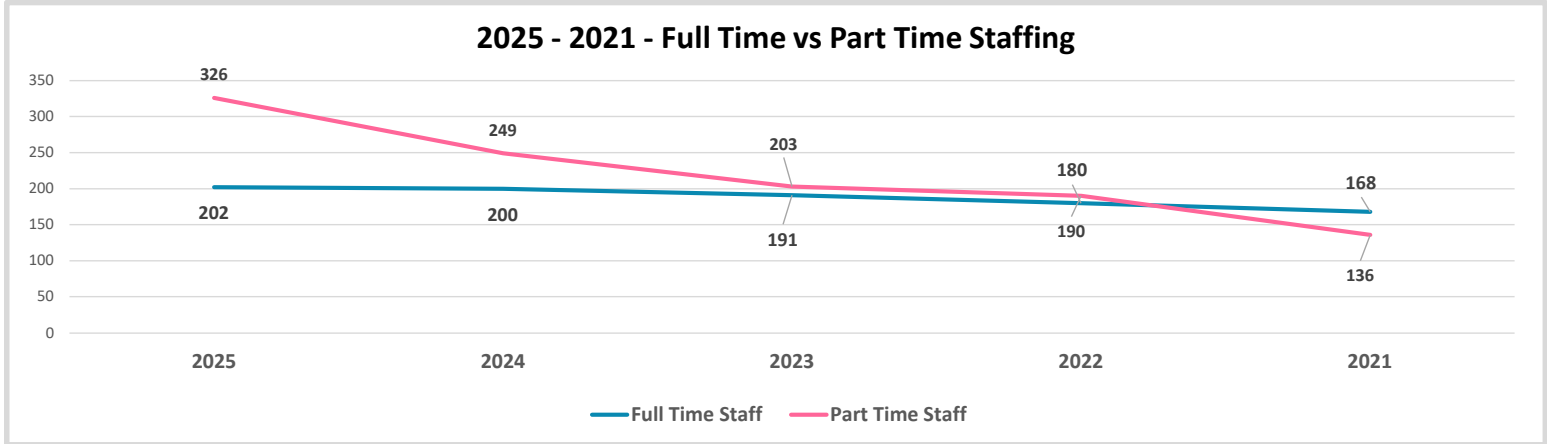


(Based on statistics Canada and the BMA Municipal Study)



Staffing Levels	2025	2024	2023	2022	2021
Full Time Staff	202	200	191	180	168
Part Time Staff	326	249	203	190	136

*Information provided from Schedule 80 of FIR



* Note: 2021- 2020 shows a drop in part-time due to facility closures due to Covid-19

TAX RATE STATISTICS

Residential and Farm	2025	2024	2023	2022	2021
Township	0.358695	0.346207	0.327122	0.311662	0.311325
Region	0.375863	0.361852	0.348892	0.336958	0.326425
School	0.153000	0.153000	0.153000	0.153000	0.153000
Total Residential and Farm Rate	0.887558	0.861059	0.829014	0.801620	0.790750

Commercial	2025	2024	2023	2022	2021
Township	0.477818	0.461182	0.435759	0.415165	0.414716
Region	0.500687	0.482023	0.464759	0.447530	0.434831
School	0.880000	0.880000	0.880000	0.880000	0.880000
Total Commercial Rate	1.858505	1.823205	1.780518	1.742695	1.729547

Industrial	2025	2024	2023	2022	2021
Township	0.589408	0.568887	0.537527	0.512130	0.511569
Region	0.617618	0.594595	0.573299	0.552046	0.536382
School	0.880000	0.880000	0.880000	0.880000	0.880000
Total Industrial Rate	2.087026	2.043482	1.990826	1.944176	1.927951

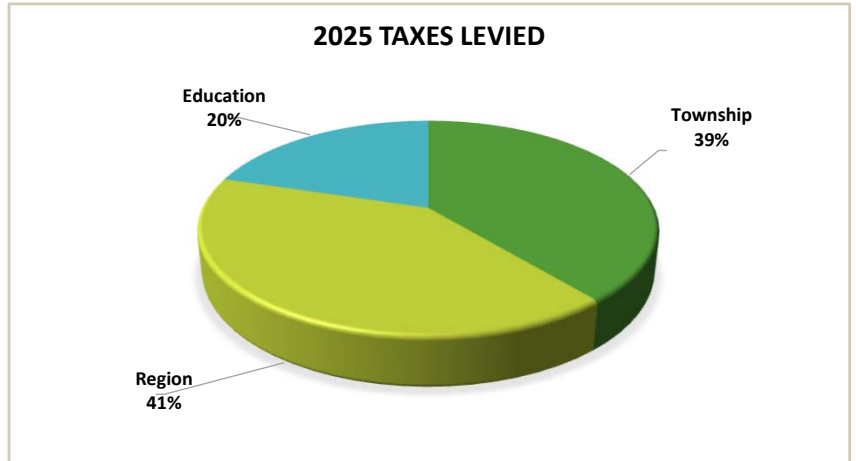
TAX INFORMATION	2025	2024	2023	2022	2021
Taxes Levied					
Township	39,045,307	37,042,365	36,252,416	\$ 35,671,022	\$ 34,067,696
Region	40,908,631	38,635,662	37,527,431	35,758,962	34,178,803
Education	20,332,495	19,928,504	19,762,279	19,269,765	18,963,433
Total	\$ 100,286,433	\$ 95,606,531	\$ 93,542,126	\$ 90,699,749	\$ 87,209,932



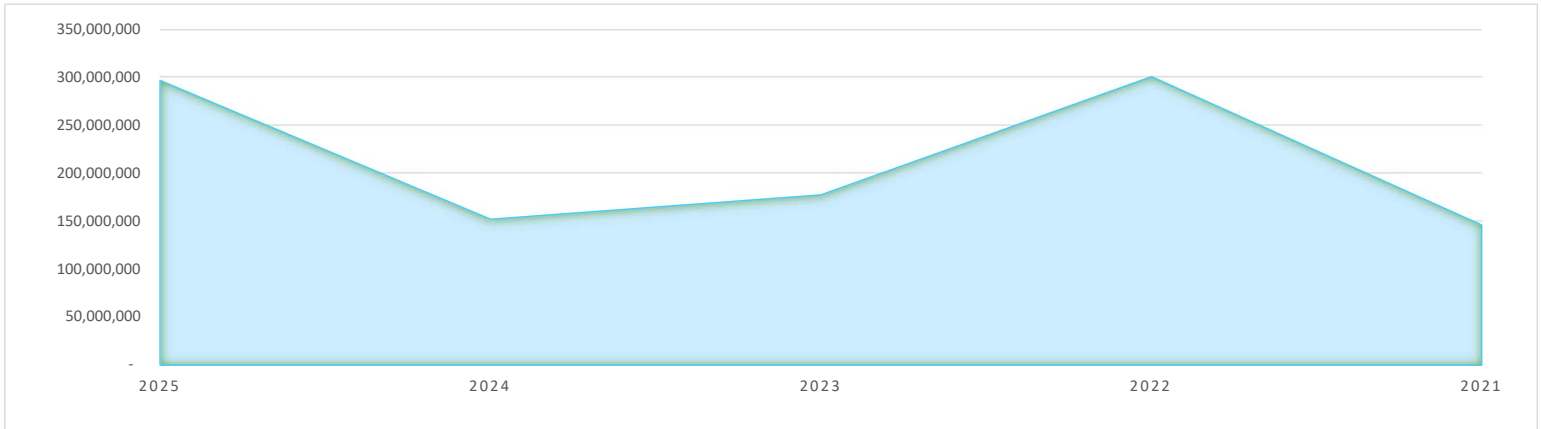
Principle Corporate Tax payers

Top 10 employers within the Township of King are:

1. Priestly Demolition Inc.
2. Seneca College
3. Astemo Canada, Inc.
4. Brookdale Treeland Nurseries Limited
5. Cardinal Golf Club
6. King Animal Hospital
7. Robert B. Somerville Company Limited
8. The Country Day School
9. Township of King - Municipal Offices
10. Showa



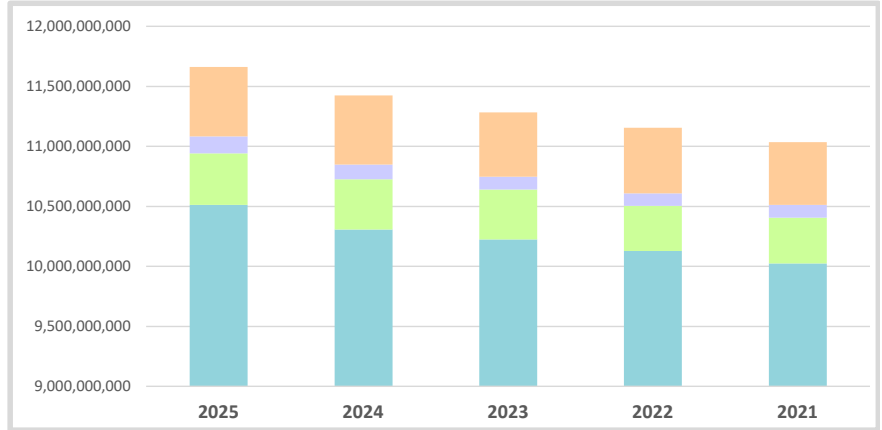
New Construction	2025	2024	2023	2022	2021
Value of construction (based on permits issued)	296,618,960	151,991,839	177,336,526	300,600,839	145,843,659



Assessment Value by Class	2025	2024	2023	2022	2021
Farmland	637,696,870	641,183,870	596,184,872	618,084,484	635,059,327
Residential	9,815,176,237	9,610,138,837	9,581,420,609	9,462,391,895	9,344,114,537
Managed Forest	33,193,700	31,392,400	31,621,300	32,881,100	30,260,100
Multi-Residential	25,873,000	25,873,000	15,710,000	15,710,000	15,710,000
Commercial	429,240,622	416,430,022	416,329,594	375,306,996	380,495,911
Industrial	110,857,737	92,863,337	74,896,200	72,524,500	75,018,400
Pipeline	31,419,000	31,356,000	31,314,000	31,251,000	31,121,000
Exempted	578,350,981	575,104,681	534,766,981	545,939,381	524,427,381
Total Assessment	11,661,808,147	11,424,342,147	11,282,243,556	11,154,089,356	11,036,206,656



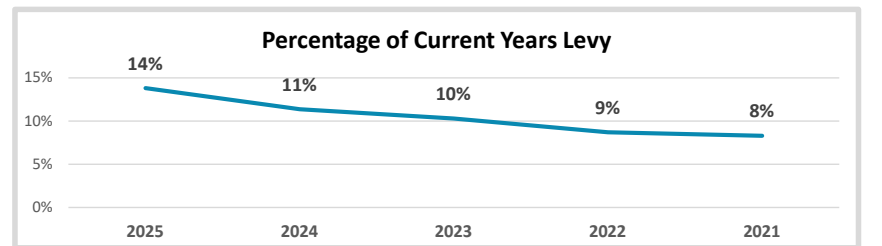
Total Assessment by Major Class (2025 - 2021)	
Farmland, Residential, Managed Forest, Multi-Residential	
Commercial	
Industrial / Pipeline/ Landfill	
Exempted	



Taxes Collected	2025	2024	2023	2022	2021
Township Collection	\$ 41,291,456	\$ 39,192,536	\$ 36,466,798	\$ 31,986,152	\$ 31,779,144
Taxes transferred to the Region	41,832,346	39,374,891	37,526,934	34,479,670	33,320,489
Taxes transferred to the School Boards	20,260,158	19,856,165	19,466,469	18,973,817	21,378,591
Total	\$ 103,383,960	\$ 98,423,592	\$ 93,460,201	\$ 85,439,639	\$ 86,478,224

Taxes Receivable, End of Year	2025	2024	2023	2022	2021
Taxes Receivable	\$ 13,833,929	\$ 10,867,120	\$ 9,639,269	\$ 7,877,777	\$ 7,225,326
Total Taxes Levied	\$ 100,286,433	\$ 95,606,531	\$ 93,542,126	\$ 90,699,749	\$ 87,209,932
Percentage of Current Years Levy	14%	11%	10%	9%	8%

Trend of Tax Receivables (Arrears)	

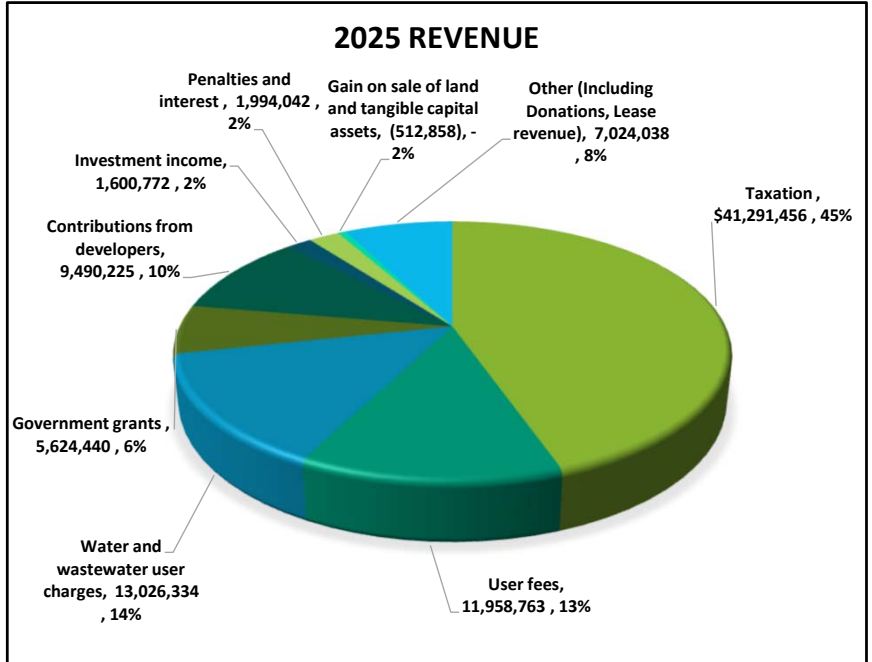




FINANCIAL INFORMATION

REVENUES	2025	2024	2023	2022	2021
Taxation	\$ 41,291,456	\$ 39,192,536	\$ 36,466,798	\$ 35,671,022	\$ 34,067,696
User fees	11,958,763	8,255,357	7,052,858	6,915,773	3,072,649
Water and wastewater user charges	13,026,334	12,093,142	12,117,619	11,315,413	10,928,012
Government grants	5,624,440	13,804,690	20,563,781	11,510,664	3,799,950
Contributions from developers	9,490,225	11,223,883	16,262,580	11,811,535	61,549,422
Investment income	1,600,772	3,262,620	3,265,101	1,442,300	525,150
Penalties and interest	1,994,042	1,666,526	1,461,190	1,283,612	1,281,693
Gain on sale of land and tangible capital assets	(512,858)	5,208,631	344,337	48,608	20,930
Other (Including Donations, Lease revenue)	7,024,038	8,908,584	8,603,296	16,439,876	6,753,492
Total	\$ 91,497,212	\$ 103,615,969	\$ 106,137,560	\$ 96,438,803	\$ 121,998,994

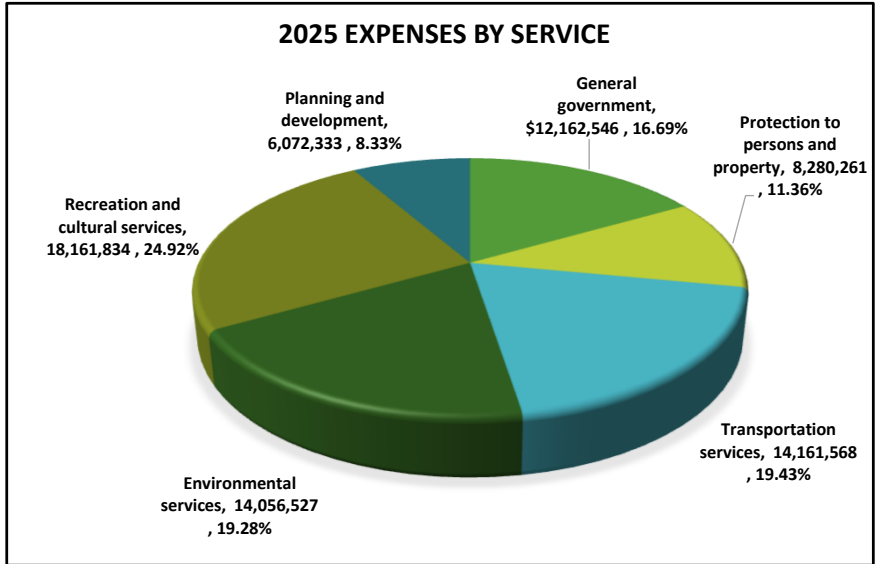
**Revenue by Type
(2025)**





FINANCIAL INFORMATION					
EXPENSES	2025	2024	2023	2022	2021
General government	\$ 12,162,546	\$ 11,133,776	\$ 10,602,043	\$ 10,286,714	\$ 7,871,884
Protection to persons and property	8,280,261	7,578,305	7,157,315	7,313,098	6,599,396
Transportation services	14,161,568	12,579,953	11,624,043	12,612,971	11,142,718
Environmental services	14,056,527	13,872,260	14,415,121	12,063,603	12,833,616
Recreation and cultural services	18,161,834	16,432,501	14,573,449	12,481,794	10,095,609
Planning and development	6,072,333	5,220,177	4,862,832	3,483,618	2,029,528
Total	\$ 72,895,069	\$ 66,816,972	\$ 63,234,803	\$ 58,241,798	\$ 50,572,751

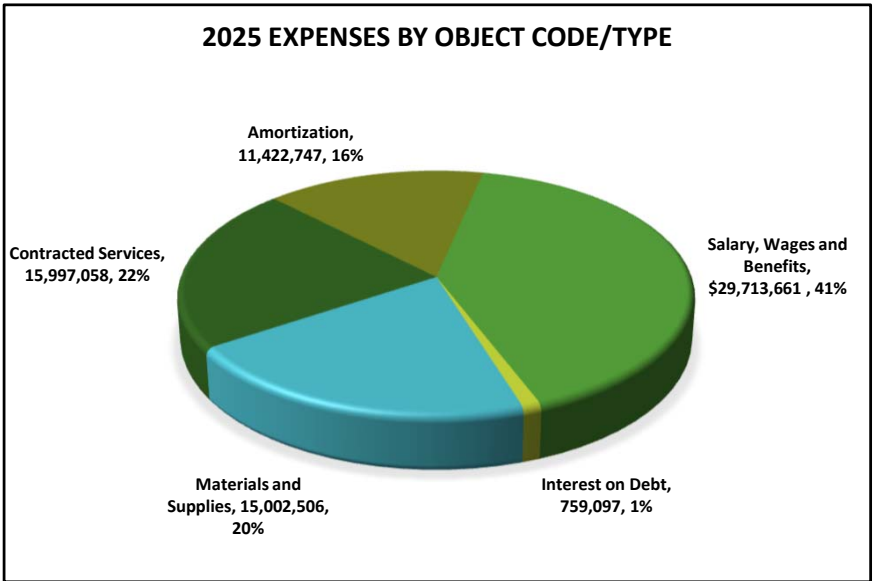
**Expense by Service
(2025)**





EXPENSES BY OBJECT	2025	2024	2023	2022	2021
Salary, Wages and Benefits	\$ 29,713,661	\$ 26,846,640	\$ 24,213,399	\$ 20,178,794	\$ 19,830,255
Interest on Debt	759,097	795,067	914,909	647,344	654,736
Materials and Supplies	15,002,506	19,818,561	18,793,376	20,244,424	10,078,222
Contracted Services	15,997,058	7,208,023	8,374,209	7,248,840	11,482,858
Amortization	11,422,747	12,148,680	10,938,910	9,928,550	8,526,680
Total	\$ 72,895,069	\$ 66,816,971	\$ 63,234,803	\$ 58,247,952	\$ 50,572,751

**Expense by Object Code or Type
(2025)**





Long-Term Liabilities	2025	2024	2023	2022	2021
Tax Supported Debt	\$ 6,188,312	\$ 8,245,600	\$ 10,707,256	\$ 13,037,479	\$ 15,256,267
Water & Wastewater Supported Debt	\$ 3,719,544	\$ 4,835,630	\$ 5,535,630	\$ 6,235,630	\$ 2,135,630
Gross Long-Term Debt	\$ 9,907,856	\$ 13,081,230	\$ 16,242,886	\$ 19,273,109	\$17,391,897
<i>Per Capita</i>	329.65	443.93	562.25	681.15	627.57

Interest on Long-Term Debt	\$ 759,097	\$ 795,067	\$ 914,909	\$ 647,344	\$ 654,736
<i>Per Capita</i>	25.26	26.98	31.67	22.88	23.63

Sources of Debt Repayment

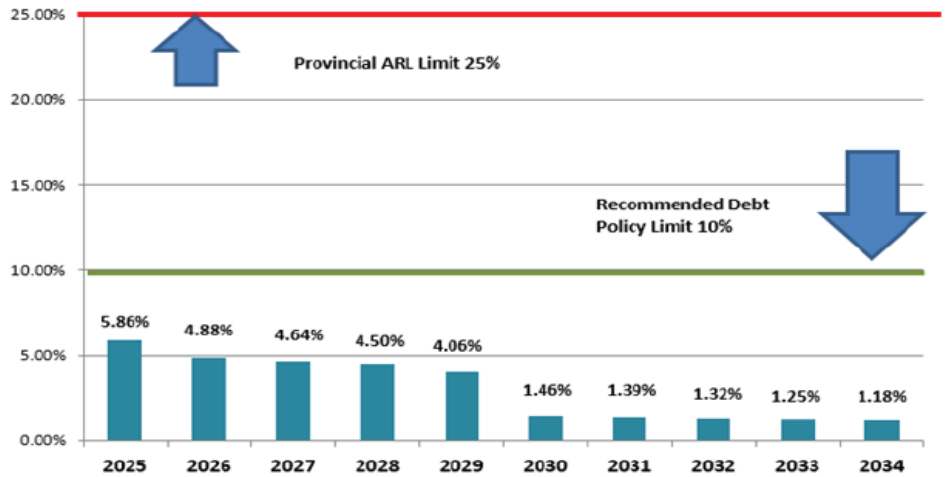
Debt Retirement Fund*	\$2,046,809	\$2,046,809	\$2,046,809	\$2,046,809	\$2,046,809
Tax Supported					
Water / Wastewater Reserve Funds	700,000	700,000	700,000	400,000	400,000
Total Debt Repayment Funds	\$ 2,746,809	\$ 2,746,809	\$ 2,746,809	\$ 2,446,809	\$ 2,446,809

*Debt Retirement Fund held by Region of York

FIR - Schedule 81

Provincial ARL	15,963,691	16,065,593	13,440,510	12,851,683	11,521,477
ARL as a % of Net Revenues <i>(Repayments not including Interest)</i>	3.94%	4.28%	4.56%	4.40%	4.86%
Net Revenue	\$ 69,691,153	\$ 64,242,371	\$ 60,221,675	\$ 55,596,106	50,304,850

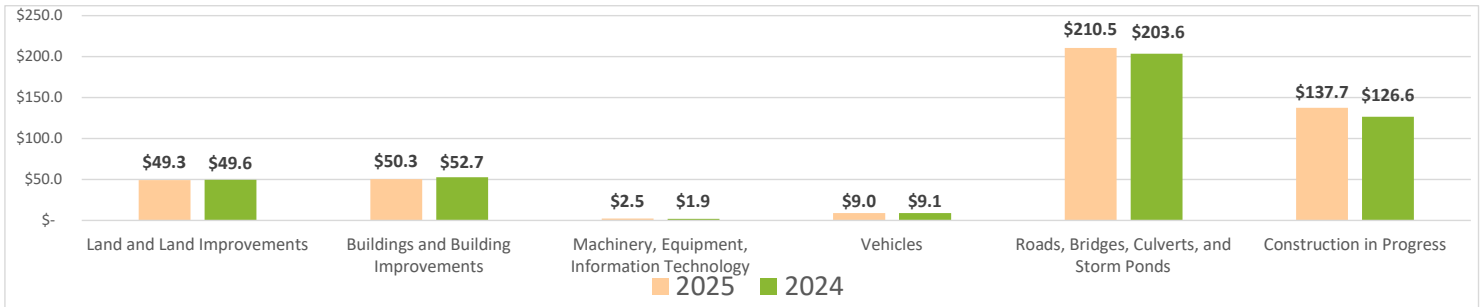
Forecasted Annual Debt Repayment (2025 - 2034)





Tangible Capital Asset	*Restated*				
Net Book Value	2025	2024	2023	2022	2021
Land and Land Improvements	\$ 49,268,471	\$ 49,641,548	\$ 49,115,702	\$ 47,444,441	\$ 38,890,072
Buildings and Building Improvements	50,318,337	52,687,040	55,302,473	56,226,089	53,340,150
Machinery, Equipment, Information Technology	2,486,817	1,916,507	1,958,953	1,428,995	1,541,287
Vehicles	8,967,727	9,128,173	8,532,943	7,845,023	8,295,208
Roads, Bridges, Culverts, and Storm Ponds	210,546,468	203,579,620	204,917,694	190,452,209	190,639,879
Construction in Progress	137,718,581	126,586,904	91,824,929	63,533,707	55,415,641
Total	\$ 459,306,401	\$ 443,539,792	\$ 411,652,694	\$ 366,930,464	\$ 348,122,237

2025 vs 2024 (In millions)



Tangible Capital Asset Cost	2025	2024	2023	2022	2021
Assets - Beginning of Year	\$ 579,342,291	\$ 541,208,205	\$ 491,202,526	\$ 457,317,115	\$410,098,515
Additions	27,800,717	44,625,062	56,768,460	34,013,091	78,531,571
Disposals and Transfers	(6,234,074)	(6,490,976)	(6,762,781)	(127,680)	(192,519)
Assets - End of Year	\$ 600,908,934	\$ 579,342,291	\$ 541,208,205	\$ 491,202,526	\$ 488,437,567

Tangible Capital Asset Amortization	2025	2024	2023	2022	2021
Accumulated Amortization - Beginning of Year	\$ 135,802,399	\$ 129,555,511	\$ 124,276,524	\$ 114,473,308	\$131,977,099
Amortization during the year	11,422,747	12,148,680	10,938,910	9,928,553	8,526,680
Accumulated Amortization on disposal	(5,622,613)	(5,901,792)	(5,659,923)	(125,337)	(188,449)
Accumulated Amortization - End of Year	\$ 141,602,533	\$ 135,802,399	\$ 129,555,511	\$ 124,276,524	\$ 140,315,330

Net Book Value of Tangible Capital Assets	\$ 459,306,401	\$ 443,539,892	\$ 411,652,694	\$ 366,926,002	\$ 348,122,237
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Net Financial Assets	2025	2024	2023	2022	2021
Net Financial Assets - Beginning of Year	\$ 30,264,731	\$ 25,282,506	\$ 26,803,784	\$ 13,322,204	\$12,710,139
Net Financial Assets	5,572,439	4,982,225	(1,521,278)	13,481,580	1,195,513
Net Financial Assets - End of Year	\$ 35,837,170	\$ 30,264,731	\$ 25,282,506	\$ 26,803,784	\$ 13,905,652

Accumulated Operating Surplus	2025	2024	2023	2022	2021
Accumulated Operated Surplus - Beginning of Year	\$ 474,505,805	\$ 437,706,808	\$ 394,804,051	\$ 356,613,200	\$ 291,048,835
Annual Surplus from Operations	18,602,143	36,798,997	42,902,757	38,190,851	71,426,243
Accumulated Operating Surplus - End of Year	\$ 493,107,948	\$ 474,505,805	\$ 437,706,808	\$ 394,804,051	\$ 362,475,078

Accumulated Remeasurement Gains (Losses)	2025	2024	2023	2022	2021
Accumulated Remeasurement Gains (Losses) - Beginning of Year	\$ (130,750)	\$ 82,950	\$ -	\$ -	\$ -
Net remeasurements Gains (Losses)	3,601,240	(213,700)	82,950	-	-
Accumulated Remeasurement Gains (Losses) - End of Year	\$ 3,470,490	\$ (130,750)	\$ 82,950	\$ -	\$ -

Accumulated Surplus	2025	2024	2023	2022	2021
Accumulated Surplus - Beginning of Year	\$ 474,375,055	\$ 437,789,758	\$ 394,804,051	\$ 356,613,200	\$ 291,048,835
Annual Surplus	22,203,383	36,585,297	42,985,707	38,190,851	71,426,243
Accumulated Surplus - End of Year	\$ 496,578,438	\$ 474,375,055	\$ 437,789,758	\$ 394,804,051	\$ 362,475,078

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Accumulated surplus-the sum of the profits retained by a corporation.

AGCO- Alcohol and Gaming Commission on Ontario

Amortization-the process of allocating the cost of a tangible asset over its useful life.

Annual surplus-the amount by which the revenue of an organization exceeds its expenditures in a given year.

Annual deficit- the amount by which the expenditures of an organization exceed its revenues in a given year.

ARL – Annual Repayment Limit set by the province that represents the maximum amount which the municipality had available as of a specific year to commit to payments relating to debt and financial obligation.

ARO – Asset Retirement Obligation

CEMC– Certified Community Emergency Management Coordinator

DC– Development Charges

Fiscal year- a 12-month period (January 1 through December 31) in which the annual operating budget applies and at the end of which an assessment is made of the Town's financial condition and performance of operations.

FTE- Full-Time Equivalent. A unit to measure employed persons or students and it is the number of hours a full-time employee works for an organization.

KCE- King City East

Net financial assets- the non-physical assets of a business less its liabilities.

PSAB- Public Sector Accounting Board

Tangible capital assets-assets that have physical substance and are expected to be in use or possession of a business beyond the current accounting period.



2025

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