CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

TABLE OF CONTENTS

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TOWNSHIP OF RAMARA

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CORPORATION OF THE TOWNSHIP OF RAMARA

For The Year Ended December 31, 2025

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Ramara are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Ramara. Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditor's report.

The consolidated financial statements have been audited by Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Baker Tilly KDN LLP has full and free access to Council.

Signed by: B45106A9F2A04E8	Signed by: Carlie Fisher 07CC0796AC6C447...	June 8, 2026
Mayor	Treasurer	

Baker Tilly KDN LLP
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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Ramara

Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Ramara and its local boards (the Township), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, change in net financial assets/(net debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2025, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township'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 Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Township to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the 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 purposes of the group audit. We remain solely responsible for our audit opinion.

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 12, 2026

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CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2025

	2025 $	2024 $
FINANCIAL ASSETS		
Cash	5,473,740	2,740,718
Accounts receivable	3,422,452	2,101,241
Taxes receivable	4,245,052	3,233,032
Land held for sale	366,419	291,390
Long-term receivables (note 2)	1,271,261	1,364,519
Investments (note 3)	12,280,129	10,577,221
TOTAL FINANCIAL ASSETS	27,059,053	20,308,121
LIABILITIES		
Accounts payable and accrued liabilities	6,669,593	6,453,022
Deferred revenue - obligatory reserve funds (note 4)	5,312,775	5,654,193
Deferred revenue - other (note 5)	454,762	454,096
Long term debt (note 7)	10,061,490	8,099,831
Asset retirement obligation (note 10)	411,271	341,904
TOTAL LIABILITIES	22,909,891	21,003,046
NET FINANCIAL ASSETS/(NET DEBT)	4,149,162	(694,925)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	78,176,431	76,871,370
Prepaid expenses	560,672	474,507
TOTAL NON-FINANCIAL ASSETS	78,737,103	77,345,877
	82,886,265	76,650,952
Comprised of:		
Accumulated surplus (note 9)	80,815,826	76,283,421
Accumulated remeasurement gains	2,070,439	367,531
	82,886,265	76,650,952

The accompanying notes are an integral part of these financial statements

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CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2025

	Budget 2025 $ (note 16)	Actual 2025 $	Actual 2024 $
REVENUES			
Property taxation	17,718,400	17,855,119	16,832,010
User charges	5,190,200	5,333,934	4,714,900
Government of Canada	5,000	30,658	37,888
Province of Ontario	1,654,400	3,124,627	1,636,673
Other municipalities	90,600	99,142	90,376
Penalties and interest on taxes	385,000	510,687	418,717
Investment income	562,200	86,678	1,703,845
Sale of land and other sales	3,000	2,156	1,451,398
Capital contributions	2,000	1,947	3,895
Canada Community-Building Fund earned (note 4)	1,800,000	898,743	740,000
Donations and other	324,500	676,148	370,918
TOTAL REVENUES	27,735,300	28,619,839	28,000,620
EXPENSES			
General government	3,732,900	3,427,964	3,169,464
Protection services	5,592,533	7,027,467	4,996,182
Transportation services	6,537,219	6,269,133	6,302,291
Environmental services	5,225,866	4,823,954	5,521,217
Health services	157,251	140,215	137,277
Recreation and cultural services	1,839,056	1,948,047	1,770,883
Planning and development	548,600	450,654	1,352,369
TOTAL EXPENSES	23,633,425	24,087,434	23,249,683
ANNUAL SURPLUS	4,101,875	4,532,405	4,750,937
ACCUMULATED SURPLUS - beginning of year		76,283,421	71,644,186
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD		-	(111,702)
ACCUMULATED SURPLUS - beginning of year, as restated		76,283,421	71,532,484
ACCUMULATED SURPLUS - end of year		80,815,826	76,283,421

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended December 31, 2025

	2025 $	2024 $
ACCUMULATED REMEASUREMENT GAINS - beginning of year	367,531	522,790
Unrealized gains attributed to:		
Principal protected notes	1,702,908	1,270,741
Realized gains, reclassified to the statement of operations:		
Principal protected notes sold or matured	-	(1,426,000)
Net change in remeasurement gains (losses) for the year	1,702,908	(155,259)
ACCUMULATED REMEASUREMENT GAINS - end of year	2,070,439	367,531

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)
For the Year Ended December 31, 2025

	Budget 2025 $ (note 16)	Actual 2025 $	Actual 2024 $
ANNUAL SURPLUS	4,101,875	4,532,405	4,750,937
Amortization of tangible capital assets	3,151,525	3,582,850	3,151,525
Purchase of tangible capital assets	(12,922,900)	(5,031,711)	(10,863,890)
Loss on disposal of tangible capital assets	-	94,161	94,931
Proceeds on sale of tangible capital assets	-	49,639	61,700
Change in asset retirement obligation estimate	-	-	(15,477)
Change in prepaid expenses	-	(86,165)	2,306
CHANGE IN NET FINANCIAL ASSETS/(NET DEBT)	(5,669,500)	3,141,179	(2,817,968)
NET FINANCIAL ASSETS/(NET DEBT) - beginning of year	(694,925)	(694,925)	2,390,004
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD	-	-	(111,702)
NET FINANCIAL ASSETS/(NET DEBT) - beginning of year, as restated	(694,925)	(694,925)	2,278,302
INCREASE/(DECREASE) IN ACCUMULATED REMEASUREMENT GAINS	-	1,702,908	(155,259)
NET FINANCIAL ASSETS/(NET DEBT) - end of year	(6,364,425)	4,149,162	(694,925)

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	2025 $	2024 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	4,532,405	4,750,937
Items not involving cash		
Amortization of tangible capital assets	3,582,850	3,151,525
Loss on disposal of tangible capital assets	94,161	94,931
Accretion expense	18,554	508
Revaluation of asset retirement obligation	50,813	-
Change in non-cash assets and liabilities		
Accounts receivable	(1,321,211)	(207,975)
Taxes receivable	(1,012,020)	(678,881)
Land held for sale	(75,029)	802,027
Long-term receivables	93,258	90,466
Prepaid expenses	(86,165)	2,306
Accounts payable and accrued liabilities	216,571	(1,710,488)
Deferred revenue - obligatory reserve funds	(341,418)	87,529
Deferred revenue - other	666	1,910
Net change in cash from operating activities	5,753,435	6,384,795
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(5,031,711)	(10,863,890)
Proceeds on disposal of tangible capital assets	49,639	61,700
Net change in cash from capital activities	(4,982,072)	(10,802,190)
INVESTING ACTIVITIES		
Purchase of investments	-	(710,500)
FINANCING ACTIVITIES		
Long term debt issued	2,500,000	-
Debt principal repayments	(538,341)	(371,542)
Net change in cash from financing activities	1,961,659	(371,542)
NET CHANGE IN CASH	2,733,022	(5,499,437)
CASH - beginning of year	2,740,718	8,240,155
CASH - end of year	5,473,740	2,740,718

The accompanying notes are an integral part of these financial statements

The Township of Ramara is a lower tier municipality in the 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 legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees 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 consolidated financial statements include:

- Ramara Township Public Library Board
- Lagoon City Parks & Waterways

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) 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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	10-40 years
Buildings and structures	20-60 years
Furniture and office equipment	4-10 years
Machinery and equipment	5-30 years
Vehicles	8-20 years
Roads and bridges	20-50 years
Water and sewer	10-90 years
Parks and waterways	10-50 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Property taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

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.

Government funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Other revenue

User charges are recognized as revenue in the year the goods and services are provided.

Investment income is recorded in the year in which it is earned.

Canada Community-Building Fund is recognized in the period in which the related expenditures are recorded.

Sale of land and other sales are recognized as revenue when the transactions are legally completed.

Capital contributions are earned as amounts are billed to residents.

(e) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

(f) Reserves and Reserve Funds

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Accounts receivable	Amortized Cost
Taxes receivable	Amortized Cost
Long-term receivables	Amortized Cost
Investments	Fair Value
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	Amortized Cost

Fair value category: The Township manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Asset Retirement Obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

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

A liability for the removal of asbestos in several of the buildings owned by the Township has been recognized based on estimated future expenses for remediation or disposal.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. The recognition of the 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 accounting policies outlined in (c).

(i) Use of Estimates

Certain items recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements or changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amount recorded for asset retirement obligation is based on estimates of the assets with potential contaminants and management's estimate of the costs to retire those assets - See Note 1(h) and related costs added to tangible capital assets - See Note 1(c)

- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(c)

- Allowance for doubtful accounts receivable is based in management's estimate of future collectibility

2. LONG-TERM RECEIVABLES

Long-term receivables consist of the following:

	2025 $	2024 $
Brechin sewer assessment	1,231,366	1,316,021
Bayview Drive watermain extension	39,895	48,498
	1,271,261	1,364,519

3. INVESTMENTS

Investments consist of the following:

	Level (note 1(g))	2025 $	2024 $
Principal protected notes	1	12,280,129	10,577,221

The CIBC principal protected notes have maturity dates between August 26, 2027 and July 3, 2031.

There were no transfers in or out of level 2 and level 3 during the year.

4. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2025 $	2024 $
Development charges	3,941,464	3,788,926
Parkland	219,679	206,606
Canada Community-Building Fund	1,151,632	1,658,661
	5,312,775	5,654,193

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2025 $	2024 $
Balance - beginning of year	5,654,193	5,566,664
Add amounts received:		
Development charges	213,072	227,010
Parkland	7,000	15,000
Canada Community-Building Fund	339,848	330,942
Interest	169,333	254,577
	729,253	827,529
Less transfer to operations:		
Canada Community-Building Fund earned	898,743	740,000
Development charges refunded	171,928	-
	1,070,671	740,000
Balance - end of year	5,312,775	5,654,193

5. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2025 $	2024 $
Deposits on land sales	105,300	105,300
Provincial - OCIF	2,571	-
Provincial - OCLIF	27,717	27,717
Federal - Accessibility	45,130	72,476
Building permits	220,221	194,057
Other	53,823	54,546
	454,762	454,096

The continuity of deferred revenue - other is as follows:

	2025 $	2024 $
Balance - beginning of year	454,096	340,484
Adjustment to opening balance	-	111,702
Add amounts received:		
Provincial - OCIF	377,989	401,849
Building permits	438,164	434,126
Interest	2,751	8,495
Other	12,940	48,578
	831,844	893,048
Less transfer to operations:		
Provincial - OCIF	377,989	452,564
Land sale depoits earned	-	78,850
Building permits	412,000	351,771
Federal - Accessibility	27,346	-
Other	13,843	7,953
	831,178	891,138
Balance - end of year	454,762	454,096

6. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to $3,500,000 via an operating loan. Any balance borrowed will accrue interest at the bank's prime lending rate. Council authorized the temporary borrowing limit by By-law 2025.02. At December 31, 2025 there was no balance outstanding (2024 - $Nil).

7. LONG TERM DEBT

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

	2025 $	2024 $
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of $81,659, interest at 2.8% per annum, due August 3, 2038	1,769,390	1,880,820
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of $106,600, interest at 3.99% per annum, due May 1, 2042	2,559,088	2,666,942
Debenture issued to the Ontario Infrastructure Projects Corporation repayable in semi-annual blended instalments of $188,261, interest at 5.91% per annum, due December 1, 2038	3,383,012	3,552,069
Long term bank loan issued to CIBC repayable in semi-annual instalments of $150,000 plus interest at prime less 0.25% per annum, due April 18, 2030	1,350,000	-
Long term bank loan issued to CIBC repayable in semi-annual blended instalments of $112,518, interest at 4.368% per annum, due September 1, 2030	1,000,000	-
	10,061,490	8,099,831

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

(c) Interest paid during the year on long term debt amounted to $374,967 (2024 - $342,297).

(d) The long term debt reported in (a) of this note is repayable as follows:

	Principal $	Interest $	Total $
2026	903,914	427,712	1,331,626
2027	916,238	402,788	1,319,026
2028	944,201	362,225	1,306,426
2029	973,512	320,315	1,293,827
2030	836,384	276,989	1,113,373
2031 to 2035	2,788,921	976,282	3,765,203
2036 and subsequent years	2,698,320	307,001	3,005,321
	10,061,490	3,073,312	13,134,802

7. LONG TERM DEBT, continued

(e) The Township acts as a collection agency for the Province of Ontario for tile drainage loans for individual ratepayers. The value of these loans outstanding at December 31, 2025 is $239,377 (2024 - $266,844). These loans and the related repayments are not reported on the Consolidated Statements of Financial Position, Operations and Accumulated Surplus Change in Net Financial Assets/(Net Debt) and Cash Flows.

8. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2025 $	2024 $
General		
Land and land improvements	17,307,976	17,353,568
Buildings and structures	7,018,414	7,070,130
Furniture and office equipment	230,735	251,588
Machinery and equipment	8,212,541	8,249,369
Vehicles	3,918,683	4,242,557
Infrastructure		
Roads and bridges	25,415,434	24,960,156
Water and sewer	10,147,426	10,597,602
Parks and waterways	1,400,616	1,419,176
	73,651,825	74,144,146
Assets under construction	4,524,606	2,727,224
	78,176,431	76,871,370

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

During the year there were no write-downs of assets (2024 - $Nil), no interest capitalized (2024 - $Nil) and no contributed assets (2024 - $Nil).

Tangible capital assets allocated by segment are as follows:

	2025 $	2024 $
General government	7,742,678	7,861,768
Protection services	5,089,010	5,397,695
Transportation services	36,398,849	36,040,119
Environmental services	19,879,240	18,581,941
Health services	91,855	98,406
Recreation and cultural services	8,974,799	8,891,441
	78,176,431	76,871,370

9. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2025 $	2024 $
Surplus/(Deficit)		
Sewage works	1,067,367	1,023,911
Brechin sewers	(3,200,248)	(3,200,248)
Surplus (deficit) in land held for sale	(244,643)	(350,208)
	(2,377,524)	(2,526,545)
Invested In Capital Assets		
Tangible capital assets - net book value	78,176,431	76,871,370
Long term debt related to tangible capital asset acquisition	(9,450,429)	(7,458,233)
Unfunded capital (b)	(1,472,285)	(1,695,674)
Unfunded asset retirement obligation	(411,271)	(341,904)
	66,842,446	67,375,559
Surplus	64,464,922	64,849,014
Reserves		
Working capital	750,135	161,068
Contingencies	691,302	364,634
Rate stabilization	812,858	812,858
Municipal projects	613,360	586,860
Mosquito control	35,790	39,566
Goose management	18,583	12,494
Capital expenditures - Township	12,167,586	8,572,573
Capital expenditures - Library	181,523	128,743
Total Reserves	15,271,137	10,678,796
Reserve Funds		
Equipment and housing	141,672	137,626
Library expansion	46,053	44,738
Lagoon City Parks and Waterway	892,042	573,247
Total Reserve Funds	1,079,767	755,611
	80,815,826	76,283,421

(b) $1,283,235 of the unfunded capital costs will be billed as a local improvement charge. Residents will have the option of a lump sum payment or a 20 year loan. Long term debt will be taken out to match the amount of the 20 year loan recivable. The remainder of the unfunded capital will be funded through charges to operations.

10. ASSET RETIREMENT OBLIGATION

The Township's asset retirement obligation consists of the following:

(a) 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. Following the adoption of PS 3280 – Asset Retirement Obligations, the Township recognized an obligation relating to the removal of the asbestos in these building originally estimated at January 1, 2023 and subsequently revalued as assumptions used in the estimate change. Estimated costs have been discounted to the present value using a discount rate of 4.82% per annum.

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

Asset Retirement Obligation	Asbestos removal 2025 $	Asbestos removal 2024 $
Opening balance	341,904	325,919
Revaluation of liability	50,812	15,477
Accretion expense	18,555	508
Closing balance	411,271	341,904

11. EXPENSES BY OBJECT

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

	Budget 2025 $ (note 16)	Actual 2025 $	Actual 2024 $
Salaries and benefits	7,951,700	7,580,143	6,950,823
Interest charges	429,900	374,967	342,297
Materials	3,177,400	2,984,702	2,846,923
Contracted services	8,680,400	9,217,384	8,816,403
Rents and financial	26,300	54,991	12,264
External transfers	239,700	198,236	193,289
Amortization	3,151,525	3,582,850	3,151,525
Loss (gain) on disposal of tangible capital assets	(23,500)	94,161	94,931
Cost of sale of land	-	-	841,228
	23,633,425	24,087,434	23,249,683

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12. FINANCIAL INSTRUMENTS

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

The Township is exposed to the following risks in respect of certain of the financial instruments held:

(a) Interest rate risk

Interest rate risk is the risk that the Township has interest rate exposure on its long term debt. This exposure is low as the long term debt has fixed interest rates and terms.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

(c) Market risk

The Township is exposed to certain market risks including changes in the value of investments.

In the opinion of management, the Township is not exposed to any significant liquidity or currency risk.

13. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2025 Annual Report disclosed total actuarial liabilities of $151,365 million in respect of benefits accrued for service with actuarial assets of $150,043 million indicating an actuarial deficit of $1,322 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's total contributions to OMERS in 2025 were $1,074,884 (2024 - $938,746) of which $537,442 (2024 - $469,373) was contributed by employees.

14. CONTINGENT LIABILITIES

The Township, in the course of its operations, is often named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

15. SEGMENTED INFORMATION

The Township of Ramara is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment’s net requirements.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. For additional information see the Consolidated Schedule of Segment Disclosure.

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 police, fire, conservation authority 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.

Water and Sewer

This function is responsible for providing water and sewer services to the Township.

Other Environmental Services

This function is responsible for solar operations.

Health Services

The health services function consists of the activities of the cemetery board.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and includes the operations of Lagoon City Parks & Waterways and the Ramara Township Public Library.

Planning and Development

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

16. BUDGET FIGURES

The budget, approved by the Township differs from the budget reflected on the Consolidated Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Council's approved budget to the PSA presented budget:

	2025 $
Council approved budgeted surplus	-
Tangible capital asset additions	12,922,900
Amortization of tangible capital assets	(3,151,525)
Principal repayment of long term debt	479,900
Transfers to/(from) reserves and reserve funds	(315,200)
Change in unfunded capital	(5,834,200)
Annual surplus reported on the Consolidated Statement of Operations	4,101,875

17. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF SIMCOE

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

	School Boards $	County $
Amounts requisitioned and remitted	4,697,694	8,249,153

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

18. TRUST FUNDS

Trust funds administered by the Township amounting to $19,845 (2024 - $18,786) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2025

	General					Infrastructure				
	Land and Land Improvements $	Buildings and Structures $	Furniture and Office Equipment $	Machinery and Equipment $	Vehicles $	Roads and bridges $	Water and Sewer $	Parks and Waterways $	Assets Under Construction $	Totals $
COST										
Balance, beginning of year	18,315,560	12,970,797	1,142,470	18,817,370	7,638,811	48,057,744	22,204,597	1,832,607	2,727,224	133,707,180
Add: additions during the year	18,002	239,309	60,624	743,401	155,670	1,964,061	-	53,262	1,797,382	5,031,711
Less: disposals during the year	-	4,130	73,478	444,176	369,202	238,097	-	14,503	-	1,143,586
Balance, end of year	18,333,562	13,205,976	1,129,616	19,116,595	7,425,279	49,783,708	22,204,597	1,871,366	4,524,606	137,595,305
ACCUMULATED AMORTIZATION										
Balance, beginning of year	961,992	5,900,667	890,882	10,568,001	3,396,254	23,097,588	11,606,995	413,431	-	56,835,810
Add: additions during the year	63,594	289,876	67,027	713,395	445,242	1,487,338	450,176	66,202	-	3,582,850
Less: disposals during the year	-	2,981	59,028	377,342	334,900	216,652	-	8,883	-	999,786
Balance, end of year	1,025,586	6,187,562	898,881	10,904,054	3,506,596	24,368,274	12,057,171	470,750	-	59,418,874
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	17,307,976	7,018,414	230,735	8,212,541	3,918,683	25,415,434	10,147,426	1,400,616	4,524,606	78,176,431

CORPORATION OF THE TOWNSHIP OF RAMARA

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2025

	General Government $	Protection Services $	Transportation Services $	Water and Sewer $	Other Environmental Services $	Health Services $	Recreation and Cultural Services $	Planning and Development $	Consolidated $
Revenues									
Property taxation	1,836,919	4,304,900	9,046,700	-	6,600	144,600	2,170,800	344,600	17,855,119
User charges	555,772	660,326	87,824	3,640,891	21,705	1,161	139,673	226,582	5,333,934
Government transfers - operating	1,160,500	1,554,745	-	-	-	-	61,125	-	2,776,370
Government transfers - capital	-	-	62,515	316,400	-	-	-	-	378,915
Other municipalities	878	76,264	-	-	-	-	22,000	-	99,142
Penalties and interest on taxes	510,687	-	-	-	-	-	-	-	510,687
Investment income	17,765	71	-	40,478	-	-	28,364	-	86,678
Sale of land and other sales	-	-	2,156	-	-	-	-	-	2,156
Capital contributions	-	-	-	1,947	-	-	-	-	1,947
Canada Community-Building Fund earned	-	-	750,000	148,743	-	-	-	-	898,743
Donations and other	190,789	450,073	284	-	-	5,454	29,548	-	676,148
Total revenues	4,273,310	7,046,379	9,949,479	4,148,459	28,305	151,215	2,451,510	571,182	28,619,839
Expenses									
Salaries and benefits	2,207,450	2,098,271	1,928,903	115,912	-	-	953,654	275,953	7,580,143
Interest charges	105,346	-	-	269,621	-	-	-	-	374,967
Materials	369,485	521,623	1,314,849	455,118	410	16,708	290,829	15,680	2,984,702
Contracted services	370,462	3,883,568	1,132,213	3,113,200	-	11,956	546,964	159,021	9,217,384
Rents and financial	36,901	549	4,284	266	-	-	12,991	-	54,991
External transfers	11,575	81,661	-	-	-	105,000	-	-	198,236
Amortization	154,975	436,636	1,888,013	840,795	-	6,551	255,880	-	3,582,850
Loss (gain) on disposal of tangible capital assets	15,598	16,031	871	28,632	-	-	33,029	-	94,161
Internal transfers	156,172	(10,872)	-	-	-	-	(145,300)	-	-
Total expenses	3,427,964	7,027,467	6,269,133	4,823,544	410	140,215	1,948,047	450,654	24,087,434
Net surplus/(deficit)	845,346	18,912	3,680,346	(675,085)	27,895	11,000	503,463	120,528	4,532,405

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CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
For the Year Ended December 31, 2024

	General Government $	Protection Services $	Transportation Services $	Water and Sewer $	Other Environmental Services $	Health Services $	Recreation and Cultural Services $	Planning and Development $	Consolidated $
Revenues									
Property taxation	1,426,910	4,046,800	8,808,700	-	-	124,800	2,107,900	316,900	16,832,010
User charges	542,084	531,551	94,423	3,169,647	30,227	113	137,152	209,703	4,714,900
Government transfers - operating	1,129,000	6,994	4,000	-	-	-	30,372	9,750	1,180,116
Government transfers - capital	-	-	465,195	-	-	-	29,250	-	494,445
Other municipalities	1,458	40,721	-	-	-	-	48,197	-	90,376
Penalties and interest on taxes	418,717	-	-	-	-	-	-	-	418,717
Investment income	1,609,122	112	-	42,551	-	-	52,060	-	1,703,845
Sale of land and other sales	-	-	2,314	-	-	-	-	1,449,084	1,451,398
Capital contributions	-	-	-	3,895	-	-	-	-	3,895
Canada Community-Building Fund earned	-	-	690,000	50,000	-	-	-	-	740,000
Donations and other	2,455	348,294	5,798	-	-	5,888	8,483	-	370,918
Total revenues	5,129,746	4,974,472	10,070,430	3,266,093	30,227	130,801	2,413,414	1,985,437	28,000,620
Expenses									
Salaries and benefits	1,883,257	1,959,756	1,765,809	151,039	182	-	938,230	252,550	6,950,823
Interest charges	109,524	-	-	232,773	-	-	-	-	342,297
Materials	347,156	359,870	1,504,858	394,944	-	14,328	211,370	14,397	2,846,923
Contracted services	531,861	2,193,645	1,427,431	3,876,157	-	11,398	531,717	244,194	8,816,403
Rents and financial	11,214	549	81	10	-	-	410	-	12,264
External transfers	8,100	80,189	-	-	-	105,000	-	-	193,289
Amortization	134,700	415,133	1,543,719	838,166	-	6,551	213,256	-	3,151,525
Loss (gain) on disposal of tangible capital assets	11,096	(4,504)	60,393	27,946	-	-	-	-	94,931
Internal transfers	132,556	(8,456)	-	-	-	-	(124,100)	-	-
Cost of sale of land	-	-	-	-	-	-	-	841,228	841,228
Total expenses	3,169,464	4,996,182	6,302,291	5,521,035	182	137,277	1,770,883	1,352,369	23,249,683
Net surplus/(deficit)	1,960,282	(21,710)	3,768,139	(2,254,942)	30,045	(6,476)	642,531	633,068	4,750,937

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

Opinion
We have audited the financial statements of the Trust Fund of the Corporation of the Township of Ramara (the Trust Fund), which comprise the statement of financial position as at December 31, 2025, the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 12, 2026

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CORPORATION OF THE TOWNSHIP OF RAMARA

TRUST FUND
STATEMENT OF FINANCIAL POSITION
At December 31, 2025

	2025 Cemetery Care and Maintenance $	2024 Cemetery Care and Maintenance $
FINANCIAL ASSETS		
Investment (note 2)	19,845	18,786
FUND BALANCE	19,845	18,786

TRUST FUND
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2025

	2025 Cemetery Care and Maintenance $	2024 Cemetery Care and Maintenance $
BALANCE - beginning of year	18,786	17,707
RECEIPTS		
Capital dividends	1,326	454
Investment value adjustment	(267)	625
	1,059	1,079
BALANCE - end of year	19,845	18,786

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

2. INVESTMENT

The trust's investment consists of a mutual fund with Scotia Partners Income Portfolio, recorded at fair value.

3. CARE AND MAINTENANCE FUNDS

The figures reported for the cemetery care and maintenance represent the trust fund activities for the Sebright Cemetery.

The Care and Maintenance Funds administered by the Township are funded by the sale of cemetery plots and markers. These funds are invested and earnings derived there from are used to perform care and maintenance for the Township's cemeteries. The operations and investments of the Fund are undertaken by the Township in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of the Ramara Township Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

We have reviewed the accompanying financial statements of the Ramara Township Public Library Board of the Corporation of the Township of Ramara (the Board), that comprise the statement of financial position as at December 31, 2025 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion
In common with many Public Library Boards, the Board derives revenue from donations, fees and other, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purposes of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donations, fees and other revenue, annual surplus/(deficit) and cash flows from operations for the years ended December 31, 2025 and 2024, and assets and accumulated surplus as at December 31, 2025 and 2024. Our conclusion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this scope limitation.

Qualified Conclusion
Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Board as at December 31, 2025 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 12, 2026

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2025

	2025 $	2024 $
FINANCIAL ASSETS		
Cash	217,821	217,589
Accounts receivable	3,774	3,446
Due from the Township of Ramara (note 4)	5,556	-
TOTAL FINANCIAL ASSETS	227,151	221,035
LIABILITIES		
Due to the Township of Ramara (note 4)	-	47,979
NET FINANCIAL ASSETS	227,151	173,056
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	66,493	73,784
Prepaid expenses	425	425
TOTAL NON-FINANCIAL ASSETS	66,918	74,209
ACCUMULATED SURPLUS (note 3)	294,069	247,265

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2025

	Budget 2025 $ (note 5)	Actual 2025 $	Actual 2024 $
REVENUES			
Township contribution (note 4)			
Township contribution	471,500	471,500	437,242
Township contribution for accessibility	3,100	3,100	-
Provincial grants	24,400	24,370	24,370
Investment income	8,100	7,708	12,493
Other grants	-	1,700	-
Donations, fees and other	2,500	12,044	11,881
TOTAL REVENUES	509,600	520,422	485,986
EXPENSES			
Wages and benefits	391,300	344,698	375,904
Rent (note 4)	56,300	56,300	55,200
Administration	8,900	32,555	16,399
Supplies	5,200	6,488	6,416
Memberships	2,900	2,762	2,398
Insurance (note 4)	9,900	7,283	8,976
Telephone	2,500	1,913	1,562
Amortization	19,538	21,619	19,538
TOTAL EXPENSES	496,538	473,618	486,393
ANNUAL SURPLUS/(DEFICIT)	13,062	46,804	(407)
ACCUMULATED SURPLUS - beginning of year		247,265	247,672
ACCUMULATED SURPLUS - end of year		294,069	247,265

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2025

	Budget 2025 $ (note 5)	Actual 2025 $	Actual 2024 $
ANNUAL SURPLUS/(DEFICIT)	13,062	46,804	(407)
Amortization of tangible capital assets	19,538	21,619	19,538
Acquisition of tangible capital assets	(32,600)	(14,328)	(17,877)
Change in prepaid expenses	-	-	300
INCREASE IN NET FINANCIAL ASSETS	-	54,095	1,554
NET FINANCIAL ASSETS - beginning of year	173,056	173,056	171,502
NET FINANCIAL ASSETS - end of year	173,056	227,151	173,056

CORPORATION OF THE TOWNSHIP OF RAMARA

RAMARA TOWNSHIP PUBLIC LIBRARY BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	2025 $	2024 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	46,804	(407)
Items not involving cash		
Amortization of tangible capital assets	21,619	19,538
Change in non-cash assets and liabilities		
Accounts receivable	(328)	56
Due from the Township of Ramara	(5,556)	-
Prepaid expenses	-	300
Accounts payable	-	(117)
Due to the Township of Ramara	(47,979)	5,056
Net change in cash from operating activities	14,560	24,426
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(14,328)	(17,877)
NET CHANGE IN CASH	232	6,549
CASH - beginning of year	217,589	211,040
CASH - end of year	217,821	217,589

The accompanying notes are an integral part of these financial statements

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

Government funding and other grants are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Donations, fees and other are recognized when the amounts are received.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(c)

(c) 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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Building improvements	20-60 years
Furniture and equipment	5-10 years
Library collection	7 years

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

(d) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Accounts receivable	Amortized Cost
Due to the Township of Ramara	Amortized Cost

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Reserves and Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Inter-Entity Transactions

The Ramara Township Public Library Board is a Board of the Township of Ramara and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

2. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Building Improvements $	Furniture and Equipment $	Library Collection $	2025 Totals $	2024 Totals $
COST					
Balance, beginning of year	67,088	62,516	146,819	276,423	326,215
Add: additions during the year	-	-	14,328	14,328	17,877
Less: disposals during the year	-	-	35,584	35,584	67,669
Balance, end of year	67,088	62,516	125,563	255,167	276,423
ACCUMULATED AMORTIZATION					
Balance, beginning of year	67,088	41,300	94,251	202,639	250,770
Add: additions during the year	-	5,753	15,866	21,619	19,538
Less: disposals during the year	-	-	35,584	35,584	67,669
Balance, end of year	67,088	47,053	74,533	188,674	202,639
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	-	15,463	51,030	66,493	73,784

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2025 $	2024 $
Invested In Capital Assets		
Tangible capital assets - net book value	66,493	73,784
Reserve		
Future capital expenditures	181,523	128,743
Reserve Fund		
Expansion	46,053	44,738
	294,069	247,265

4. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Ramara.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2025 $	2024 $
Allocated costs:		
Rent	56,300	55,200
Insurance	7,283	8,976
	63,583	64,176

In addition, the following services are provided to the Board by the Township at no cost:

- Accounting and administrative services
- Professional services

All balances with the Township of Ramara have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

5. BUDGET FIGURES

The budget, approved by the Board differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Board's approved budget to the PSA presented budget:

	2025 $
Board approved budgeted surplus	-
Tangible capital asset additions	32,600
Amortization of tangible capital assets	(19,538)
Annual surplus/(deficit) reported on the Statement of Operations	13,062

6. FINANCIAL INSTRUMENTS

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

In the opinion of management, the Board is not exposed to any significant market, liquidity, interest rate, credit or currency risk.

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Lagoon City Parks & Waterways, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Ramara

Opinion

We have audited the financial statements of the Lagoon City Parks & Waterways of the Corporation of the Township of Ramara (the Board), which comprise the statement of financial position as at December 31, 2025, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board'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 Board'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 Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 12, 2026

bakertilly

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS
STATEMENT OF FINANCIAL POSITION
At December 31, 2025

	2025 $	2024 $
FINANCIAL ASSETS		
Cash	100	100
Due from the Township of Ramara (note 6)	891,942	573,147
NET FINANCIAL ASSETS	892,042	573,247
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	2,387,651	2,409,536
ACCUMULATED SURPLUS (note 3)	3,279,693	2,982,783

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended December 31, 2025

	Budget 2025 $ (note 5)	Actual 2025 $	Actual 2024 $
REVENUES			
Levy billed by the Township of Ramara (note 6)	1,131,000	1,122,648	1,100,592
Interest income	15,000	16,853	34,126
Other	500	190	203
TOTAL REVENUES	1,146,500	1,139,691	1,134,921
EXPENSES			
Wages and benefits (note 6)	173,100	187,677	184,293
General and office	69,000	40,065	53,690
Repairs and maintenance	317,700	259,608	319,832
Insurance (note 6)	23,000	17,480	20,894
Professional fees	22,200	195,462	21,237
Vehicle operating and maintenance	4,000	37	-
Amortization	107,809	136,832	107,809
Loss on disposal of tangible capital assets	-	5,620	-
TOTAL EXPENSES	716,809	842,781	707,755
ANNUAL SURPLUS	429,691	296,910	427,166
ACCUMULATED SURPLUS - beginning of year		2,982,783	2,555,617
ACCUMULATED SURPLUS - end of year		3,279,693	2,982,783

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2025

	Budget 2025 $ (note 5)	Actual 2025 $	Actual 2024 $
ANNUAL SURPLUS	429,691	296,910	427,166
Amortization of tangible capital assets	107,809	136,832	107,809
Acquisition of tangible capital assets	(309,500)	(120,567)	(669,744)
Loss on disposal of tangible capital assets	-	5,620	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	228,000	318,795	(134,769)
NET FINANCIAL ASSETS - beginning of year	573,247	573,247	708,016
NET FINANCIAL ASSETS - end of year	801,247	892,042	573,247

CORPORATION OF THE TOWNSHIP OF RAMARA

LAGOON CITY PARKS & WATERWAYS
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

	2025 $	2024 $
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	296,910	427,166
Items not involving cash		
Amortization of tangible capital assets	136,832	107,809
Loss on disposal of tangible capital assets	5,620	-
Change in non-cash assets and liabilities		
Due from the Township of Ramara	(318,795)	134,769
Net change in cash from operating activities	120,567	669,744
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(120,567)	(669,744)
NET CHANGE IN CASH	-	-
CASH - beginning of year	100	100
CASH - end of year	100	100

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

The Board recognizes Lagoon City Parks & Waterways Area tax levy revenue annually based on amounts levied by the Township of Ramara.

Interest and other revenue are recorded when the amounts are earned.

(b) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(c)

(c) 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, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Buildings and structures	25 years
Vehicles	10-15 years
Machinery and equipment	10-20 years
Linear assets	20 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

(d) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Financial Instruments

Financial instruments are classified as either fair value or amortized cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized Cost
Due from the Township of Ramara	Amortized Cost

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

Amortized cost category: Amounts are measured at the initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument asset or financial instrument liability.

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

As there are no unrealized gains or losses on financial instruments to report, the Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

(f) Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserve funds for future operating and capital purposes. Transfers to and/or from reserve funds are an adjustment to the respective fund when approved.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Inter-Entity Transactions

The Lagoon City Parks & Waterways is a Board of the Township of Ramara and is consolidated with the Township's financial statements.

Allocated costs and recovery of costs are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Unallocated costs are measured at the carrying amount, which is the amount recorded in the records of the Township.

2. TANGIBLE CAPITAL ASSETS

The continuity of the Board's tangible capital assets is as follows:

	Buildings and land improvements $	Machinery vehicles and equipment $	Linear assets $	Assets under construction $	2025 Totals $	2024 Totals $
COST						
Balance, beginning of year	51,106	1,766,500	1,205,793	149,685	3,173,084	2,503,340
Add: additions during the year	7,378	87,120	26,069	-	120,567	669,744
Less: disposals during the year	-	-	14,503	-	14,503	-
Balance, end of year	58,484	1,853,620	1,217,359	149,685	3,279,148	3,173,084
ACCUMULATED AMORTIZATION						
Balance, beginning of year	51,106	526,863	185,579	-	763,548	655,739
Add: additions during the year	61	89,608	47,163	-	136,832	107,809
Less: disposals during the year	-	-	8,883	-	8,883	-
Balance, end of year	51,167	616,471	223,859	-	891,497	763,548
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	7,317	1,237,149	993,500	149,685	2,387,651	2,409,536

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2025 $	2024 $
Invested In Capital Assets		
Tangible capital assets - net book value	2,387,651	2,409,536
Reserve Fund		
Reserve Fund	892,042	573,247
	3,279,693	2,982,783

4. FINANCIAL INSTRUMENTS

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

In the opinion of management, the Board is not exposed to any significant market, liquidity, interest rate, credit or currency risk.

5. BUDGET FIGURES

The budget, approved by the Board differs from the budget reflected on the Statement of Operations and Accumulated Surplus as the approved budget has been adjusted to comply with PSA reporting requirements.

The following is a reconciliation of Board's approved budget to the PSA presented budget:

	2025 $
Board approved budgeted surplus	-
Tangible capital asset additions	309,500
Amortization of tangible capital assets	(107,809)
Transfers to/(from) reserves and reserve funds	228,000
Annual surplus reported on the Statement of Operations	429,691

6. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Ramara.

As part of the budgeting process, the Township approves a contribution to the Board which is identified on the Statement of Operations and Accumulated Surplus.

Details of the inter-entity expense transactions are as follows:

	2025 $	2024 $
Allocated costs:		
Wages and benefits	187,677	184,293
Insurance	17,480	20,894
	205,157	205,187

In addition, the Township provides accounting and administrative services to the Board at no cost.

All balances with the Township of Ramara have been identified on the Statement of Financial Position. Due from (to) balances are unsecured, without interest and have no terms of repayment.

7. CONTINGENT LIABILITIES

The Board, in the course of its operations, is sometimes named in lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.