
ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT

FINANCIAL STATEMENTS

DECEMBER 31, 2025

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT

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Independent Auditor's Report

Doane Grant Thornton LLP

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To the Members of Council, Inhabitants and Ratepayers of the Contributing Municipalities of the Almaguin Community Economic Development

Opinion

We have audited the financial statements of the Almaguin Community Economic Development ("the Organization") which 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 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 Organization as at December 31, 2025, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 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.

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

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

Doane Grant Thornton LLP

North Bay, Canada
August 11, 2026

Chartered Professional Accountants
Licensed Public Accountants

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Accounts receivable	\$ 92,388	\$ 61,715
LIABILITIES		
Accounts payable and accrued liabilities	26,993	22,103
NET FINANCIAL ASSETS	65,395	39,612
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>(Note 3)</i>	20,475	22,127
ACCUMULATED SURPLUS <i>(Note 4)</i>	\$ 85,870	\$ 61,739

APPROVED ON BEHALF OF THE BOARD

_____ Mayor

The accompanying notes are an integral part of these financial statements

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT
STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025 (see Note 5)	Actual 2025	Actual 2024
REVENUE			
Grants			
FedNor	\$ 100,000	\$ 94,772	\$ 150,997
OMAFRA	-	-	23,182
NOHFC	-	-	17,105
Member contributions (Note 6)	204,693	198,702	204,816
Other	5,000	6,345	6,489
TOTAL REVENUE	309,693	299,819	402,589
EXPENSES			
Salaries, wages and benefits	266,593	243,459	310,407
Implement Almaguin Brand Strategy project	-	-	54,475
Other materials and supplies	38,500	25,304	27,881
Other contracted services	4,600	5,273	4,787
Amortization	1,652	1,652	1,651
TOTAL EXPENSES	311,345	275,688	399,201
ANNUAL SURPLUS (DEFICIT) (Note 4)	(1,652)	24,131	3,388
ACCUMULATED SURPLUS, BEGINNING OF YEAR	61,739	61,739	58,351
ACCUMULATED SURPLUS, END OF YEAR	\$ 60,087	\$ 85,870	\$ 61,739

The accompanying notes are an integral part of these financial statements

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025 (see Note 5)	Actual 2025	Actual 2024
Annual surplus (deficit)	\$ (1,652)	\$ 24,131	\$ 3,388
Amortization of tangible capital assets	1,652	1,652	1,651
Increase in net financial assets	-	25,783	5,039
Net financial assets, beginning of year	39,612	39,612	34,573
Net financial assets, end of year	\$ 39,612	\$ 65,395	\$ 39,612

The accompanying notes are an integral part of these financial statements

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Actual 2025	Actual 2024
Operating transactions		
Annual surplus	\$ 24,131	\$ 3,388
Non-cash charges to operations:		
Amortization	1,652	1,651
Changes in non-cash items:		
Accounts receivable	(30,673)	(10,612)
Accounts payable and accrued liabilities	4,890	5,573
Cash provided by operating transactions	-	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents, beginning and end of year	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

Almaguin Community Economic Development ("ACED") was initially formed in October 2019 under a joint service agreement between:

- The Corporation of the Township of Perry (Perry);
- The Municipal Corporation of the Township of Armour (Armour);
- The Corporation of the Township of Ryerson (Ryerson);
- The Corporation of the Village of Sundridge (Sundridge);
- The Almaguin Highlands Chamber of Commerce (the Chamber of Commerce);
- The Corporation of the Municipality of Magnetawan (Magnetawan);
- The Corporation of the Municipality of the Village of Burk's Falls (Burk's Falls);
- The Corporation of the Township of Strong (Strong);
- The Corporation of the Village of South River (South River);
- The Corporation of the Municipality of Powassan (Powassan);
- The Corporation of the Township of Joly (Joly).

Magnetawan withdrew from the agreement effective June 9, 2022, Powassan withdrew effective January 1, 2023, Ryerson withdrew effective January 1, 2024 and Burk's Falls and South River withdrew effective January 1, 2026. The Corporation of the Township of McMurrich/Monteith (McMurrich/Monteith) became a contributing member on July 1, 2024.

The formal cost sharing agreement was in effect until December 31, 2023, when the CIINO grant for regional economic development expired. Commencing in 2023, member parties contribute based on an assessment/population/household-based contribution formula.

MANAGEMENT RESPONSIBILITY

The financial statements of ACED are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by ACED are as follows:

Basis of Accounting

(i) Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payer. Performance obligations are defined as enforceable promises to provide specific goods or services to a specific payer. Revenue from transactions with no performance obligations is recognized when ACED has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset. 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.

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances held at financial institutions and short-term deposits with original maturities of three months or less.

(iii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but 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.

(a) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset, as well as any asset retirement obligations related to the asset. Borrowing costs related to the acquisition of tangible capital assets are expensed in the year incurred. 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 improvements - 20 years

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

Tangible capital assets received as donations are recorded at their fair value at the date of receipt.

(iv) Government transfers

Government transfers are recognized in the financial statements as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations as the stipulation liabilities are settled.

(v) Pensions and employee benefits

ACED accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan.

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(vi) Financial instruments

Financial instruments are classified as either fair value, amortized cost or cost.

Financial instruments classified as fair value are initially recognized at cost and subsequently carried at fair value. Financing fees and transaction costs on financial instruments measured at fair value are expensed as incurred. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Statement of Operations. A Statement of Remeasurement Gains and Losses is not included as there are no matters to report therein.

Financial instruments classified as amortized cost are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. The effective interest rate method allocates interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement, provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the Statement of Operations.

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

ACED's financial instruments are measured according to the following methods:

<u>Financial instrument</u>	<u>Measurement method</u>
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

(vii) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that ACED may undertake in the future. Actual results could differ from these estimates.

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

2. FINANCIAL INSTRUMENTS

Risks arising from financial instruments and risk management

ACED is exposed to various risks through its financial instruments. There have been no changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Credit risk

Credit risk is the risk of financial loss to ACED if a debtor fails to honour its contractual obligations. ACED is exposed to this risk as a result of its accounts receivable, which are due from a contributing municipality (with no specific terms of repayment) and from the Provincial government (expected to be collected within six months). The carrying amounts of the accounts receivable on the Statement of Financial Position represents the maximum credit risk of ACED as at the reporting date. ACED does not believe it is subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that ACED will not be able to meet its financial obligations as they become due. ACED is exposed to this risk with respect to its accounts payable and accrued liabilities, which are composed of amounts due to employees in regard to wages and benefits earned but not yet paid and amounts owed to municipalities withdrawing from ACED as of January 1, 2026. All amounts owing are expected to be paid within the next 12 months. The carrying amounts of the accounts payable and accrued liabilities on the Statement of Financial Position represents the maximum liquidity risk of ACED as at the reporting date. ACED's accounts payable and accrued liabilities are settled by a contributing municipality, who maintains sufficient cash balances to meet its obligations. ACED does not believe it is subject to significant liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk. ACED is not exposed to significant currency, interest rate or equity risk as it does not transact materially in foreign currency, does not have interest-bearing financial instruments and does not hold equity financial instruments.

3. TANGIBLE CAPITAL ASSETS

Details of the tangible capital assets owned by ACED are provided below.

	2025	2024
	Land Improvements	Land Improvements
COST		
Balance, beginning of year	\$ 33,025	\$ 33,025
BALANCE, END OF YEAR	33,025	33,025
ACCUMULATED AMORTIZATION		
Balance, beginning of year	10,898	9,247
Amortization	1,652	1,651
BALANCE, END OF YEAR	12,550	10,898
TANGIBLE CAPITAL ASSETS-NET	\$ 20,475	\$ 22,127

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENTNOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 20254. ACCUMULATED SURPLUS

The 2025 continuity of accumulated surplus reported on the Statement of Financial Position is as follows:

		Balance Beginning of Year		Annual Deficit		Balance End of Year
Tangible capital assets	\$	22,127	\$	(1,652)	\$	20,475
General operating surplus		39,612		25,783		65,395
	\$	61,739	\$	24,131	\$	85,870

5. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. The budget for amortization, which is excluded from the adopted budget, has been set equal to the actual 2025 amount. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Change in general operating surplus	\$ -
ADJUSTMENTS:	
Amortization of tangible capital assets	(1,652)
ANNUAL DEFICIT	\$ (1,652)

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENT**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended December 31, 2025

6. RELATED PARTY TRANSACTIONS

The related party transactions below are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following table summarizes ACED's related party transactions with its contributing members during the year:

	Annual Contribution 2025	Annual Contribution 2024
Member contributions		
Perry	\$ 43,055	\$ 46,254
Armour	31,808	33,969
Strong	29,495	31,321
South River	16,437	20,268
Sundridge	19,193	20,075
Burk's Falls	16,171	19,980
McMurrich/Monteith	23,879	13,937
Chamber of Commerce	10,000	10,000
Joly	8,664	9,012
	\$ 198,702	\$ 204,816

At the end of the year, amounts due from (to) contributing members are as follows:

	2025	2024
Armour	\$ 54,203	\$ 51,060
Burk's Falls	(2,971)	-
South River	(3,020)	-

The amounts due from Armour are non-interest bearing, with no specific terms of repayment. Amounts due to Burk's Falls and South River are expected to be repaid within 6 months.

7. SEGMENT DISCLOSURE

Since ACED's operations are not considered diverse and operations are managed as one department, no segment disclosure has been provided.

ALMAGUIN COMMUNITY ECONOMIC DEVELOPMENTNOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 20258. EXPENSES BY OBJECT

The following is a summary of the expenses reported on the Statement of Operations by the object of the expense.

	2025	2024
Salaries, wages and benefits	\$ 243,459	\$ 310,407
Materials and supplies	25,304	61,953
Contracted services	5,273	25,190
Amortization	1,652	1,651
	\$ 275,688	\$ 399,201

9. PENSION AGREEMENTS

ACED makes contributions to the Ontario Municipal Employee Retirement Fund (OMERS), which is a multi-employer plan, on behalf of certain members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of this valuation disclosed total actuarial liabilities of \$151,365 million with respect to benefits accrued for service with actuarial assets at that date of \$150,043 million indicating an actuarial deficit of \$1,322 million. Because OMERS is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, ACED does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2025 was \$19,513 (2024 - \$21,999) for current service and is included as an expense on the Statement of Operations.