
BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE

FINANCIAL STATEMENTS

DECEMBER 31, 2025

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Contributing Municipalities of the Burk's Falls, Armour and Ryerson TRI R Committee

Opinion

We have audited the financial statements of the Burk's Falls, Armour and Ryerson TRI R Committee ("the Committee"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and accumulated surplus, change in net debt 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 Burk's Falls, Armour and Ryerson TRI R Committee as at December 31, 2025, and its results of operations, its changes in its net debt, 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 Committee 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 Committee'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 Committee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Committee'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 Committee'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 Committee'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 Committee 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

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Accounts receivable	\$ 28,554	\$ 21,623
Inventories held for resale	3,380	3,780
	31,934	25,403
LIABILITIES		
Accounts payable and accrued liabilities	35,302	29,409
Deferred revenue	1,087	1,336
Asset retirement obligations <i>(Note 3)</i>	573,159	584,233
	609,548	614,978
NET DEBT	(577,614)	(589,575)
NON-FINANCIAL ASSETS		
Tangible capital assets - net <i>(Note 4)</i>	248,730	361,290
Inventories of supplies	4,455	5,342
	253,185	366,632
ACCUMULATED DEFICIT <i>(Note 5)</i>	\$ (324,429)	\$ (222,943)

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

The accompanying notes are an integral part of these financial statements

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE
STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025 (see Note 6)	Actual 2025	Actual 2024
REVENUE			
Municipal contributions			
Township of Armour	\$ 152,907	\$ 157,770	\$ 100,201
Township of Ryerson	105,174	108,917	68,922
Village of Burk's Falls	59,419	56,933	38,937
Other government transfers	-	5,690	68,392
Circular materials contract	47,000	49,451	-
User charges	160,000	175,532	187,168
Loss on disposal of tangible capital assets	-	(29,528)	-
Writedown of asset retirement obligation - inactive section	-	24,126	-
Other	11,400	8,304	20,732
TOTAL REVENUE	535,900	557,195	484,352
EXPENSES			
Salaries, wages and benefits	340,000	346,799	281,313
Materials and supplies	122,200	115,238	80,578
Contracted services	60,700	64,426	109,586
Rents and financial expenses	11,000	35,116	17,443
Amortization of tangible capital assets	74,200	74,200	39,844
Accretion of asset retirement obligations	22,902	22,902	20,792
TOTAL EXPENSES	631,002	658,681	549,556
ANNUAL DEFICIT (Note 5)	(95,102)	(101,486)	(65,204)
ACCUMULATED DEFICIT, BEGINNING OF YEAR	(222,943)	(222,943)	(157,739)
ACCUMULATED DEFICIT, END OF YEAR	\$ (318,045)	\$ (324,429)	\$ (222,943)

The accompanying notes are an integral part of these financial statements

BURK'S FALLS, ARMOUR AND RYERSON TRIM COMMITTEE
STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025 (see Note 6)	Actual 2025	Actual 2024
Annual deficit	\$ (95,102)	\$ (101,486)	\$ (65,204)
Acquisition of tangible capital assets	(2,000)	(1,018)	(2,900)
Revaluation of tangible capital assets - ARO	-	9,850	(53,760)
Amortization of tangible capital assets	74,200	74,200	39,844
Loss on disposal of tangible capital assets	-	29,528	-
Change in supplies inventories	-	887	(216)
Decrease (increase) in net debt	(22,902)	11,961	(82,236)
Net debt, beginning of year	(589,575)	(589,575)	(507,339)
Net debt, end of year	\$ (612,477)	\$ (577,614)	\$ (589,575)

The accompanying notes are an integral part of these financial statements

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Operating transactions		
Annual deficit	\$ (101,486)	\$ (65,204)
Non-cash charges to operations:		
Amortization of tangible capital assets	74,200	39,844
Accretion expense on ARO liability	22,902	20,792
Revaluation of tangible capital assets - ARO	9,850	(53,760)
Change in ARO liability excluding accretion and settlements	(33,976)	61,228
Loss on disposal of tangible capital assets	29,528	-
	1,018	2,900
Changes in non-cash items:		
Accounts receivable	(6,931)	1,202
Inventories held for resale	400	700
Accounts payable and accrued liabilities	5,893	(3,022)
Deferred revenue	(249)	1,336
Inventories of supplies	887	(216)
Cash provided by operating transactions	1,018	2,900
Capital transactions		
Acquisition of tangible capital assets	(1,018)	(2,900)
Cash applied to capital transactions	(1,018)	(2,900)
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

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

The Burk's Falls, Armour and Ryerson TRI R Committee (the "organization") is a joint committee of the Corporation of the Municipality of the Village of Burk's Falls, the Municipal Corporation of the Township of Armour, and the Corporation of the Township of Ryerson, who contribute towards the net expenditures of the organization in the following proportions: Burk's Falls - 17.59%; Armour - 48.75%; Ryerson - 33.66% (2024 Burk's Falls - 18.71%; Armour - 48.16%; Ryerson - 33.13%).

MANAGEMENT RESPONSIBILITY

The financial statements of the organization 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 the organization are as follows:

Basis of Accounting

- (i) **Accrual basis of accounting**
Revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned 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.
- (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.

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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
Buildings - 40 years
Machinery and equipment - 10 to 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.

Estimated closure and post-closure expenses for active landfill sites as well as the land occupied by the sites and related land improvements are amortized annually on the basis of capacity used during the year as a percentage of the estimated total capacity of the landfill site.

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

(b) Inventories of supplies

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(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) Deferred revenue

The organization defers recognition of revenue when related performance obligations are not executed by the Statement of Financial Position date. Revenue is recorded when the performance obligation is executed.

(vi) Pensions

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

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEENOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)(vii) 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.

The organization'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

(viii) Asset retirement obligations

A liability for an asset retirement obligation is recognized when, 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 capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a capital asset at the financial statement date. The liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. When an asset retirement obligation is initially recognized, a corresponding asset retirement cost is added to the carrying value of the related capital asset when it is still in productive use. This cost is amortized over the useful life of the capital asset. If the related capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ix) 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 the organization may undertake in the future. Significant accounting estimates include estimated useful lives of tangible capital assets and estimated costs and timing of asset retirement obligations. Actual results could differ from these estimates.

There is a measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$573,159. These estimates are subject to uncertainty because of several factors including, but not limited to estimated settlement dates, estimated costs and change in the discount rate. These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

2. FINANCIAL INSTRUMENTS

Risks arising from financial instruments and risk management

The organization 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 the organization if a debtor fails to honour its contractual obligations. The organization is exposed to this risk as a result of its accounts receivable, which are due from contributing municipalities and have an indeterminate repayment date. The carrying amounts of the accounts receivable on the Statement of Financial Position represents the maximum credit risk of the organization as at the reporting date. The organization does not believe it is subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the organization will not be able to meet its financial obligations as they become due. The organization is exposed to this risk with respect to its accounts payable and accrued liabilities, which are composed solely of amounts due to employees in regard to wages and benefits earned but not yet paid at the financial statement date. These amounts are all 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 the organization as at the reporting date. The organization's accounts payable and accrued liabilities are settled by a contributing municipality, who maintains sufficient cash balances to meet its obligations. The organization 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. The organization 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.

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended December 31, 2025

3. ASSET RETIREMENT OBLIGATIONS

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

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

The organization's landfill site is comprised of the original, inactive, site area with a capacity of 58,000 cubic metres, and an additional 27,700 capacity area, approved in March 2017, that is currently active. The liability for both the inactive and active areas represents the total discounted future cash flows for closure and post-closure care using an estimated long-term borrowing rate of 3.88% (2024 - 3.92%) and inflation rate of 2.7% (2024 - 2.6%). The estimated remaining capacity of the site is approximately 10,858 (2024 - 12,695) cubic metres, estimated to be filled in 10 years (2024 - 12 years). Post-closure care is estimated to be required for a period of 25 years.

The continuity of the asset retirement obligation for the site is shown below:

		2025	2024
Balance, beginning of year	\$	584,233	\$ 502,213
Increase (decrease) in liability reflecting changes in the estimated cash flows, inflation and discount rate		(33,976)	61,228
Increase in liability due to accretion (the passage of time)		22,902	20,792
Balance, end of year	\$	573,159	\$ 584,233

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE**NOTES TO THE FINANCIAL STATEMENTS**
Year Ended December 31, 2025**4. TANGIBLE CAPITAL ASSETS**

The tangible capital assets of the organization by major asset class are outlined below. Landfill closure-related transactions and balances are reported as land and land improvements.

2025				
	Land and Land Improvements	Buildings	Machinery and Equipment	TOTAL
COST				
Balance, beginning of year	\$ 502,834	\$ 39,249	\$ 419,104	\$ 961,187
Additions and betterments	-	-	1,018	1,018
Revaluation of tangible capital assets - ARO	(9,850)	-	-	(9,850)
Disposals and writedowns	-	-	(88,344)	(88,344)
BALANCE, END OF YEAR	492,984	39,249	331,778	864,011
ACCUMULATED AMORTIZATION				
Balance, beginning of year	335,341	10,521	254,035	599,897
Annual amortization	37,940	981	35,279	74,200
Amortization disposals	-	-	(58,816)	(58,816)
BALANCE, END OF YEAR	373,281	11,502	230,498	615,281
TANGIBLE CAPITAL ASSETS-NET	\$ 119,703	\$ 27,747	\$ 101,280	\$ 248,730

2024				
	Land and Land Improvements	Buildings	Machinery and Equipment	TOTAL
COST				
Balance, beginning of year	\$ 490,592	\$ 39,249	\$ 416,204	\$ 946,045
Additions and betterments	-	-	2,900	2,900
Revaluation of tangible capital assets - ARO	53,760	-	-	53,760
Disposals and writedowns	(41,518)	-	-	(41,518)
BALANCE, END OF YEAR	502,834	39,249	419,104	961,187
ACCUMULATED AMORTIZATION				
Balance, beginning of year	360,218	9,539	231,814	601,571
Annual amortization	16,641	982	22,221	39,844
Amortization disposals	(41,518)	-	-	(41,518)
BALANCE, END OF YEAR	335,341	10,521	254,035	599,897
TANGIBLE CAPITAL ASSETS-NET	\$ 167,493	\$ 28,728	\$ 165,069	\$ 361,290

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEENOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 20255. ACCUMULATED DEFICIT

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

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
Tangible capital assets	\$ 361,290	\$ (112,560)	\$ 248,730
Unfunded asset retirement obligations	(584,233)	11,074	(573,159)
	\$ (222,943)	\$ (101,486)	\$ (324,429)

6. 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. For unbudgeted items (amortization of tangible capital assets and asset retirement obligation accretion), the actual amounts for 2025 were used to adjust the reported budgeted amounts. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Change in general operating surplus	\$ -
ADJUSTMENTS:	
Acquisition of tangible capital assets	2,000
Amortization of tangible capital assets	(74,200)
Accretion of asset retirement obligations	(22,902)
ANNUAL DEFICIT	\$ (95,102)

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended December 31, 2025

7. 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 the organization's related party transactions with its contributing municipalities during the year:

	2025	2024
Municipal contributions		
Township of Armour	\$ 157,770	\$ 100,201
Township of Ryerson	108,917	68,922
Village of Burk's Falls	56,933	38,937
User fees		
Township of Armour	52,914	53,031
Township of Ryerson	34,128	33,039
Village of Burk's Falls	94	60
Expenses		
Township of Armour		
Payment in lieu of taxes	3,656	3,668
Office rent	2,000	2,000
Winter maintenance	3,577	1,741
At the end of the year, amounts due from contributing municipalities are as follows:		
Township of Armour	28,554	21,623

The amounts due from contributing municipalities are reported in accounts receivable. These amounts are non-interest bearing, with no specific terms of repayment.

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE**NOTES TO THE FINANCIAL STATEMENTS**
Year Ended December 31, 2025**8. SEGMENT DISCLOSURE AND EXPENSES BY OBJECT**

The schedule of segment disclosure and expenses by object provides a breakdown of the annual deficit reported on the Statement of Operations between waste disposal and recycling activities. Items are recorded as unallocated amounts when there is no reasonable basis for allocating them between the two segments. Major items included in this category are employee wages, insurance, winter maintenance, utilities, office rent, audit expense, payments in lieu of taxes and the municipal contributions received to fund these items. Since municipal contributions are calculated on a modified accrual basis, unallocated items are fully funded in the year, while some segment-specific items such as amortization and asset retirement obligation accretion are not.

FOR THE YEAR ENDED DECEMBER 31, 2025

	Waste Disposal	Recycling	Unallocated Amounts	Total
REVENUE				
Municipal contribution required -				
Township of Armour	\$ (12,782)	\$ (13,099)	\$ 183,651	\$ 157,770
Township of Ryerson	(8,824)	(9,043)	126,784	108,917
Village of Burk's Falls	(4,613)	(4,727)	66,273	56,933
Other Government transfers -				
Ontario	-	5,690	-	5,690
Circular materials contract	-	49,451	-	49,451
User charges	175,532	-	-	175,532
Loss on disposal of capital assets	(13,309)	(16,219)	-	(29,528)
Writedown of asset retirement obligation - operating portion	24,126	-	-	24,126
Other	-	8,304	-	8,304
TOTAL REVENUE	160,130	20,357	376,708	557,195
EXPENSES				
Salaries, wages and benefits	-	-	346,799	346,799
Materials	91,007	5,736	18,495	115,238
Contracted services	24,172	30,840	9,414	64,426
Rents and financial expenses	33,116	-	2,000	35,116
Amortization of tangible capital assets	53,199	21,001	-	74,200
Accretion of asset retirement obligations	22,902	-	-	22,902
TOTAL EXPENSES	224,396	57,577	376,708	658,681
ANNUAL DEFICIT	\$ (64,266)	\$ (37,220)	\$ -	\$ (101,486)

FOR THE YEAR ENDED DECEMBER 31, 2024

	Waste Disposal	Recycling	Unallocated Amounts	Total
REVENUE				
Municipal contribution required -				
Township of Armour	\$ (44,570)	\$ (4,317)	\$ 149,088	\$ 100,201
Township of Ryerson	(30,657)	(2,970)	102,549	68,922
Village of Burk's Falls	(17,321)	(1,678)	57,936	38,937
Other Government transfers -				
Ontario	-	68,392	-	68,392
User charges	187,168	-	-	187,168
Other	-	20,732	-	20,732
TOTAL REVENUE	94,620	80,159	309,573	484,352
EXPENSES				
Salaries, wages and benefits	-	-	281,313	281,313
Materials	39,103	28,335	13,140	80,578
Contracted services	44,642	51,824	13,120	109,586
Rents and financial expenses	15,443	-	2,000	17,443
Amortization of tangible capital assets	32,854	6,990	-	39,844
Accretion of asset retirement obligations	20,792	-	-	20,792
TOTAL EXPENSES	152,834	87,149	309,573	549,556
ANNUAL DEFICIT	\$ (58,214)	\$ (6,990)	\$ -	\$ (65,204)

BURK'S FALLS, ARMOUR AND RYERSON TRI R COMMITTEE**NOTES TO THE FINANCIAL STATEMENTS**Year Ended December 31, 2025

9. PENSION AGREEMENTS

The organization 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, the organization does not recognize any share of the Plan surplus or deficit.

The amount contributed to OMERS for 2025 was \$21,582 (2024 - \$15,961) for current service and is included as an expense on the Statement of Operations.