THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS TRUST FUNDS

FINANCIAL STATEMENTS

DECEMBER 31, 2025

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS TRUST FUNDS

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Doane Grant Thornton

Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Municipality of the Village of Burk's Falls

Opinion

We have audited the financial statements of The Corporation of the Municipality of the Village of Burk's Falls Trust Funds ("the Trust Funds"), 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 Corporation of the Municipality of the Village of Burk's Falls Trust Funds 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 Trust Funds 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 Trust Fund'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 Trust Funds 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.

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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 Funds 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
October 20, 2026

Chartered Professional Accountants
Licensed Public Accountants

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THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS TRUST FUNDS

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	2025	2024
Financial Assets		
Cash	$ 4,695	$ 4,390
Investments *(Note 2)*	133,668	130,901
Total Financial Assets	**138,363**	**135,291**
Liabilities		
Accounts payable and accrued liabilities	6,775	6,604
Net Financial Assets and Accumulated Surplus	**$ 131,588**	**$ 128,687**

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS TRUST FUNDS

STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Revenue		
Capital receipts	$ 2,901	$ 4,862
Annual Surplus	**2,901**	**4,862**
Accumulated Surplus, beginning of year	**128,687**	**123,825**
Accumulated Surplus, end of year	**$ 131,588**	**$ 128,687**

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS TRUST FUNDS

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Annual surplus and increase in net financial assets	$ 2,901	$ 4,862
Net financial assets, beginning of year	128,687	123,825
Net financial assets, end of year	**$ 131,588**	**$ 128,687**

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS TRUST FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Operating transactions		
Annual surplus	$ 2,901	$ 4,862
Changes in non-cash items:		
Accounts payable and accrued liabilities	171	4,421
Cash provided by operating transactions	3,072	9,283
Investing transactions		
Change in investments	(2,767)	(9,573)
Cash applied to investing transactions	(2,767)	(9,573)
Net change in cash	**305**	**(290)**
Cash, beginning of year	**4,390**	**4,680**
Cash, end of year	**$ 4,695**	**$ 4,390**

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

MANAGEMENT RESPONSIBILITY

The financial statements of the trust funds of the Corporation of the Municipality of the Village of Burk's Falls (the "Village") 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 aspects of the accounting policies adopted by the Village are as follows:

(i) Reporting Entity
The financial statements reflect the assets, liabilities, revenues and expenses of the Village's trust funds. The Village's assets, liabilities, revenues and expenses are reported separately in the Village's consolidated financial statements.

(ii) Basis of accounting
Sources of 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.

(iii) Cash
Cash includes cash on hand and balances held at financial institutions.

(iv) Revenue Recognition
Capital receipts are recognized when received.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) 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 has not been 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 Village's financial instruments are measured according to the following methods:

Financial instrument	Measurement method
Cash	Amortized cost
Investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

(vi) Use of Estimates

The preparation of financial statements in accordance 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 reporting period. Actual results could differ from these estimates.

THE CORPORATION OF THE MUNICIPALITY OF THE VILLAGE OF BURK'S FALLS TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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2. INVESTMENTS

Investments are comprised of guaranteed investment certificates, bearing interest at a variable rate linked to the Royal Bank Prime rate of interest and maturing April 16, 2026.

3. FINANCIAL INSTRUMENTS

Risks arising from financial instruments and risk management

The Village 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 Village if a debtor fails to honour its contractual obligations. The Village is exposed to this risk as a result of its cash, investments and accounts receivable. The carrying amounts of these financial assets on the Statement of Financial Position represent the maximum credit risk of the Village as at the reporting date. The Village does not believe it is subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Village will not be able to meet its financial obligations as they become due. The Village is exposed to this risk with respect to its accounts payable and accrued liabilities. The Village maintains sufficient cash balances to meet its obligations, and 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 Village is not exposed to currency or equity risk as it does not transact in foreign currency or hold equity financial instruments, but it is exposed to interest rate risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Village is exposed to interest rate risk on its interest-bearing investments. Fixed-rate instruments subject the Village to a fair value risk, while floating-rate instruments subject it to a cash flow risk.

4. CARE AND MAINTENANCE FUND

The care and maintenance fund administered by the Village is funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom can be used to perform maintenance at the Village's cemetery. The operations and investments of the fund are undertaken by the Village in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.