

Township of McMurrich/Monteith
Regular Council Meeting - Agenda
Tuesday, May 5 2026 – 7:00pm

Meeting to be held inside Municipal Office/Fire Hall

1. Call to Order:
2. Confirmation of the minutes of the previous meeting:
 - 2.1 Council – April 21, 2026
3. List of proposed resolutions for the meeting:
4. Declaration of pecuniary interest and general nature thereof:
- should a member have a disclosure of pecuniary interest, they are to declare the nature thereof now or at any time during the meeting
5. Delegations:
 - 5.1 Staff Report: Judy Kleinhuis, Doane Grant Thornton LLP – 2025 Audited Financial Statements
 - 5.2 Staff Report: PW Superintendent – Activity Report
 - 5.3 Staff Report: Fire Chief – Activity Report
 - 5.4 Staff Report: Clerk/Treasurer – Install two additional water monitoring wells at Landfill Site and 2026 Annual Monitoring Program
 - 5.5 Staff Report: Clerk/Treasurer – Quote to survey Taylor Road to lake
 - 5.6 Staff Report: Chief Administrative Officer – Accessory Food Services in the Institutional Zone
6. Business Arising From a Previous Meeting:
None
7. Quotes, Tenders, RFP's:
None
8. Accounts for Approval:
 - 8.1 April, 2026
9. Applications:
None
10. Bylaws:
 - 10.1 25-2026 Confirm Council Meeting – April 21, 2026
 - 10.2 26-2026 Establish a Joint Compliance Audit Committee and appoint members
11. Council Reports:
None

12. Correspondence:

- 12.1 Almaguin Pride - request to raise flag for Pride month, offering educational session
- 12.2 Belvedere Heights – minutes – February 25 and March 25, 2026
- 12.3 Almaguin Minor Softball Assoc. – letter of request for donation
- 12.4 Women’s Own Resource Centre – letter of request for donation

13. New Business:

None

14. Closed Session: Section 239 (2)

None

15. Adjournment:

Dates to Remember:

Interim Tax Notices – Installment due dates – March 27 and May 27

Sunday, May 3rd – Recreation Event – Mother’s Day Bracelet Making Workshop - 12-2pm Sprucedale Community Centre

Thursday, May 7th – Cemetery Committee Meeting – 6:30pm

Tuesday, May 12th – Recreation Committee Meeting – 7pm

Monday, May 18th – Victoria Day – Municipal Office Closed

Friday, May 29th - DPS Municipal Association Meeting – Kearney Community Centre

Friday, May 1st – August 21st at 2pm – Nomination period for 2026 Municipal Elections

Reminder to verify and/or update elector information - Check <https://www.registertovoteon.ca/>

May 5 2026
2.1

**MINUTES OF McMURRICH/MONTEITH TOWNSHIP
REGULAR COUNCIL MEETING - TUESDAY, APRIL 21, 2026**

The Council of the Township of McMurrich/Monteith met Tuesday, April 21, 2026, inside the Council Chambers

Present: Mayor: Glynn Robinson; Council Members: Vicky Roeder-Martin, Daniel O'Halloran, Terry Currie, and Craig White.

Staff present: Terry Sararas, CAO, Cheryl Marshall, Clerk/Treasurer, Allyson Pedwell, Deputy-Clerk/Deputy-Treasurer, Jason Newman, Bylaw Enforcement Manager, Ryan McFarland, Fire Chief and, Neil Hellam, Public Works Superintendent.

Audience: Laura Alward, Roberta Toner, Roslind Nelles

1. **Call to Order:**
The meeting was called to order at 7pm
2. **Confirmation of the minutes of the previous meeting:**
 - 2.1 Council – April 7, 2026
 - 2.2 Recreation Committee – April 14, 2026
 - 2.3 Strategic Planning Committee – April 15, 2026
3. **List of proposed resolutions for the meeting:**
4. **Declaration of pecuniary interest and general nature thereof:**
There were no declarations made by members of council at this time.
5. **Delegations:**
 - 5.1 Council reviewed staff report from the Bylaw Enforcement Manager regarding the 1st Quarter 2026 activities. It was noted that the report will be corrected and the text relating to proactive patrols will be removed.
 - 5.2 Council reviewed and discussed the 2025 Annual Water Quality Monitoring Report prepared by Greenstone Engineering. Council directed that quotes be received to install additional monitoring wells as suggested by Greenstone Engineering.
 - 5.3 Council reviewed and discussed the staff report regarding a Recreation Committee resolution re: permission to donate proceeds of a Family Night event to community member attending National Barrel Racing Association's World Championship. Council passed a resolution approving the recommendation included in the report.
 - 5.4 Council reviewed and discussed the staff report from the Fire Chief regarding Request for Proposal – 2026-01 - 1500 Series Pickup Truck or SUV. Council passed a resolution approving the recommendation included in the report.
 - 5.5 Council reviewed and discussed the staff report from the Public Works Superintendent regarding Tender 2026-02 – Supply and Apply Crushed Granite. Council passed a resolution approving the recommendation included in the report.
6. **Business Arising From a Previous Meeting:**
None
7. **Quotes, Tenders, RFP's:**
None
8. **Accounts for Approval:**
None

9. Applications:

None

10. Bylaws:

10.1 24-2026 To confirm Council Meeting – April 7, 2026

11. Council Reports:

None

12. Correspondence:

12.1 Council reviewed the minutes from the meeting of the Belvedere Heights Home for the Aged.

12.2 Council reviewed the letter from the Ministry of Northern Economic Development and Growth with an invitation to showcase our community. Member Roeder-Martin will bring this topic to the next ACED meeting – Thursday, April 26th.

12.3 Council reviewed the agenda package for the Almaguin Highlands OPP Detachment Board.

12.4 Council reviewed the information regarding the FONOM – 2026 Conference. No members will attend.

12.5 Council reviewed and discussed the letter received from R. Alward and neighbours relating to proposed modifications to Taylor Road. Staff was directed to gather three quotes to survey the 66 foot road allowance and bring back to a future meeting.

12.6 Council reviewed the minutes of the AH Health Centre meeting held March 5, 2026.

12.7 Council reviewed the agenda for the DPS Municipal Association Meeting being held Friday, May 29th at the Town of Kearney Community Centre. Three members are able to attend.

12.8 Council reviewed the letter from FONOM urging Ontario to act as Manitoba advances compassionate intervention legislation

12.9 Council reviewed and discussed the information from MMAH & AMCTO relating to Ontario introducing Legislation to strengthen Regional Governance. Council passed a resolution objecting to this legislation.

13. New Business:

None

14. Closed Session: Section 239 (2)

None

Mayor Robinson asked if there were any concerns to discuss. Members discussed: Horn Lake development agreements and timelines, Landfill Bag Limit program, Building Code restrictions/limitations, and proposed zoning bylaw amendment to permit food service uses. Member Roeder-Martin declared a conflict and left the meeting when the topic of a proposed zoning bylaw was discussed.

15. Adjournment: Council adjourned this meeting at 8:30 p.m.

Mayor, Glynn Robinson

Clerk, Cheryl Marshall

Resolutions:

2026-84 White/O'Halloran

Be It Resolved that Council approves the minutes of the Regular Council meeting held April 7, 2026. **Carried**

2026-85 O'Halloran/White

Be It Resolved that Council receives the minutes of the Recreation Committee meeting held April 14, 2026. **Carried**

2026-86 White/O'Halloran

Be It Resolved that Council receives the minutes of the Strategic Planning Committee meeting held April 15, 2026. **Carried**

2026-87 O'Halloran/White

Be It Resolved that Council receives the Bylaw Enforcement report dated April 21, 2026. **Carried**

2026-88 White/O'Halloran

Be It Resolved that Council receives the 2025 Annual Water Quality Monitoring Report as prepared by Greenstone Engineering dated March 31, 2026. **Carried**

2026-89 O'Halloran/White

Be It Resolved that Council approves the recommendation of the Recreation Committee meeting that the Family Fun night held in September will be a fundraiser for a community resident who will be representing our township and country at the National Barrel Racing Association's World Championship in Perry, Georgia USA in October, 2026. **Carried**

2026-90 Currie/Roeder-Martin

Be It Resolved that Council receives the report from Ryan McFarland, Fire Chief regarding RFP 2026-01 (1500 Series Pickup Truck or SUV) and directs staff to proceed with direct sourcing a command vehicle, with a maximum expenditure not to exceed the approved budgeted amount and to report back to Council within 90 days with the selected vehicle details, final cost and funding breakdown prior to final purchase. **Carried**

2026-91 Roeder-Martin/Currie

Be It Resolved that Council receives the report from Neil Hellam, Public Works Superintendent regarding Tender 2026-02 (Crushed Granite) and accepts the tender package from Muskoka Truck and Equipment Sales, O/A Green's Haulage in the amount of \$433,834.00 plus HST. **Carried**

2026-92 Roeder-Martin/Currie

Be It Resolved that Council accepts first, second and third readings and hereby passes Bylaw 24-2026 to confirm the council meeting held April 7, 2026. **Carried**

2026-93 Currie/Roeder-Martin

WHEREAS the Government of Ontario has introduced and/or enacted legislation that permits the appointment, rather than election, of Regional Chairs in certain upper-tier municipalities;

AND WHEREAS Regional Chairs hold significant decision-making authority affecting land use planning, infrastructure, policing, and financial matters that directly impact residents and lower-tier municipalities;

AND WHEREAS the appointment of Regional Chairs removes the opportunity for voters to directly elect individuals to these influential roles, thereby reducing democratic accountability and transparency;

AND WHEREAS the Township of McMurrich–Monteith supports the principle that those who exercise governmental authority should be directly accountable to the electorate through a fair and open democratic process;

AND WHEREAS municipal governments across Ontario have previously passed resolutions opposing similar legislative actions that undermine local democratic processes and concentrate authority without direct public mandate;

AND WHEREAS such legislative changes set a concerning precedent for further erosion of municipal autonomy and democratic representation across the province;

NOW THEREFORE BE IT RESOLVED THAT the Council of the Township of McMurrich–Monteith formally opposes any provincial legislation that enables the appointment of Regional Chairs in place of their election by the public;

AND FURTHER THAT Council calls upon the Province of Ontario to respect and uphold democratic principles by maintaining the direct election of Regional Chairs or, at minimum, ensuring meaningful local input and accountability mechanisms;

AND FURTHER THAT this resolution be circulated to the Premier of Ontario, the Minister of Municipal Affairs and Housing, the Association of Municipalities of Ontario (AMO), and all upper- and lower-tier municipalities in Ontario;

AND FURTHER THAT the Township of McMurrich–Monteith encourages other municipalities, particularly regional municipalities, to pass similar resolutions expressing opposition to this legislation and to collectively advocate for the preservation of democratic governance at the municipal level. **Carried**

2026-94 Currie/Roeder-Martin

Be It Resolved that Council receives all correspondence listed on the agenda.
Carried

2026-95 Currie/Roeder-Martin

Be It Resolved that Council adjourns this meeting at 8:30pm until Tuesday, May 5th, 2026 at 7pm. **Carried**

May 5
2026
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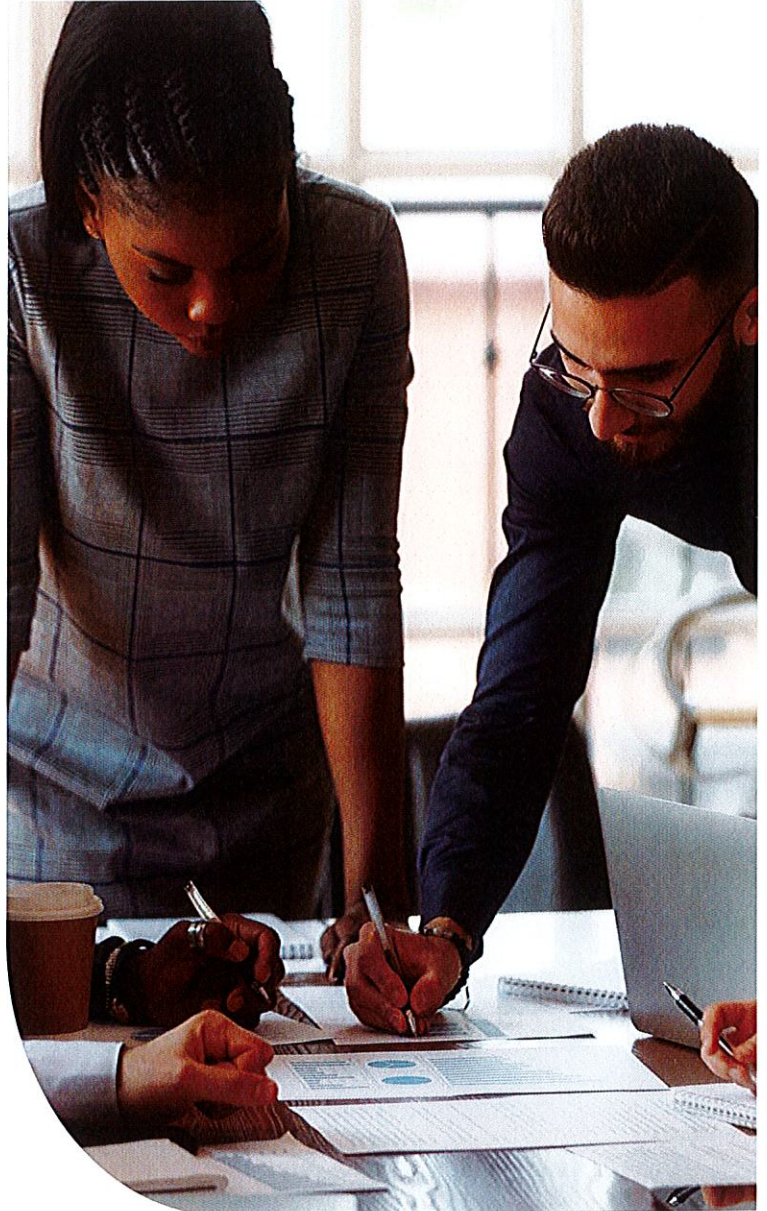
The Corporation of the Township of McMurrich / Monteith

For the year ended December 31, 2025

Report to Council
Audit strategy and results

May 5, 2026

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Executive summary

Purpose of report and scope

The purpose of this report is to engage in an open dialogue with you regarding our audit of the consolidated financial statements of The Corporation of the Township of McMurrich / Monteith (the "Municipality") for the year ended December 31, 2025. This communication will assist Council in understanding our overall audit strategy and results of audit procedures and includes comments on misstatements, significant accounting policies, sensitive estimates and other matters.

The information in this document is intended solely for the information and use of Council and management. It is not intended to be distributed or used by anyone other than these specified parties.

We have obtained our engagement letter dated December 9, 2024, which outlines our responsibilities and the responsibilities of management.

We were engaged to provide the following deliverables:

Deliverable	[Timing/Status]
Report on the December 31, 2025 consolidated financial statements	
Report on the December 31, 2025 trust funds financial statements	
Communication of audit strategy and results	

Status of our audit

We have substantially completed our audit of the consolidated financial statements of the Municipality and the results of that audit are included in this report.

We will finalize our report upon resolution of the following items that were outstanding as at May 5, 2026:

- Receipt of signed management representation letter (a draft has been attached in Appendix G)
- Approval of the consolidated financial statements by Council
- Procedures regarding subsequent events

Our responsibility is to form an opinion on the consolidated financial statements. We are also required to communicate matters that impact our standard auditor's report, including key audit matters or modifications to the reports.

A copy of our draft auditor's opinion is included in Appendix F.

Approach

Our audit approach requires that we establish an overall strategy that focuses on risk areas. We identify and assess risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The greater the risk of material misstatement associated with an area of the consolidated financial statements, including disclosures, the greater the audit emphasis placed on it in terms of audit verification and analysis. Where the nature of a risk of material misstatement is such that it is close to the upper end of the spectrum of inherent risk, it is classified as a significant risk.

Our approach is discussed further in the Appendix A and B.

Audit risks and results

We have executed our audit in accordance with our approach summarized in Appendices A and B. We highlight our significant findings in respect of economic factors, significant transactions, risks, accounting practices and other areas of focus.

Significant risks

Area of focus	Why there is a risk	Our response and findings
<p>Challenges and uncertainties related to the current economic environment</p>	<p>The economy is currently going through a period of high uncertainty. Factors such as inflation, labour shortages, supply constraints, fluctuations in demand, the ongoing conflict in various countries and other economic factors are creating a highly volatile landscape for businesses and other organizations. These factors may increase the risk of errors occurring in financial reporting. For example, an organization could fail to properly consider the impact of rising interest rates on the measurement of certain assets and liabilities. The risk of fraud is also increased. For example, in a challenging economic environment, there may be stronger incentives for management to present results that appear to comply with debt covenants or for individual staff to attempt to misappropriate resources. As a result, determining how entities are being affected by broader economic factors is an area of focus in our audits.</p>	<p>As we completed our risk assessment and audit procedures and analyzed the Municipality's current year consolidated financial statements, we considered how the Municipality had been impacted by changes to the economy. We also considered how management had responded to these changes (e.g. whether management had attempted to modify internal controls to respond to challenges such as staff shortages). Based on the work we performed, we concur with management's assessment that the ongoing effect is limited and thus no specific adjustments or disclosures needed to be included in the consolidated financial statements.</p>
<p>Fraud risk from revenue recognition</p>	<p>There is a presumed risk of fraud in revenue. The risk primarily relates to revenue recognized under revenue from grants. There is a risk that surplus grant revenue received will not be repaid by recognizing fictitious or ineligible expenditures. There is also a risk that revenue from conditional grants will be recognized prior to stipulations under the grant agreement being met.</p>	<p>Reviewed grant agreements to ensure grant stipulations were being met. Traced a sample of transactions to verify that the grant expenditure was eligible and recognized in the correct period. No exceptions noted.</p>

Area of focus	Why there is a risk	Our response and findings
Fraud risk from management override	<p>This is a presumed fraud risk.</p> <p>The risk primarily relates to the fact that management can use journal entries to override internal controls.</p>	<p>Procedures performed to test journal entries and accounting estimates.</p> <p>No exceptions noted.</p>
Fraud risk from lack of segregation of duties	<p>A lack of segregation of duties increases the risk of errors and fraud going undetected.</p> <p>The risk primarily relates to unauthorized changes to pay rates by those who have access to the payroll Masterfile.</p>	<p>For employees who have access to the payroll Masterfile, agree their pay rate from the payroll Masterfile to the approved pay rates (per Council Resolution and/or new HR Policies and Procedures Manual appendices).</p> <p>No exceptions noted.</p>

Accounting practices

Area of focus	Matter	Our response and findings
Accounting estimates	<p>Significant accounting estimates include estimated useful lives of tangible capital assets and asset retirement obligations.</p>	<p>Tangible capital assets are amortized on a straight-line basis over their estimated useful lives. Estimated useful lives of tangible capital assets are determined by Council from historical information and results and were approved through by-law #3-2009. Amortization expense in 2025 appears reasonable based on estimated useful lives per by-law #3-2009.</p> <p>An asset retirement obligation ("ARO") relating to landfill closure and post-closure care requirements has been identified in accordance with industry standards. Estimated expenditures related to the closure and subsequent maintenance of this site is recognized in the financial statements at the date the legal obligation arose. This estimate includes management's assumptions on costs, inflation rate and discount rate. Based on our audit procedures, we have concluded that management's estimated ARO relating to landfill closure and post-closure care requirement appears reasonable. No ARO has been recorded for asbestos in buildings, however, the amount is not material (and has been reported as an unadjusted misstatement on page 5).</p>

Adjustments and uncorrected misstatements

Adjustments

We have no adjusted misstatements to report.

Uncorrected misstatements

Our audit identified the unadjusted non-trivial misstatements noted below.

[Increase (Decrease) OR Debit (Credit)] Description	Balance sheet		Income effect	
	Assets	Liabilities	[Opening / Closing] equity	Earnings
To record asset retirement obligation (for asbestos)	\$ 3,046	\$ 34,191	\$ (26,692)	\$ (1,453)
To record accrued expenses (for landfill assessment/survey late invoice)	-	11,260	-	(11,260)
Total	\$ 3,046	\$ 45,451	\$ (26,692)	\$ (12,713)

We have discussed the unadjusted misstatements with management and requested that the identified amounts be adjusted. The amounts have not been adjusted since the adjustments are not considered material to the consolidated financial statements taken as a whole and would have no effect on decisions made by financial statement users.

Other reportable matters

Internal control

The audit is designed to express an opinion on the consolidated financial statements. We obtain an understanding of internal control over financial reporting to the extent necessary to plan the audit and to determine the nature, timing and extent of our work. Accordingly, we do not express an opinion on the effectiveness of internal control.

If we become aware of a deficiency in your internal control over financial reporting, the auditing standards require us to communicate to Council those deficiencies we consider significant. However, a financial statement audit is not designed to provide assurance on internal control.

Based on the results of our audit, we did not identify any reportable observations.

Cybersecurity

Cybersecurity is the practice of protecting computers, data and other electronic systems from malicious attacks. As organizations become increasingly dependent on digital technology, the opportunities for cyber-criminals continue to grow. The explosion of data generated by digital technology, combined with a new degree of

connectedness among organizations, means there is ripe opportunity for the technologically savvy and criminally minded to take advantage.

A breach in cybersecurity could create a reputational risk to you, as well as resulting in financial liabilities. As part of our risk assessment and planning procedures, we inquire of management regarding whether any cybersecurity breaches have been detected and, if we become aware of a breach or specific cybersecurity risk, we consider the impact to the audit; however, a financial statement audit is not designed to provide assurance on cybersecurity and should not be relied upon to identify cybersecurity risks or breaches.

In Appendix E, we discuss the general nature of cybersecurity threats and how organizations can go about improving cybersecurity.

Independence

We have a rigorous process where we continually monitor and maintain our independence. The process of maintaining our independence includes, but is not limited to:

- Identification of threats to our independence and putting into place safeguards to mitigate those threats. For example, we evaluate the independence threat of any non-audit services provided to the Municipality
- Confirming the independence of our engagement team members

Technical updates – highlights

Accounting

Accounting standards issued by the Accounting Standards Board that may affect the Municipality in future years include:

- Section PS 1202 Financial Statement Presentation
- Conceptual Framework for Financial Reporting in the Public Sector

Further details of the changes to accounting standards, including management's preliminary comments on their applicability to the Municipality, are included in Appendix D. If you have any questions about these changes, we invite you to raise them during our next meeting. We will be pleased to address your concerns.

Assurance

Assurance standards issued by the AASB that may change the nature, timing and extent of our audit procedures on the Municipality and our communication with Council include:

- Revisions to CAS 570 Going Concern
- Revisions to CAS 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statement

Further details of the changes to assurance standards, including management's preliminary comments on their applicability to the Municipality, are included in Appendix C. If you have any questions about these changes, we invite you to raise them during our next meeting. We will be pleased to address your concerns.

Appendix A – Overview and approach

Our audit is planned with the objective of obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, so that we are able to express an opinion on whether the consolidated financial statements are prepared, in all material respects, in accordance with Canadian public sector accounting standards. The following outlines key concepts that are applicable to the audit, including responsibilities of parties involved, our general audit approach and other considerations.

Role of Council	<ul style="list-style-type: none"> • Help set the tone for the organization by emphasizing honesty, ethical behaviour and fraud prevention • Oversee management, including ensuring that management establishes and maintains internal controls to provide reasonable assurance regarding reliability of financial reporting • Recommend the nomination and compensation of external auditors • Directly oversee the work of the external auditors including reviewing and discussing the audit plan
Role of management	<ul style="list-style-type: none"> • Prepare financial statements in accordance with Canadian public sector accounting standards • Design, implement and maintain effective internal controls over financial reporting processes, including controls to prevent and detect fraud • Exercise sound judgment in selecting and applying accounting policies • Prevent, detect and correct errors, including those caused by fraud • Provide representations to external auditors • Assess quantitative and qualitative impact of misstatements discovered during the audit on fair presentation of the financial statements
Role of Doane Grant Thornton LLP	<ul style="list-style-type: none"> • Provide an audit opinion that the financial statements are in accordance with Canadian public sector accounting standards • Conduct our audit in accordance with Canadian Generally Accepted Auditing Standards (GAAS) • Maintain independence and objectivity • Be a resource to management and to those charged with governance • Communicate matters of interest to those charged with governance • Establish an effective two-way communication with those charged with governance, to report matters of interest to them and obtain their comments on audit risk matters

Audit approach

Our understanding of the Municipality and its operations drives our audit approach, which is risk based and specifically tailored to The Corporation of the Township of McMurrich / Monteith

The five key phases of our audit approach



Phase	Our approach
1. Planning	<ul style="list-style-type: none"> We obtain our understanding of your operations, internal controls and information systems We plan the audit timetable together
2. Assessing risk	<ul style="list-style-type: none"> We use our knowledge gained from the planning phase to assess financial reporting risks We customize our audit approach to focus our efforts on key areas
3. Evaluating internal controls	<ul style="list-style-type: none"> We evaluate the design of controls you have implemented over financial reporting risks We identify areas where our audit could be more effective or efficient by taking an approach that includes testing the controls We provide you with information about the areas where you could potentially improve your controls
4. Testing accounts and transactions	<ul style="list-style-type: none"> We perform tests of balances and transactions We use technology and tools, including data interrogation tools, to perform this process in a way that enhances effectiveness and efficiency
5. Concluding and reporting	<ul style="list-style-type: none"> We conclude on the sufficiency and appropriateness of our testing We finalize our report and provide you with our observations and recommendations

Our tailored audit approach results in procedures designed to respond to an identified risk. The greater the risk of material misstatement associated with the account, class of transactions or balance, the greater the audit emphasis placed on it in terms of audit verification and analysis.

Throughout the execution of our audit approach, we maintained our professional skepticism, recognizing the possibility that a material misstatement due to fraud could exist notwithstanding our past experiences with the entity and our beliefs about management's honesty and integrity.

Materiality

The purpose of our audit is to provide an opinion as to whether the consolidated financial statements are prepared, in all material respects, in accordance with Canadian public sector accounting standards as at December 31, 2025. Therefore, materiality is a critical auditing concept and as such we apply it in all stages of our engagement.

The concept of materiality recognizes that an auditor cannot verify every balance, transaction or judgment made in the financial reporting process. During audit planning, we made a preliminary assessment of materiality for the purpose of developing our audit strategy, including the determination of the extent of our audit procedures. During the completion stage, we consider not only the quantitative assessment of materiality, but also qualitative factors, in assessing the impact on the consolidated financial statements, our audit opinion and whether the matters should be brought to your attention.

Our materiality for the current audit was \$110,000.

Fraud risk factor considerations

We are responsible for planning and performing the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement caused by error or by fraud. Our responsibility includes:

- The identification and assessment of the risks of material misstatement of the consolidated financial statements due to fraud through procedures including discussions amongst the audit team and specific inquiries of management
- Obtaining sufficient appropriate audit evidence to respond to the fraud risks noted
- Responding appropriately to any fraud or suspected fraud identified during the audit

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected and this is particularly true in relation to fraud. The primary responsibility for the prevention and detection of fraud rests with those charged with governance and management.

We are required to communicate with you on fraud-related matters, including:

- Obtaining an understanding of how you exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks
- Inquiring as to whether you have knowledge of any actual, suspected or alleged fraud affecting the entity

The following provides a summary of some of the fraud related procedures that are performed during the audit:

- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the consolidated financial statements
- Reviewing accounting estimates for biases
- Evaluating the business rationale (or the lack thereof) for significant transactions that are or appear to be outside the normal course of operations

Quality management

We have a robust system of quality management that forms a core part of our client service and is designed to ensure the firm is meeting its quality objectives by designing responses to address identified quality risks. We combine numerous specific responses including the application of our internationally developed audit methodology, advanced audit technology, rigorous review procedures, mandatory professional development requirements, and the use of specialists to consistently deliver high quality audit services to our clients. We also monitor the design, implementation and operating effectiveness of each element of our system of quality management to ensure that we are appropriately addressing the quality risks and to identify deficiencies and required remedial actions in the system of quality management. In addition to our internal processes, we are subject to inspection and oversight by standard setting and regulatory bodies. We are proud of our firm's approach to quality management and would be pleased to discuss any aspect with you at your convenience.

Data analysis software

We apply our audit methodology using advanced software tools. Doane Grant Thornton continues to invest in developing industry-leading advanced audit data analytics tools.

IDEA

IDEA Data Analysis Software is a powerful analysis tool that allows audit teams to read, display, analyze, manipulate, sample and extract data from almost any electronic source. The tool has the advantages of enabling the audit team to perform data analytics on very large data sets in a very short space of time, while providing the checks, balances and audit trail necessary to ensure that the data is not corrupted and that the work can be easily reviewed. SmartAnalyzer, an add-on to IDEA, further improves the efficiency and effectiveness of the audit by providing automated routines for certain common analytical tasks, such as identifying unusual and potentially fraudulent journal entries.

Appendix B – Audit plan and risk assessment

We have executed our audit in accordance with our plan outlined below. We continually reassess the need for changes to our planned audit approach throughout the audit.

Risk assessment

Our risk assessment process identified certain significant risks, which are included under "Audit risks and results" in our report. In addition, we identified certain other areas where we focused our attention as follows:

Risk area	Why it is a risk area	Audit procedures and findings
Tax Revenue	The revenue and receivables from taxes levied may not be valid due to taxpayer collections being misapplied by those recording the receipt.	Test accounts receivable using statistical sampling. Review of tax revenue recorded in relation to 2025 tax by-law. No exceptions noted.
Operating Expenses	There is a risk that payables related to core activities are understated or not recorded in the correct period.	Review supporting documentation and management estimates with respect to the completeness and accuracy of significant year end accruals. Perform subsequent payments testing. No exceptions noted.
Tangible capital assets	There is a risk that capital asset activity is not valid.	Test significant additions for existence and to ensure adherence to procurement policies. No exceptions noted.

Group audit

In forming our opinion on the financial statements, we planned to perform work on the financial information of the components as follows:

Component [subsidiary or division]	Component auditor	Audit response and engagement team involvement
Almaguin Community Economic Development ("ACED")	Doane Grant Thornton LLP	Doane Grant Thornton performed a financial statement audit on the standalone financial statements of ACED using a lower materiality level. Sufficient audit procedures were performed on ACED to issue a separate opinion on the component's financial statements.

We coordinated our audit efforts with any component auditors and discussed/communicated relevant audit matters such as materiality, risk assessment, areas of audit focus, timing and required information for our audit of the financial statements.

Appendix C – Auditing developments

Canadian Auditing Standards (CASs) and other Canadian Standards issued by the AASB	Effective date	Assessment of applicability
<p>Revisions to CAS 570 <i>Going Concern</i></p> <p>Auditors are required to obtain sufficient appropriate audit evidence on the appropriateness of management's use of the going concern basis of accounting and conclude on whether a material uncertainty exists in relation to going concern. Financial statement users raised questions about how much auditors should be able to detect from their audit procedures in this area, and what is communicated to users about the entity's ability to continue as a going concern. In response, the International Auditing and Assurance Standards Board (IAASB) issued a revised standard incorporating several key changes and, in June 2025, the Auditing and Assurance Standards Board (AASB) issued the equivalent Canadian standard with no Canadian-specific amendments. Key changes to the standard included:</p> <ul style="list-style-type: none"> • Defining material uncertainty related to going concern • Enhancing the risk identification and assessment requirements so they are consistent with those set out in CAS 315 (Revised) <i>Identifying and Assessing the Risks of Material Misstatement</i> • Enhancing the auditor's evaluation of management's going concern assessment, including requirements to support the auditor's application of professional skepticism • Adding a requirement for the auditor to request management to extend its going concern assessment of the entity to cover at least 12 months from the date of approval of the financial statements if management has not already done so • Enhancing the auditor's consideration of information related to management's going concern assessment that becomes available to the auditor after the date of the auditor's report but before the date the financial statements are issued • Adding requirements to enhance communications about going concern in the auditor's report. 	<p>Periods beginning on or after December 15, 2026.</p>	<p>No impact on 2025 audit</p>

Canadian Auditing Standards (CASs) and other Canadian Standards approved by the AASB but not issued	Effective date	Assessment of applicability
<p>Revisions to CAS 240 <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i></p> <p>High quality audits contribute to the efficiency of capital markets and financial stability. In recent years, corporate failures and scandals have brought the topic of fraud to the forefront and led to questions from stakeholders about the role and responsibilities of the auditor relating to fraud in an audit of financial statements. This led the IAASB to initiate a project to revise the standard. In June 2025, the IAASB approved its final standard, which will be issued in September 2025. Changes include:</p> <ul style="list-style-type: none"> • Clarifying the roles and responsibilities of the auditor with respect to fraud • Establishing more robust requirements if fraud or suspected fraud is identified • Reinforcing the importance of exercising professional skepticism in fraud-related audit procedures • Strengthening communications through the audit with management and those charged with governance about matters related to fraud • Adding transparency on fraud-related responsibilities and procedures in the auditor's report 	<p>Periods beginning on or after December 15, 2026.</p>	<p>No impact on 2025 audit</p>

Appendix D – PSAS

Accounting developments

Public Sector Accounting Standards	Effective date	Management assessment of applicability
<p>Section PS 1202 <i>Financial Statement Presentation</i></p> <p>New Section PS 1202 <i>Financial Statement Presentation</i> replaces Section PS 1201 <i>Financial Statement Presentation</i>.</p> <p>The main features of the new Section include:</p> <ul style="list-style-type: none"> • Changes to the statement of financial position to present financial assets, non-financial assets, total assets, financial liabilities, non-financial liabilities total liabilities and net assets/net liabilities • Separate statement of changes in net assets or net liabilities (formerly known as accumulated surplus) by required categories • The addition of a statement of net financial assets or net financial liabilities that presents a revised net financial assets or net financial liabilities (formerly known as "net debt") calculation • The option to present the change in net financial assets or net financial liabilities on the statement of net financial assets or net financial liabilities • Ability to present an amended budget when there is an election or the majority of the governing body of a government organization is newly elected or appointed • The requirement to provide a subtotal prior to financing activities in the statement of cash flow • Guidance on assessing the going concern assumption <p>As a result of the issuance of the new Section, various Sections and Guidelines of the Handbook have been amended to include references to the Section. The impacted Sections and Guidelines include:</p>	<p>Fiscal years beginning on or after April 1, 2026.</p> <p>Earlier adoption is permitted <i>only if</i> the Conceptual Framework is also adopted at the same time.</p> <p>Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information in Section PS 1202.</p>	<p>No impact on 2025 consolidated financial statements</p>

Public Sector Accounting Standards	Effective date	Management assessment of applicability
<ul style="list-style-type: none"> • PS 1300 <i>Government Reporting Entity</i> • PS 2120 <i>Accounting Changes</i> • PS 2500 <i>Basic Principles of Consolidation</i> • PS 2510 <i>Additional Areas of Consolidation</i> • PS 2601 <i>Foreign Currency Translation</i> • PS 3041 <i>Portfolio Investments</i> • PS 3060 <i>Interest in Partnerships</i> • PS 3070 <i>Investments in Government Business Enterprises</i> • PS 3100 <i>Restricted Assets and Revenues</i> • PS 3160 <i>Public Private Partnerships</i> • PS 3230 <i>Long-Term Debt</i> • PS 3250 <i>Retirement Benefits</i> • PS 3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i> • PS 3260 <i>Liability for Contaminated Sites</i> • PS 3280 <i>Asset Retirement Obligations</i> • PS 3300 <i>Contingent Liabilities</i> • PS 3310 <i>Loan Guarantees</i> • PS 3400 <i>Revenue</i> • PS 3410 <i>Government Transfers</i> • PS 3430 <i>Restructuring Transactions</i> • PS 3450 <i>Financial Instruments</i> • PS 4200 <i>Financial Statement Presentation by Not-for-Profit Organizations</i> • PSG-2 <i>Leased Tangible Capital Assets</i> • PSG-4 <i>Funds and Reserves</i> • PSG-5 <i>Sale-Leaseback Transactions</i> 	<p>Fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted.</p>	<p>No impact on 2025 consolidated financial statements</p>
<p>Conceptual Framework for Financial Reporting in the Public Sector PSAB's Conceptual Framework for Financial Reporting in the Public Sector replaces Sections PS 1000 <i>Financial Statement Concepts</i> and PS 1100 <i>Financial Statement Objectives</i>.</p>		
<p>The new Conceptual Framework includes:</p> <ul style="list-style-type: none"> • Characteristics of public sector entities • Objectives of financial reporting • Primary users of financial reporting and their expectations • Role of financial statements • Foundations and objectives of financial statements • Qualitative characteristics of information in financial statements • Qualitative characteristics of information in financial statements and related considerations • Definitions of elements • Criteria of general recognition and derecognition; and, • Concepts of general measurement and presentation <p>As a result of the issuance of the Conceptual Framework, various Sections and Guidelines of the Handbook have been amended to include references to the new Conceptual Framework, add/clarify key definitions that are consistent with the Conceptual Framework, and/or remove references to qualitative characteristics that are no longer qualitative characteristics in the new Conceptual Framework. These Sections include:</p>		

Public Sector Accounting Standards

Effective date

Management assessment of applicability

- Introduction to the Public Sector Accounting Handbook (formerly the Introduction to the Public Sector Accounting Standards)
- PS 1150 *Generally accepted Accounting Principles*
- PS 1201 *Financial Statement Presentation*
- PS 1300 *Government Reporting Entity*
- PS 2100 *Disclosure of Accounting Policies*
- PS 2120 *Accounting Changes*
- PS 2130 *Measurement Uncertainty*
- PS 2200 *Related Party Transactions*
- PS 3150 *Tangible Capital Assets*
- PS 3200 *Liabilities*
- PS 3210 *Assets*
- PS 3400 *Revenue*
- PS 3430 *Restructuring Transactions*
- PS 3450 *Financial Instruments; and*
- PS 4230 *Capital Assets Held by Not-for-Profit Organizations*

The Conceptual Framework will be applied prospectively.

Appendix E - Cybersecurity

Cybersecurity is the practice of protecting computers, data, networks and other electronic systems from malicious attacks. Below, we summarize the cybersecurity threat and how we can help you manage that threat.

Cybersecurity risk	How Doane Grant Thornton can help
<p>As organizations become increasingly dependent on digital technology, storing valuable information in multiple places, the opportunities for cyber criminals continue to grow. Cyber-attacks today are more focused, skilful and ambitious, and geographical borders are meaningless. Regulators and stakeholders, including customers, are increasing the pressure on organizations to manage these risks.</p> <p>In order to properly protect themselves, organizations must understand what weaknesses attackers could exploit, how to respond to security incidents and how areas such as access to confidential data should be managed.</p> <p>Management should continue to respond to these risks by:</p> <ul style="list-style-type: none">• Assessing the people, processes and technology associated with their cybersecurity program, including management of the program, data security, cybersecurity awareness and training, and assessment of external risks• Improving the cybersecurity function by remediating identified vulnerabilities, developing new strategies, enhancing existing facilities, and establishing policies, controls and processes• Developing a cybersecurity breach or attack response plan, which involves providing training for the people who will execute the response, determining the procedures that will be followed, and securing external resources to support the process as needed	<p>Raymond Chabot Grant Thornton, a Grant Thornton member firm based in Quebec, has a specialist cybersecurity division, VARS Corporation (VARS), that is at the forefront of the security industry.</p> <p>VARS can help with:</p> <ul style="list-style-type: none">• Providing an integrated fully managed solution for securing your organization's digital environment. With VARS you will benefit from the most advanced cybersecurity solutions in the world, including solutions such as Terranova, Secure Exchanges, Perception Point, Cynet and Cyolo. VARS offers a customizable solution that is designed to meet all your cybersecurity needs, from advanced email security to dark Web analysis.• 24/7 workstation and server monitoring <p>Regardless of the size of your organization, VARS provides 24/7 access to a team of cybersecurity experts at no additional cost and offers comprehensive real-time protection of your environments using the best detection tools (XDR). This solution includes the support of a specialized incident response teams that can intervene at any time, 365 days of the year.</p> <ul style="list-style-type: none">• Virtual Chief Information Security Officers (CISOs) <p>VARS's virtual CISOs can empower and protect your organization without you having to recruit a specialist or hire a full-time employee. They can help you to set priorities for investments and implement a tailored protection plan that fully meets your needs and situation.</p> <p>The services and experiences described above are illustrative in nature and are intended to demonstrate our experience and capabilities in these areas. However, due to independence restrictions that apply to the Municipality, we may be unable to provide certain services as our ability to do so varies depending on individual facts and circumstances. If you would like to discuss cybersecurity risks in more detail or learn more, we would be happy to arrange a meeting. Additional information about VARS is available on the VARS website here: www.varscorporation.com.</p>

Appendix F – Draft independent auditor’s report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of McMurrich/Monteith

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of McMurrich/Monteith (“the Municipality”), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations and accumulated surplus, change in net financial assets 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 financial position of The Corporation of the Township of McMurrich/Monteith as at December 31, 2025, and its results of operations, its changes in its net financial assets, and its cash flow 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 Municipality 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 these 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 Municipality’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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Municipality 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 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.

North Bay, Canada

Chartered Professional Accountants
Licensed Public Accountants

Appendix G – Draft management representation letter

May 5, 2026

Doane Grant Thornton LLP
222 McIntyre Street West
Suite 400
North Bay, ON P1B 2Y8

Dear Sir/Madam:

We are providing this letter in connection with your audit of the consolidated financial statements of The Corporation of the Township of McMurrich/Monteith ("the Municipality") and the Municipality's Trust Funds as of December 31, 2025, and for the year then ended, for the purpose of expressing an opinion as to whether the consolidated financial statements and Trust Funds financial statements ("financial statements") present fairly, in all material respects, the financial position, results of operations, change in net financial assets and cash flows of Municipality and Trust Funds in accordance with Canadian public sector accounting standards.

We acknowledge that we have fulfilled our responsibilities for the preparation of the financial statements in accordance with Canadian public sector accounting standards and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the consolidated financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards (GAAS) so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the consolidated financial statements would influence the decision of a reasonable person relying on the consolidated financial statements.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial statements

1. The financial statements referred to above present fairly, in all material respects, the financial position of the Municipality and Trust Funds as at December 31, 2025 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, as agreed to in the terms of the audit engagement.

Completeness of information

2. We have made available to you all financial records and related data and all minutes of the meetings of Council and committees of Council, as agreed in the terms of the audit engagement. Summaries of actions of recent meetings for which

minutes have not yet been prepared have been provided to you. All significant Council and committee actions are included in the summaries.

3. We have provided you with unrestricted access to persons within the Municipality from whom you determined it necessary to obtain audit evidence.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the consolidated financial statements.
5. There were no restatements made to correct a material misstatement in the prior period consolidated financial statements that affect the comparative information.
6. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
7. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated financial statements or as the basis of recording a contingent loss.
8. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting of which we are aware.
9. We have identified to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements guarantees, non-monetary transactions and transactions for no consideration.

Fraud and error

10. We have no knowledge of fraud or suspected fraud affecting the Municipality involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the financial statements.
11. We have no knowledge of any allegations of fraud or suspected fraud affecting the Municipality's financial statements communicated by employees, former employees, analysts, regulators or others.
12. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
13. We believe that there are no uncorrected financial statement misstatements relating to the Trust Fund financial statements.
14. We believe that the effects of the uncorrected financial statement misstatements summarized in the schedule below are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole.

	Unadjusted misstatements	Increase (Decrease)			
		Assets	Liabilities	Accumulated Surplus	Annual Surplus
1	To record asset retirement obligation (for asbestos)	\$ 3,046	\$ 34,191	\$ (29,692)	\$ (1,453)
2	To record accrued expenses (for landfill assessment/survey late invoice)	-	11,260	-	(11,260)
	Total unadjusted misstatements	\$ 3,046	\$ 45,451	\$ (29,692)	\$ (12,713)

Recognition, measurement and disclosure

15. We believe that the methods, significant assumptions used by us in making accounting estimates, including those used in arriving at the fair values of financial instruments as measured and disclosed in the consolidated financial statements, are reasonable and appropriate in the circumstances.
16. We believe that the significant judgments made in recording asset retirement obligations have taken into account relevant information of which management is aware. The assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the Municipality.
17. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the financial statements.
18. All related party transactions have been appropriately measured and disclosed in the financial statements.
19. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
20. All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
21. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
22. All "off-balance sheet" financial instruments have been properly recorded or disclosed in the consolidated financial statements.
23. The Municipality did not purchase any derivative financial instruments during the year.
24. With respect to environmental matters:
 - a) at year end, there were no liabilities or contingencies that have not already been disclosed to you;

- b) liabilities or contingencies have been recognized, measured and disclosed, as appropriate, in the consolidated financial statements; and
 - c) commitments have been measured and disclosed, as appropriate, in the consolidated financial statements.
25. The Municipality and Trust Funds have satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the Municipality's or Trust Fund's assets nor has any been pledged as collateral.
26. We have disclosed to you, and the Municipality and Trust Funds have complied with, all aspects of contractual agreements that could have a material effect on the consolidated financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
27. The Goods and Services Tax (GST) and Harmonized Sales Tax (HST) transactions recorded by the Municipality are in accordance with the federal and provincial regulations. The GST and HST liability/receivable amounts recorded by the Municipality are considered complete.
28. Employee future benefit costs, assets, and obligations have been determined, accounted for and disclosed in accordance with the requirements of Section 3255 *Post-employment Benefits, Compensated Absences and Termination Benefits* of the Canadian public sector accounting standards issued by the Public Sector Accounting Board.
29. There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Other

30. We have considered whether or not events have occurred or conditions exist which may cast significant doubt on the Municipality's ability to continue as a going concern and have concluded that no such events or conditions are evident.

Yours very truly,

Cheryl Marshall, Clerk/Treasurer

**THE CORPORATION OF
THE TOWNSHIP OF MCMURRICH/MONTEITH**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

DRAFT

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
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DRAFT

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of McMurrich/Monteith

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of McMurrich/Monteith ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations and accumulated surplus, change in net financial assets 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 financial position of The Corporation of the Township of McMurrich/Monteith as at December 31, 2025, and its results of operations, its changes in its net financial assets, and its cash flow 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 Municipality 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 these 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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Municipality 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 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.

North Bay, Canada

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents (Note 6)	\$ 1,836,438	\$ 1,742,242
Investments (Note 7)	1,194,282	1,152,610
Taxes receivable (Note 8)	654,384	493,403
Accounts receivable	277,936	536,222
Inventories held for resale	38,354	38,665
	4,001,394	3,963,142
LIABILITIES		
Accounts payable and accrued liabilities	338,635	383,071
Deferred revenue-general (Note 9)	171,677	112,725
Deferred revenue-obligatory reserve funds (Note 10)	343,010	431,910
Long-term debt (Note 11)	393,563	-
Employee benefits payable (Note 14)	14,246	13,412
Asset retirement obligations (Note 15)	343,616	585,878
	1,604,747	1,526,996
NET FINANCIAL ASSETS	2,396,647	2,436,146
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 17)	6,466,079	5,982,707
Inventories of supplies	100,011	62,383
Prepaid expenses	18,198	24,539
	6,584,288	6,069,629
ACCUMULATED SURPLUS (Note 18)	\$ 8,980,935	\$ 8,505,775
Contingencies (Note 4)		
Contractual Obligations (Note 16)		

APPROVED ON BEHALF OF COUNCIL:

_____ Reeve

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025 <i>(see Note 21)</i>	Actual 2025	Actual 2024
REVENUE			
Property taxes	\$ 2,254,069	\$ 2,224,280	\$ 2,202,765
User charges	34,000	35,544	40,944
Government transfers	1,829,937	1,161,616	995,880
Restructuring net revenue <i>(Note 20)</i>	-	430	12,120
Other	243,321	221,768	516,825
TOTAL REVENUE	4,361,327	3,643,638	3,768,534
EXPENSES			
General government	700,180	629,005	601,853
Protection to persons and property	724,090	665,337	634,009
Transportation services	1,424,499	1,154,050	1,100,633
Environmental services	263,601	230,419	203,440
Health services	135,550	124,392	123,274
Social and family services	141,190	141,186	148,005
Recreation and cultural services	196,080	158,487	145,303
Planning and development	57,442	65,602	41,430
TOTAL EXPENSES	3,642,632	3,168,478	2,997,947
ANNUAL SURPLUS <i>(Note 18)</i>	718,695	475,160	770,587
ACCUMULATED SURPLUS, BEGINNING OF YEAR	8,505,775	8,505,775	7,735,188
ACCUMULATED SURPLUS, END OF YEAR	\$ 9,224,470	\$ 8,980,935	\$ 8,505,775

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025 <i>(see Note 21)</i>	Actual 2025	Actual 2024
Annual surplus	\$ 718,695	\$ 475,160	\$ 770,587
Acquisition of tangible capital assets	(2,231,530)	(1,278,824)	(1,335,035)
Contributed tangible capital assets - net	-	(126)	(3,123)
Revaluation of tangible capital assets - ARO	-	-	(321,657)
Amortization of tangible capital assets	465,341	465,341	411,181
Loss on disposal of tangible capital assets	-	330,237	25,472
Change in supplies inventories	-	(37,628)	(17,051)
Change in prepaid expenses	-	6,341	(13,353)
Decrease in net financial assets	(1,047,494)	(39,499)	(482,979)
Net financial assets, beginning of year	2,436,146	2,436,146	2,919,125
Net financial assets, end of year	\$ 1,388,652	\$ 2,396,647	\$ 2,436,146

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Operating transactions		
Annual surplus	\$ 475,160	\$ 770,587
Non-cash charges to operations:		
Amortization of tangible capital assets	465,341	411,181
Contributed tangible capital assets - net	(126)	(3,123)
Loss on disposal of tangible capital assets	330,237	25,472
Accretion expense on ARO liability	23,006	6,775
Revaluation of tangible capital assets - ARO	-	(321,657)
Change in ARO liability excluding accretion	(265,268)	321,657
Change in employee benefits payable	834	1,191
	1,029,184	1,212,083
Changes in non-cash items:		
Taxes receivable	(160,981)	(154,552)
Accounts receivable	258,286	(327,430)
Inventories held for resale	311	779
Accounts payable and accrued liabilities	(44,436)	101,090
Deferred revenue-general	58,952	93,955
Deferred revenue-obligatory reserve funds	(88,900)	242,264
Inventories of supplies	(37,628)	(17,051)
Prepaid expenses	6,341	(13,353)
	(8,055)	(74,298)
Cash provided by operating transactions	1,021,129	1,137,785
Capital transactions		
Acquisition of tangible capital assets	(1,278,824)	(1,335,035)
Cash applied to capital transactions	(1,278,824)	(1,335,035)
Investing transactions		
Purchase of investments	(41,672)	(51,842)
Cash applied to investing transactions	(41,672)	(51,842)
Financing transactions		
Proceeds from long-term debt	393,563	-
Cash provided by financing transactions	393,563	-
Net change in cash and cash equivalents	94,196	(249,092)
Cash and cash equivalents, beginning of year	1,742,242	1,991,334
Cash and cash equivalents, end of year	\$ 1,836,438	\$ 1,742,242

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

Management Responsibility

The consolidated financial statements of the Corporation of the Township of McMurrich/Monteith (the "Municipality") 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 consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting Entity

These consolidated statements reflect the assets, liabilities, revenues, expenses and accumulated surplus balances of the reporting entity. The reporting entity is comprised of all committees of Council and the boards, joint boards and municipal enterprises for which Council is politically accountable as follows:

(i) Consolidated entities

The following local board is consolidated:
Cemetery

The following joint local committees is proportionally consolidated:
Economic Development

Inter-organizational transactions and balances between the Municipality and these organizations are eliminated.

(ii) Non-consolidated entities

The following joint boards are not consolidated:
North Bay Parry Sound District Health Unit
Parry Sound District Social Services Administration Board
District of Parry Sound (West) Home for the Aged

(iii) Accounting for school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in these consolidated financial statements.

(iv) Trust funds

Trust funds administered by the Municipality are not included in these consolidated financial statements, but are reported separately on the trust funds financial statements.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) 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 the Municipality 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.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with 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 municipal 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 obligation related to the asset. Tangible capital assets received as donations are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. 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 - 10 to 20 years
Buildings - 40 years
Machinery, equipment and furniture - 5 to 20 years
Vehicles - 6 to 20 years
Roads - 8 to 75 years
Bridges - 60 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 are amortized annually on the basis of capacity used during the year as a percentage of the estimated total capacity of the landfill site.

Interest related to the acquisition of capital assets is not capitalized, but is expensed in the year incurred.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)(b) Inventories of supplies

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

(iv) Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Consolidated Statement of Financial Position. The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

(v) Reserves and reserve funds

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Consolidated Statement of Financial Position.

(vi) Government transfers

Government transfers are recognized 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 Consolidated Statement of Operations as the stipulation liabilities are settled.

(vii) Taxation and related revenue

Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Province of Ontario in respect of education taxes. Property tax billings are prepared by the Municipality based on assessment rolls, supplementary assessment rolls and other assessment adjustments issued by the Municipal Property Assessment Corporation ("MPAC"). Taxation revenue is initially recorded at the time assessment information is received from MPAC and is subsequently adjusted based on management's best estimate of the amount of tax revenue resulting from assessment adjustments that have not yet been received from MPAC. The Municipality is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(viii) Pensions and employee benefits

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan. Obligations for sick leave under employee benefits payable are accrued as the employees render the services necessary to earn the benefits.

(ix) 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 Consolidated Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Consolidated Statement of Operations. A Consolidated Statement of Remeasurement Gains and Losses has not been included as there are no matters to report thereon.

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 Consolidated Statement of Operations.

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

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

<u>Financial instrument</u>	<u>Measurement method</u>
Cash and cash equivalents	Amortized cost
Investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)(x) 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.

(xi) 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 Municipality may undertake in the future. Significant accounting estimates include valuation allowances for taxes and accounts receivable, estimated useful lives of tangible capital assets, employee benefits payable, estimated costs and timing of asset retirement obligations and supplementary taxes. Actual results could differ from these estimates.

There is a measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$343,616. 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.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

4. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

Further to Note 1(a)(ii), the following contributions were made by the Municipality to these boards:

	2025	2024
District of Parry Sound Social Services Administration Board	\$ 118,100	\$ 108,777
North Bay Parry Sound District Health Unit	27,572	26,259
District of Parry Sound (West) Home for the Aged	23,086	39,228
	\$ 168,758	\$ 174,264

The Municipality is contingently liable for its share, if any, of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses (or deficits) of these boards has not been determined at this time.

The Municipality is also contingently liable for its share, if any, of the long-term liabilities issued by other municipalities for these boards. The Municipality's share of these long-term liabilities has not been determined at this time.

5. TRANSACTIONS ON BEHALF OF OTHERS

(a) During the year, \$416,281 of taxation was collected on behalf of school boards (2024 - \$395,228).

(b) Trust funds administered by the Municipality totaling \$261,137 (2024 - \$232,857) are not included in these consolidated financial statements, as they are being held in trust for the benefit of others. Trusts under administration include:

(i) Dr. Richardson
This trust fund was established in 1927 for the purposes of providing educational bursaries to local Grade 8 graduates. These endowment funds are invested and earnings derived therefrom are used towards the bursaries. The balance of the trust is \$244,235 (2024 - \$216,780).

(ii) Care and Maintenance
This trust fund is funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance at the Municipality's cemeteries. The balance of the trust is \$16,902 (2024 - \$16,077).

6. CASH AND CASH EQUIVALENTS

Cash is comprised of:

	2025	2024
Unrestricted cash	\$ 1,493,428	\$ 1,310,332
Restricted cash	343,010	431,910
	\$ 1,836,438	\$ 1,742,242

Federal and Municipal legislation restricts how restricted cash related to obligatory reserve funds, reported in Note 10, may be used.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

7. INVESTMENTS

Investments are comprised of guaranteed investment certificates, bearing interest at rates ranging from 2.0% to 2.8% and maturing between August 22, 2026 and December 8, 2026.

8. TAXES RECEIVABLE

Taxes receivable are comprised of the following:

	2025	2024
Taxes and amounts added for collection purposes-current year	\$ 378,735	\$ 298,701
Taxes and amounts added for collection purposes-previous year	111,883	89,442
Taxes and amounts added for collection purposes-prior years	82,064	48,313
Penalties and interest	85,702	60,947
Valuation allowance	(4,000)	(4,000)
	\$ 654,384	\$ 493,403

9. DEFERRED REVENUE-GENERAL

Details of the deferred revenue reported on the Consolidated Statement of Financial Position are as follows:

	2025	2024
Balance, beginning of year:		
Ontario Cannabis Legalization Implementation Fund	\$ 16,229	\$ 18,770
Building permits	93,536	-
Entrance permits	1,350	-
Planning fees	1,610	-
	112,725	18,770
Received and deferred during the year:		
Building permits	34,154	70,356
Housing Enabling Services grant	57,618	-
Other	7,511	2,960
Interest earned	130	-
Deferred prior-year receipts - adoption of PS 3400	-	23,181
Recognized in revenue during the year	(40,161)	(2,542)
Refunded during the year	(300)	-
Balance, end of year	\$ 171,677	\$ 112,725
Balance, end of year		
Building permits	\$ 91,703	\$ 93,536
Ontario Cannabis Legalization Implementation Fund	13,644	16,229
Dedicated donations	4,000	-
Entrance permits	1,200	1,350
Housing Enabling Services grant	57,748	-
Planning fees	3,382	1,610
Balance, end of year	\$ 171,677	\$ 112,725

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

10. DEFERRED REVENUE-OBLIGATORY RESERVE FUNDS

The Municipality receives payments in lieu of parkland under the Planning Act, federal Community-Building funding (previously gas tax) under an agreement with the Association of Municipalities of Ontario and Ontario Community Infrastructure Fund funding under an agreement with the Ministry of Infrastructure. Legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

In the case of payments in lieu of parkland, revenue recognition occurs when the Municipality has approved eligible expenditures for park and other public recreation purposes. Community-Building and Ontario Community Infrastructure Fund revenue recognition occurs when the Municipality has approved the expenditures for eligible operating expenditures and capital works.

Details of the deferred revenue-obligatory reserve funds reported on the Consolidated Statement of Financial Position are as follows:

	2025	2024
Balance, beginning of year:		
Recreational land (the Planning Act)	\$ 69,594	\$ 54,601
Community-Building	200,470	135,045
Ontario Community Infrastructure Fund	161,846	-
	431,910	189,646
Received during the year:		
Recreational land (the Planning Act)	4,172	17,249
Community-Building	59,409	57,846
Ontario Community Infrastructure Fund	100,000	200,000
Interest earned	13,704	18,113
	177,285	293,208
Recognized in revenue during the year	(266,185)	(50,944)
Balance, end of year	\$ 343,010	\$ 431,910
Recreational land (the Planning Act)	\$ 52,308	\$ 69,594
Community-Building	167,462	200,470
Ontario Community Infrastructure Fund	123,240	161,846
Balance, end of year	\$ 343,010	\$ 431,910

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

11. LONG-TERM DEBT

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

	2025	2024
Ontario Infrastructure and Lands Corporation debenture, due November 2050, repayable in semi-annual payments of \$13,395 including interest calculated at 4.65%, secured by future Provincial funding	\$ 393,563	\$ -

(b) Future estimated principal and interest payments on the long-term debt are as follows:

	Principal	Interest
2026	\$ 8,588	\$ 18,202
2027	8,993	17,798
2028	9,416	17,375
2029	9,858	16,932
2030	10,322	16,468
2031 onwards	346,386	189,420
	\$ 393,563	\$ 276,195

(c) Total charges for the year for long-term debt which are reported in the financial statements are as follows:

	2025	2024
Principal payments	\$ -	\$ -
Interest	2,983	-
	\$ 2,983	\$ -

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

12. FINANCIAL INSTRUMENTS

Risks arising from financial instruments and risk management

The Municipality is exposed to various risks through its financial instruments. The Municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Municipality's financial performance.

Credit risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to honour its contractual obligations. The Municipality is exposed to this risk as a result of its cash and cash equivalents, investments and accounts receivable. The carrying amounts of these financial assets on the Consolidated Statement of Financial Position represent the maximum credit risk of the Municipality as at the reporting date.

The Municipality holds its cash and investments with a federally regulated chartered bank and a provincially regulated credit union who are insured, respectively, by the Canadian Deposit Insurance Corporation ("CDIC") and the Financial Services Regulatory Authority of Ontario (FSRA). The CDIC insurance is up to \$100,000 per deposit account and the FSRA insurance is up to \$250,000 in aggregate.

Accounts receivable are primarily due from other levels of government and municipal ratepayers. Credit risk is mitigated by the financial solvency of the governments, the highly diversified nature of the ratepayer population and the potential for the Municipality to transfer unpaid ratepayer receivables to taxes receivable. The amounts outstanding at year-end were as follows:

2025				
	Current	Past Due	Indeterminate Due Date	TOTAL
Federal	\$ 134,148	\$ -	\$ -	\$ 134,148
Provincial	27,713	-	-	27,713
Other municipalities	-	-	7,794	7,794
Ratepayers - planning-related	-	-	89,084	89,084
Other	7,349	11,848	-	19,197
Net receivables	\$ 169,210	\$ 11,848	\$ 96,878	\$ 277,936

2024				
	Current	Past Due	Indeterminate Due Date	TOTAL
Federal	\$ 274,084	\$ -	\$ -	\$ 274,084
Provincial	139,578	865	-	140,443
Other municipalities	-	-	6,949	6,949
Ratepayers - planning-related	-	-	81,429	81,429
Other	597	32,720	-	33,317
Net receivables	\$ 414,259	\$ 33,585	\$ 88,378	\$ 536,222

There have been no significant changes from the previous year in exposure to credit risk or policies, procedures and methods used to measure the risk.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

13. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they become due. The Municipality is exposed to this risk with respect to its accounts payable and accrued liabilities and long-term debt. The Municipality maintains sufficient cash balances to meet its obligations, and does not believe it is subject to significant liquidity risk.

The table below sets out the payable dates of the Municipality's accounts payable and accrued liabilities. This includes planning-related accounts which have an indeterminate payable date as they are settled when the related planning application has been finalized. The long-term debt repayment schedule is disclosed in Note 11.

2025					
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities	\$ 224,587	\$ 51,583	\$ -	\$ 62,465	\$ 338,635

2024					
	Within 6 months	6 months to 1 year	1 to 5 years	Indeterminate payable date	TOTAL
Accounts payable and accrued liabilities	\$ 261,794	\$ 44,793	\$ -	\$ 76,484	\$ 383,071

There has been a significant change from the previous year in exposure to liquidity risk as there was no long-term debt in the previous year. There have been no significant changes from the previous year in the policies, procedures and methods used to measure the 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 Municipality is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments. It is primarily 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 Municipality is exposed to interest rate risk on its interest-bearing investments and long-term debt. Fixed-rate instruments subject the Municipality to a fair value risk.

There has been a significant change from the prior year in exposure to market risk, as the Municipality had no long-term debt in the prior year. There has been no significant changes from the prior year in policies, procedures and methods used to measure the risk.

14. EMPLOYEE BENEFITS PAYABLE

Under the sick leave benefits plan, sick leave can accumulate at a rate of 6 days per year to a maximum of 30 days. There is no vesting of sick days. The sick leave benefit liability estimates the use of accumulated sick leave prior to retirement, and assumes that both the appropriate discount rate and future salary and wage levels will increase by 2% per annum. The liability for these accumulated days amounted to \$14,246 (2024 - \$13,412) at the end of the year.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

15. ASSET RETIREMENT OBLIGATIONS

The Municipality 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. Subsequently, accretion of the discounted liability due to the passage of time is recorded as an in-year expense. Any revisions to the estimated cost of the obligation arising from a change in cost, timing, inflation or discount rate are capitalized and amortized as part of the asset.

The liability for the landfill site represents the total discounted future cash flows for closure and post-closure care using an estimated long-term borrowing rate of 4.85% (2024 - 3.92%) and inflation rate of 2.7% (2024 - 2.6%). The continuity of the asset retirement obligation is shown below:

	2025	2024
Balance, beginning of year	\$ 585,878	\$ 257,446
Increase (decrease) in liability reflecting changes in the estimated cash flows, inflation and discount rate	(265,268)	321,657
Increase in liability due to accretion (the passage of time)	23,006	6,775
Balance, end of year	\$ 343,616	\$ 585,878

The estimated remaining capacity of the site is 24,023 cubic metres (2024 - 10,000 cubic metres), estimated to be filled in 32 years (2024 - 10 years). Post-closure care is estimated to be required for a period of 25 years.

The Municipality has reserves of \$302,057 (2024 - \$302,057) to fund this obligation.

16. CONTRACTUAL OBLIGATIONS

In 2025, the Municipality entered into a contract with McPherson-Andrews Contracting Limited for the replacement of Axe Lake Road bridge at a cost of \$416,018. In 2025, \$41,902 of work was completed. The balance of the work is expected to be completed in 2026.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Year Ended December 31, 2025

17. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the Municipality by major asset class are outlined below.

2025							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 753,437	\$ 1,413,848	\$ 563,366	\$ 2,488,650	\$ 8,776,765	\$ 321,821	\$ 14,317,887
Additions and betterments	191,593	196,667	93,728	124,913	585,078	86,845	1,278,824
Contributed assets	254	-	-	-	-	-	254
Disposals and writedowns	(265,266)	(7,089)	(19,735)	(22,200)	(530,255)	-	(844,545)
Transfer between classes	40,390	271,947	-	-	2,015	(314,352)	-
BALANCE, END OF YEAR	720,408	1,875,373	637,359	2,591,363	8,833,603	94,314	14,752,420
ACCUMULATED AMORTIZATION							
Balance, beginning of year	156,563	684,262	242,529	1,182,535	6,069,291	-	8,335,180
Annual amortization	32,352	39,967	39,188	121,651	232,183	-	465,341
Accumulated amortization - contributed assets	128	-	-	-	-	-	128
Amortization disposals	-	(6,117)	(12,004)	(22,200)	(473,987)	-	(514,308)
BALANCE, END OF YEAR	189,043	718,112	269,713	1,281,986	5,827,487	-	8,286,341
TANGIBLE CAPITAL ASSETS-NET	\$ 531,365	\$ 1,157,261	\$ 367,646	\$ 1,309,377	\$ 3,006,116	\$ 94,314	\$ 6,466,079
2024							
	Land and Land Improvements	Buildings	Machinery and Equipment	Vehicles	Roads and Bridges	Assets Under Construction	TOTAL
COST							
Balance, beginning of year	\$ 401,563	\$ 1,427,231	\$ 516,393	\$ 1,858,882	\$ 8,579,767	\$ 16,575	\$ 12,800,411
Additions and betterments	347,380	1,982	54,752	642,017	288,740	321,821	1,656,692
Contributed assets	4,494	-	-	-	-	-	4,494
Disposals and writedowns	-	(15,365)	(7,779)	(12,249)	(91,742)	(16,575)	(143,710)
BALANCE, END OF YEAR	753,437	1,413,848	563,366	2,488,650	8,776,765	321,821	14,317,887
ACCUMULATED AMORTIZATION							
Balance, beginning of year	139,087	657,430	218,430	1,080,600	5,945,319	-	8,040,866
Annual amortization	16,105	34,308	31,878	114,184	214,706	-	411,181
Accumulated amortization - contributed assets	1,371	-	-	-	-	-	1,371
Amortization disposals	-	(7,476)	(7,779)	(12,249)	(90,734)	-	(118,238)
BALANCE, END OF YEAR	156,563	684,262	242,529	1,182,535	6,069,291	-	8,335,180
TANGIBLE CAPITAL ASSETS-NET	\$ 596,874	\$ 729,586	\$ 320,837	\$ 1,306,115	\$ 2,707,474	\$ 321,821	\$ 5,982,707

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

18. ACCUMULATED SURPLUS

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

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
RESERVES AND RESERVE FUNDS			
Working funds	\$ 315,566	\$ -	\$ 315,566
Election	6,000	3,000	9,000
Capital	-	1,435,045	1,435,045
Buildings	663,600	(663,600)	-
Roads	491,057	(491,057)	-
Roads equipment	310,213	(310,213)	-
Fire	44,838	28,001	72,839
Landfill	302,057	-	302,057
Muskoka Algonquin Health Centre	133,125	66,562	199,687
Recreation	11,033	-	11,033
Modernization fund	345,605	(220,264)	125,341
	2,623,094	(152,526)	2,470,568
OTHER			
Consolidated tangible capital assets	5,982,707	483,372	6,466,079
General operating surplus -			
Municipality	476,580	287,742	764,322
Cemetery	17,293	4,696	21,989
ACED	5,391	4,011	9,402
Unfunded amounts -			
Long-term debt	-	(393,563)	(393,563)
Employee benefits payable	(13,412)	(834)	(14,246)
Asset retirement obligations	(585,878)	242,262	(343,616)
	\$ 8,505,775	\$ 475,160	\$ 8,980,935

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

19. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT

The Municipality and its Boards and Committees provide a wide range of services to its citizens. The schedule of segment disclosure provides a breakdown of the annual surplus (deficit) reported on the Consolidated Statement of Operations by major reporting segment. The segments correspond to the major functional categories used in the Municipality's Financial Information Return, which include the following activities:

General Government

This segment includes Council, Clerk's Department, and Treasury. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues relating to governance, strategic planning and service delivery.

Protection to Persons and Property

This segment includes fire, police, building inspection, and bylaw enforcement. Police services are provided by the Ontario Provincial Police under contract.

Transportation Services

Transportation services include roadway systems and winter control.

Environmental Services

This segment includes solid waste management.

Health Services

This segment includes cemeteries, ambulance services as well as payments to the district health unit.

Social and Family Services

This segment consists primarily of payments made to the district social services administration board and home for the aged for the provision of social services such as childcare, social housing, general assistance and assistance to the elderly.

Recreation and Culture

This segment includes parks, recreation programs, recreation facilities and library services.

Planning and Development

This segment includes activities related to planning, zoning and economic development.

Unallocated Amounts

Items are recorded as unallocated amounts when there is no reasonable basis for allocating them to a segment. Major items included in this category are property taxation and related penalty and interest charges, and unconditional grants such as the Municipality's annual Ontario Municipal Partnership Fund grant.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

19. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2025

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,224,280	\$ 2,224,280
User charges	6,452	-	3,676	19,535	-	-	-	5,881	-	35,544
Government transfers -										
Federal	-	-	100,000	-	-	-	-	-	-	100,000
Provincial	-	62,630	261,617	51,426	-	-	30,787	11,056	644,100	1,061,616
Restructuring net revenue	-	-	-	-	-	-	-	430	-	430
Loss on disposal of capital assets	(972)	-	(56,268)	(265,266)	-	-	(7,731)	-	-	(330,237)
Writedown of ARO liability	-	-	-	265,268	-	-	-	-	-	265,268
Other	-	51,816	28,190	13,709	4,696	-	28,534	585	159,207	286,737
TOTAL REVENUE	5,480	114,446	337,215	84,672	4,696	-	51,590	17,952	3,027,587	3,643,638
EXPENSES										
Salaries, wages and benefits	378,280	107,896	356,431	99,533	631	-	64,224	28,402	-	1,035,397
Long-term debt charges (interest)	-	-	2,983	-	-	-	-	-	-	2,983
Materials	100,324	95,615	410,626	11,939	1,961	-	48,583	2,951	-	671,999
Contracted services	130,604	401,517	52,312	62,946	88,880	-	10,327	34,056	-	780,642
Rents and financial expenses	4,249	-	554	-	-	-	8,017	-	-	12,820
External transfers	2,184	-	-	-	32,920	141,186	-	-	-	176,290
Amortization	13,364	60,309	331,144	32,995	-	-	27,336	193	-	465,341
Accretion of ARO liability	-	-	-	23,006	-	-	-	-	-	23,006
TOTAL EXPENSES	629,005	665,337	1,154,050	230,419	124,392	141,186	158,487	65,602	-	3,168,478
ANNUAL SURPLUS (DEFICIT)	\$ (623,525)	\$ (550,891)	\$ (816,835)	\$ (145,747)	\$ (119,696)	\$ (141,186)	\$ (106,897)	\$ (47,650)	\$ 3,027,587	\$ 475,160

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

19. SEGMENT DISCLOSURES AND EXPENSES BY OBJECT (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Unallocated Amounts	Consolidated
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,202,765	\$ 2,202,765
User charges	3,992	1,175	6,325	19,312	-	-	-	10,140	-	40,944
Government transfers -										
Federal	66,740	-	-	-	-	-	-	8,991	-	75,731
Provincial	16,685	7,020	207,902	62,029	-	-	37,691	425	586,900	918,652
Other municipalities	-	1,497	-	-	-	-	-	-	-	1,497
Restructuring net revenue	-	-	-	-	-	-	-	12,120	-	12,120
Loss on disposal of capital assets	(22,520)	(1,944)	(1,008)	-	-	-	-	-	-	(25,472)
Other	-	53,854	3,611	2,779	7,260	-	34,392	495	439,906	542,297
TOTAL REVENUE	64,897	61,602	216,830	84,120	7,260	-	72,083	32,171	3,229,571	3,768,534
EXPENSES										
Salaries, wages and benefits	329,765	75,008	335,448	96,618	3,377	-	64,945	24,234	-	929,395
Materials	73,843	78,552	443,491	25,082	2,209	-	46,616	2,264	-	672,057
Contracted services	204,451	406,145	3,563	55,614	91,429	-	4,073	14,820	-	780,095
Rents and financial expenses	10,027	-	3,785	-	-	-	6,189	-	-	20,001
External transfers	4,179	-	-	-	26,259	148,005	-	-	-	178,443
Interfunctional adjustments	(26,100)	26,100	-	-	-	-	-	-	-	-
Amortization	5,688	48,204	314,346	19,351	-	-	23,480	112	-	411,181
Accretion of ARO liability	-	-	-	6,775	-	-	-	-	-	6,775
TOTAL EXPENSES	601,853	634,009	1,100,633	203,440	123,274	148,005	145,303	41,430	-	2,997,947
ANNUAL SURPLUS (DEFICIT)	\$ (536,956)	\$ (572,407)	\$ (883,803)	\$ (119,320)	\$ (116,014)	\$ (148,005)	\$ (73,220)	\$ (9,259)	\$ 3,229,571	\$ 770,587

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

20. RESTRUCTURING NET REVENUE

In July 2024, the Municipality joined a group of local municipalities and the Almaguin Highlands Chamber of Commerce to provide economic development services under the name of Almaguin Community Economic Development ("ACED"). The Corporation of the Municipality of the Village of Burk's Falls and the Corporation of the Village of South River withdrew from ACED effective December 31, 2025. The assets, liabilities and surplus at the time of membership changes are retained by ACED, and the Municipality's proportionate share is recorded as restructuring net revenue.

The Municipality recorded net revenue of \$430 (2024 - \$12,120) as a result of this restructuring. The value of the tangible capital assets received is recorded as a contributed asset in Note 17.

21. 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 and asset retirement obligation accretion), the actual amounts for 2025 were used to adjust the reported budget amounts. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Decrease in general municipal operating surplus	\$ (362,988)
Decrease in municipal reserves and reserve funds	(267,937)
ADJUSTMENTS:	
Acquisition of tangible capital assets	2,231,530
Amortization of tangible capital assets	(465,341)
Asset retirement obligation accretion	(23,006)
Increase in long-term debt	(393,563)
ANNUAL SURPLUS	\$ 718,695

22. PENSION AGREEMENTS

The Municipality 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 net 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 Municipality does not recognize any share of the Plan surplus or deficit.

Contributions made by the Municipality to OMERS for 2025 were \$64,826 (2024 - \$55,411) for current service. These contributions are included as an expense on the Consolidated Statement of Operations.

**THE CORPORATION OF THE TOWNSHIP OF
MCMURRICH/MONTEITH TRUST FUNDS**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

DRAFT

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH TRUST FUNDS
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DRAFT

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of McMurrich/Monteith

Opinion

We have audited the financial statements of The Corporation of the Township of McMurrich/Monteith 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 Township of McMurrich/Monteith Trust Funds as at December 31, 2025, and its results of operations, its change 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 Funds' 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 Funds' 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 Funds' 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 Funds' 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.

North Bay, Canada

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Dr. Richardson	Care and Maintenance	Total 2025	Total 2024
Financial Assets				
Cash and cash equivalents	\$ 73,325	\$ 3,905	\$ 77,230	\$ 56,241
Investments (Note 2)	171,160	13,229	184,389	178,704
Total Financial Assets	244,485	17,134	261,619	234,945
Liabilities				
Accounts payable and accrued liabilities	250	232	482	2,088
Net Financial Assets and Accumulated Surplus	\$ 244,235	\$ 16,902	\$ 261,137	\$ 232,857

APPROVED ON BEHALF OF COUNCIL:

Reeve

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH TRUST FUNDS
STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Dr. Richardson	Care and Maintenance	Total 2025	Total 2024
Revenue				
Interest earned	\$ 27,705	\$ -	\$ 27,705	\$ 28,975
Capital receipts	-	825	825	1,045
	27,705	825	28,530	30,020
Expenses				
Bursaries	250	-	250	200
Annual Surplus	27,455	825	28,280	29,820
Accumulated Surplus, beginning of year	216,780	16,077	232,857	203,037
Accumulated Surplus, end of year	\$ 244,235	\$ 16,902	\$ 261,137	\$ 232,857

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH 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	\$ 28,280	\$ 29,820
Net financial assets, beginning of year	232,857	203,037
Net financial assets, end of year	\$ 261,137	\$ 232,857

DRAFT

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH TRUST FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
Operating transactions		
Annual surplus	\$ 28,280	\$ 29,820
Changes in non-cash items:		
Accounts payable and accrued liabilities	(1,606)	71
Cash provided by operating transactions	26,674	29,891
Investing transactions		
Purchase of investments	(5,685)	(7,261)
Cash applied to investing transactions	(5,685)	(7,261)
Net change in cash and cash equivalents	20,989	22,630
Cash and cash equivalents, beginning of year	56,241	33,611
Cash and cash equivalents, end of year	\$ 77,230	\$ 56,241

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH 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 Township of McMurrich/Monteith (the "Township") 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 Township are as follows:

- (i) Reporting entity
The financial statements reflect the assets, liabilities, revenues and expenses of the Township's trust funds. The Township's assets, liabilities, revenues and expenses are reported separately in the Township's consolidated financial statements.
- (ii) Basis of accounting
Sources of financing 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 and cash equivalents
Cash and cash equivalents include balances held at financial institutions and short-term deposits with original maturities of three months or less.
- (iv) Revenue recognition
Capital receipts are recognized when received. Interest is recognized when earned.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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. 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 thereon.

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

<u>Financial instrument</u>	<u>Measurement method</u>
Cash and cash equivalents	Amortized cost
Investments	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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

THE CORPORATION OF THE TOWNSHIP OF MCMURRICH/MONTEITH TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

2. INVESTMENTS

Investments are comprised of guaranteed investment certificates, bearing interest at rates ranging from 2.0% to 2.8% and maturing between August 18, 2026 and December 9, 2026.

3. FINANCIAL INSTRUMENTSRisks arising from financial instruments and risk management

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

Liquidity risk

Liquidity risk is the risk that the Township will not be able to meet its financial obligations as they become due. The Township is exposed to this risk with respect to its accounts payable and accrued liabilities. The Township 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 Township does not believe it is exposed to significant market risk.

4. CARE AND MAINTENANCE FUND

The care and maintenance fund administered by the Township is funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance at 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.

5. DR. RICHARDSON FUND

The Dr. Richardson trust fund was established in 1927 for the purposes of providing educational bursaries to local Grade 8 graduates. These endowment funds are invested and earnings derived therefrom are used towards the bursaries.



TOWNSHIP OF McMURRICH / MONTEITH

District of Parry Sound

P.O. Box 70 31 William Street

Sprucedale, Ont. P0A 1Y0

Phone 705-685-7901 Fax 705-685-7393

May 5
2026
S.A

PUBLIC WORKS REPORT

DATE: 30 April 2026
TO: Members of Council
FROM: Neil Hellam, Public Works Superintendent

Severe Weather Event

As you are aware we had severe weather events that came through a couple of weeks ago. I'd like to thank the residents for their patience while crews addressed washout issues and culvert failures across the Township. Also, I would like to say thanks to the staff from the office in keeping the residents and emergency crews up-to-date on the condition of the roads. Also, to the Public Works crew for the long hours and the effort they put in to keep residents safe as they repaired roads whether it was hand shoveling a load of gravel or operating a piece of equipment to keep everything moving in a safe and timely manner. Thanks!! Excellent teamwork.

We will be reviewing the funding through the Municipal Disaster Recovery Assistance Program so see if an application can be submitted.

Culverts and Road Repairs

We replaced 100 meters of road and built up a section on Fern Glen Road as well as replaced 2 failed culverts.

Replaced 1 failed culvert on 4th Avenue and 2nd Avenue.

Replaced a culvert on Little Falls Road as residents could not get in or out.

Replaced a culvert on Old Rainy Lake Road.

Replaced a culvert on 2nd Avenue East, as residents could not get in or out.

We had water over the road at separate locations on 2nd Avenue East that was a concern.

Replaced 1 driveway culvert at 733 Selena Drive that had failed.

Replaced a culvert on Selena Drive that had failed.

Added 3 culverts on Bourdeau Road as the road washed out in 3 separate locations. 1

location washed out twice in same spot due to high water levels. Residents could not get in or out.

Axe Lake Road washed out twice in one location and there was water over the road.

Replaced a culvert on West Bear Lake Road 1.7 km south of Highway 518 W.

Replaced a failed culvert on Jimmy Jacque Road at the end as residents could not get in or out.

Yearley Road had water over it 2km from the District of Muskoka Boundary.

John Street in Bear Lake is still closed past the last house as it washed out twice, just too much water. I would recommend repairing the area by installing a 1600 mm culvert to allow proper water flow.

We have kept in contact with the District of Muskoka on the status of the roads as they are using some of our as a detour route for the MR2 closure. The District graded Stisted South for us at no cost and switched the detour from Stisted South to Highway 518 W.

We will be replacing a lot more culverts once I get an accurate list, as there is a fair amount that are completely rotted out. We only replaced what was necessary to maintain traffic flow and safety.

I am getting quotes to replenish the culverts we used that had been ordered for Stisted South.

Grading

Grading is ongoing as weather permits.

Stisted Road North and South, Yearley Road, Fern Glen Road, Richardson Road, East Bear Lake and West Bear Lake Roads, and Axe Lake Road will be graded this Spring.

Plow trucks

Truck # 2 was washed and plates put in for the Summer. We are getting ready to put the slip-in water tank in.

Truck #12, the plates will be going on next week.

Truck #4, plates were installed and washed.

All trucks will be undercoated next week.

Shop

The shop yard has been cleaned and organized for the most part.

We have put the rubber tire excavator in the shop on and off all winter working off the list that Dan from EMS Mechanical provided last fall. The machine will be ready for Spring as 90% of the repairs are complete.

Dump CAT

The mechanic found oil in the radiator. We will have to replace the engine oil cooler and change the anti-freeze. We also must replace the safety relief on the air system as its faulty. Dan from EMS Mechanical rescheduled a date.

TransCanada Safety is working on a quote to replace the Fire Suppression System, it currently does not work and is required.

Sidewalks

I recommend pulling all the sidewalks off Stisted Road North and Stisted Road South. They are damaged and don't meet the new guidelines for width. The driveways are not long enough for some residents to park, so sidewalks are being used for parking.

The sidewalks along Highway 518 West corridor need repair and don't meet width standards. 732 Meters. I am waiting for MTO to give feedback. I spoke to Brian Bell, Maintenance Contracts North Operations, we will have to apply for an Encroachment Permit. He will speak to Corridor Management Planning and Design to see if and when the next road job is coming through Sprucedale for them to possibility redo.

I'm looking into getting a quote for all sidewalks to be repaired.

Road Maintenance

The 3 seasons roads will be graded once the "mainline roads" are complete.

Fisher Creek Road and Old Novar Road will require material.

Calcium can be applied as required by Public Works staff using our water truck. We do have some bags of Calcium in stock.


Sprucedale Recreation Trail

The walking trail is closed for Spring maintenance.

Landfill

We are working on the organization and cleaning up of the landfill. We are trying to have it completed before the May long weekend.

may 5
2026
5.3

	Report to Council
To	Mayor and Council
From	Fire Chief: Ryan McFarland
Date of Meeting	May.5 th 2026
Report Title	Monthly report

Fire Rating

April.1st to October. 31st Moderate. No daytime burning allowed.

General Information

Command unit: Quotes have been received from Bray Motors, Mac Lang and True North Chevrolet. I am still waiting on a quote from both Huntsville Dodge and Huntsville Toyota before making my final recommendation.

Personnel

No personnel changes at this time.

Training

- May 6th Live fire.
- May 7th SP103 Wildland training.
- May 20th Auto extrication at Pinehill.
- May 27th Live fire.
- May 30th Live fire.

Upcoming

- May 23rd - AS&E Written exams.
- Fall AS&E testing in October and November.

Equipment

Will need to replace one AED as the battery has died for one and they no longer make the parts for it. Quote has been obtained and the replacement was budgeted for. No other equipment issues at this time.

Fire Department Software:

Summary:

Modern fire department operations face growing demands: accurate incident reporting, personnel and asset management, training compliance, pre-incident planning, fire prevention, and efficient response capabilities all while controlling costs and meeting provincial and national standards. Legacy systems or fragmented tools often lead to duplicated efforts, manual data entry, compliance risks, and limited visibility for leadership and council.

- **First Due** (U.S.-based, cloud-native all-in-one platform) and **FP2/FirePro2** (Canadian-based modular Records Management System used by over 250 Canadian departments) are two strong software solutions that can modernize our operations. Both reduce paperwork, improve data accuracy, enhance safety and readiness, and support better decision-making through reporting.
- **First Due** excels as a comprehensive, scalable cloud platform ideal for departments seeking deep integration across all functions, including advanced analytics, AI-assisted documentation, and NERIS compliance.
- **FirePro2** offers a flexible, cost-effective modular approach tailored to smaller-to-medium Canadian volunteer, composite, or full-time departments, with strong mobile capabilities and provincial reporting support. Adopting either (or evaluating a hybrid fit) would deliver measurable benefits in efficiency, compliance, personnel safety, and fiscal accountability providing council with transparent, data-driven insights into department performance.

Key Features and Benefits of First Due:

First Due is a cloud-based, end-to-end platform designed to consolidate an entire fire/EMS operation into a single application with one login, accessible on any device (station, mobile, or in the field). It replaces multiple disconnected systems, reducing data silos and administrative burden.

Core Modules and Capabilities:

- **Incident Reporting & Documentation:** Supports NFIRS-to-NERIS transition with guided workflows, real-time validation, AI-powered documentation to minimize manual entry, and EPCR integration. It powers a significant portion of national NERIS submissions.
- **Pre-Incident Planning & Fire Prevention:** Digital pre-plans, inspections, hydrant tracking, and community risk reduction tools with geospatial mapping and mobile access.
- **Personnel & Scheduling:** Automated shift management, time-off requests, qualification tracking, vacancy filling, and payroll integration—especially valuable for volunteer or composite staffing.
- **Assets & Inventory:** Real-time tracking of equipment, vehicles, and supplies; automated maintenance schedules and work orders to ensure readiness and reduce downtime.
- **Training & Community Engagement:** Learning management, records, and public portals.
- **Mobile Response & Analytics:** In-vehicle tools, dashboards for response times, performance metrics, and ad-hoc reporting. Embedded AI simplifies workflows.

Benefits for Our Department:

- **Efficiency Gains:** Eliminates duplicate data entry and fragmented software, saving staff hours. Cloud updates and maintenance reduce IT overhead.
- **Improved Safety & Response:** Faster access to pre-plans, hydrant data, and asset status during incidents; better personnel qualification matching.
- **Compliance & Reporting:** Streamlined provincial/national reporting, exposure tracking, and audit-ready records.
- **Cost Savings & Accountability:** Lower total cost of ownership over time through consolidation; robust analytics support grant applications, budget justifications, and council reporting on response times, ISO ratings, and resource utilization.
- **Scalability:** Suitable for growing operations; strong customer support and frequent enhancements.

Departments report reduced risks, faster response capabilities, and better resource optimization. It is particularly strong for agencies wanting a “last software you’ll need” solution.

Key Features and Benefits of FP2 (FirePro2)

FP2, developed by Ingenious Software in Canada, is a unified yet modular Records Management System built specifically for Canadian fire departments (volunteer, composite, and full-time). It emphasizes practicality for smaller-to-medium agencies and has been used by hundreds of departments across the country for over 20 years.

Core Modules (Modular Design – Purchase Only What You Need):

- **Incidents:** Web-based incident reports fillable on tablets/phones in the field.
- **Personnel:** Management, qualifications, and compensation tracking (useful for volunteer stipends or on-call pay).
- **Training:** Records and compliance tracking.
- **Inventory:** Equipment and asset management.
- Additional modules for inspections, pre-plans, and more. Packages include FP2 Lite (single-user/small station) and FP2 Classic (multi-user).

Key Capabilities:

- Mobile/web-based forms for on-scene reporting (incidents, pre-plans, inspections).
- Provincial reporting compliance with automatic updates.
- Unlimited support, training credits, and ongoing feature enhancements.
- Focused on fighting “paperwork, not fires” with straightforward, reliable tools.

Benefits for Our Department:

- **Affordability & Flexibility:** Modular pricing avoids paying for unused features; well-suited to Ontario/Canadian budgets and regulations.
- **Practical Field Use:** Easy mobile access supports volunteer and on-duty personnel with quick data capture.
- **Canadian Focus:** Strong alignment with provincial requirements, security of personal information, and local reporting needs.
- **Efficiency:** Centralized records reduce manual processes; improves tracking of incidents, training, and inventory.
- **Support:** Responsive Canadian-based vendor with phone/email/fax support and regular updates.

FP2 is often praised for being robust yet approachable for departments under 10,000 population or with limited IT resources.

Comparative Advantages and Considerations:

- **First Due** is a modern all-in-one cloud platform with advanced analytics, AI features, and broad integration ideal if we seek significant modernization, deeper insights for council reporting, and scalability. It may involve a higher initial investment but offers long-term savings through consolidation and reduced risk.
- **FP2** is more modular and Canada-centric, providing excellent value for core RMS needs (incidents, personnel, training, inventory) with strong mobile capabilities and lower complexity for smaller teams. It may require supplementary tools for advanced analytics or full prevention suites.

Both solutions support:

- Reduced administrative time, more focus on training, prevention, and response.
- Better data for ISO ratings, accreditation, and performance metrics.
- Enhanced accountability to council and the public through clear reports.
- Improved firefighter safety via better-maintained assets and accessible pre-plans.

Potential Implementation Impacts:

- **Operational:** Quicker incident closeouts, automated maintenance, streamlined scheduling.
- **Financial:** Justification for apparatus/equipment replacement via lifecycle tracking; potential grant eligibility through improved data.
- **Strategic:** Data-driven identification of high-risk areas, training gaps, or response improvements for better community safety outcomes.
- **Challenges:** Initial data migration, training, and change management—mitigated by vendor support and phased rollout.

Recommendation

I recommend that council authorize a formal needs assessment and vendor demonstrations for both **First Due** and **FirePro2**. First Due offers a forward-looking, comprehensive platform that could transform our operations and provide rich analytics for future budgeting. FP2 provides a proven, affordable Canadian solution tailored to departments like ours, with minimal disruption.

Either investment represents a proactive step toward efficiency, compliance, and excellence in service delivery. Modern software directly supports our mission by reducing risks, optimizing resources, and enabling transparent reporting to council on how taxpayer dollars deliver safer communities.

I am available to coordinate demos, provide cost estimates, or answer questions. Additional details on total cost of ownership, ROI examples, or references from similar Ontario departments can be gathered upon request.