

**CORPORATION OF THE TOWNSHIP OF
ASPHODEL-NORWOOD**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

**CORPORATION OF THE TOWNSHIP OF
ASPHODEL-NORWOOD**

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DECEMBER 31, 2025

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CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

For The Year Ended December 31, 2025

MANAGEMENT REPORT

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

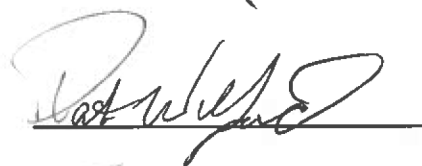
The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen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

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

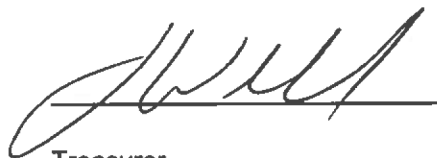
The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

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

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

A handwritten signature in black ink, appearing to read "D. Wilford", written over a horizontal line.

Mayor

A handwritten signature in black ink, appearing to read "J. Wilford", written over a horizontal line.

Treasurer

September 22, 2026

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

INDEPENDENT AUDITOR'S REPORT

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Asphodel- Norwood

Opinion

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

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

Basis for Opinion

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

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

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

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

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

ASSURANCE • TAX • ADVISORY

Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

Peterborough

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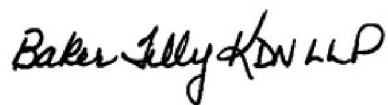
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario

October 1, 2026



CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	2025	2024
	\$	\$
FINANCIAL ASSETS		
Cash and temporary investments (note 4)	2,706,453	2,549,816
Short term investments (note 5)	50,000	50,000
Trade and other receivable	1,093,568	1,593,257
Taxes receivable	721,822	661,123
Assets held for resale (note 6)	51,030	54,503
TOTAL FINANCIAL ASSETS	4,622,873	4,908,699
LIABILITIES		
Accounts payable and accrued liabilities	1,879,955	2,681,645
Deferred revenue - obligatory reserve funds (note 8)	875,206	727,937
Deferred revenue - other (note 7)	215,739	157,394
Long term debt (note 9)	1,114,286	1,171,429
Asset retirement obligation (note 10)	6,961,569	2,279,570
TOTAL LIABILITIES	11,046,755	7,017,975
NET DEBT	(6,423,882)	(2,109,276)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	47,891,667	42,454,292
Prepaid expenses	27,689	27,689
TOTAL NON-FINANCIAL ASSETS	47,919,356	42,481,981
ACCUMULATED SURPLUS (note 12)	41,495,474	40,372,705

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2025

	Budget 2025 \$ (note 2)	Actual 2025 \$	Actual 2024 \$
REVENUES			
Property taxation	4,665,213	4,713,198	4,366,694
User charges	2,500,531	2,460,452	2,317,692
Government of Canada	8,400	4,819	226,469
Province of Ontario	975,399	1,260,073	1,041,629
Other municipalities	108,000	110,100	8,150
Penalties and interest on taxes	65,000	89,986	75,209
Investment income	118,065	62,281	110,410
Donations	21,100	31,289	48,701
Contributed tangible capital assets	-	2,544,943	-
Other	38,935	155,587	17,786
Development charges earned (note 8)	13,000	35,595	99,049
Canada Community-Building Fund earned (note 8)	146,448	60,658	29,505
TOTAL REVENUES	8,660,091	11,528,981	8,341,294
EXPENSES			
General government	1,304,096	1,352,928	1,380,260
Protection services	1,546,229	1,798,263	1,457,026
Transportation services	2,587,966	2,697,373	2,504,718
Environmental services	1,444,233	2,444,189	1,548,361
Health services	642,130	694,457	512,944
Recreation and cultural services	1,287,206	1,350,532	1,366,953
Planning and development	112,379	68,470	131,712
TOTAL EXPENSES	8,924,239	10,406,212	8,901,974
ANNUAL SURPLUS/(DEFICIT)	(264,148)	1,122,769	(560,680)
ACCUMULATED SURPLUS - beginning of year		40,372,705	40,951,191
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD		-	(17,806)
ACCUMULATED SURPLUS - beginning of year, as restated		40,372,705	40,933,385
ACCUMULATED SURPLUS - end of year		41,495,474	40,372,705

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the Year Ended December 31, 2025

	Budget 2025 \$ (note 2)	Actual 2025 \$	Actual 2024 \$
ANNUAL SURPLUS/(DEFICIT)	(264,148)	1,122,769	(560,680)
Amortization of tangible capital assets	1,723,203	2,833,363	1,723,203
Purchase of tangible capital assets	(2,139,291)	(1,068,299)	(2,655,204)
Loss/(gain) on disposal of tangible capital assets	-	2,245	(46,557)
Proceeds on sale of tangible capital assets	-	43,959	46,557
Addition to tangible capital assets relating to asset retirement obligation	-	(4,703,700)	-
Contributed tangible capital assets	-	(2,544,943)	-
CHANGE IN NET DEBT	(680,236)	(4,314,606)	(1,492,681)
NET DEBT - beginning of year	(2,109,276)	(2,109,276)	(598,789)
ADJUSTMENT ON ADOPTION OF THE REVENUE RECOGNITION STANDARD	-	-	(17,806)
NET DEBT - beginning of year, as restated	(2,109,276)	(2,109,276)	(616,595)
NET DEBT - end of year	(2,789,512)	(6,423,882)	(2,109,276)

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

	2025 \$	2024 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	1,122,769	(560,680)
Items not involving cash		
Amortization of tangible capital assets	2,833,363	1,723,203
Loss/(gain) on disposal of tangible capital assets	2,245	(46,557)
Contributed tangible capital assets	(2,544,943)	-
Accretion expense	14,313	27,800
Change in non-cash assets and liabilities		
Trade and other receivable	499,689	1,356,812
Taxes receivable	(60,699)	(105,546)
Assets held for resale	3,473	2,643
Accounts payable and accrued liabilities	(801,690)	(18,827)
Deferred revenue - obligatory reserve funds	147,269	186,861
Deferred revenue - other	58,345	72,690
Asset retirement obligation costs incurred	(36,014)	-
Net change in cash from operating activities	1,238,120	2,638,399
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,068,299)	(2,655,204)
Proceeds on disposal of tangible capital assets	43,959	46,557
Net change in cash from capital activities	(1,024,340)	(2,608,647)
INVESTING ACTIVITIES		
Purchase of investments	(50,000)	(50,000)
Redemption of investments	50,000	50,000
Net change in cash from investing activities	-	-
FINANCING ACTIVITIES		
Debt principal repayments	(57,143)	(57,143)
NET CHANGE IN CASH	156,637	(27,391)
CASH - beginning of year	2,549,816	2,577,207
CASH - end of year	2,706,453	2,549,816

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

The Township of Asphodel-Norwood is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Reporting Entity

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

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These consolidated financial statements include:

- Asphodel-Norwood Public Library Board
- Asphodel-Norwood Cemeteries Board

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

(b) Trust funds

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

(c) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements	15 to 25 years
Buildings	50 to 75 years
Machinery and equipment	7 to 40 years
Vehicles	6 to 25 years
Roads and culverts	10 to 40 years
Water and sewer	5 to 75 years

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

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

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

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

Property taxation

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

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

Government funding and other grants

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

Other revenue

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

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

Canada Community-Building Fund and development charges are recognized in the period in which the related expenditures are recorded.

(e) Non-financial assets

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

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Financial Instruments

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

Financial Instrument	Measurement Method
Cash and temporary investments	Amortized Cost
Short term investments	Amortized Cost
Trade and other receivable	Amortized Cost
Taxes receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	Amortized Cost

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

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

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

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

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

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Use of estimates

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

- The amount recorded for asset retirement obligation is based on estimates of the assets with potential contaminants and management's estimate of the costs to retire those assets - See Note 1(j) and related costs added to tangible capital assets - See Note 1(c)
- Amortization of tangible capital assets is based on estimated useful life and residual value - See Note 1(c)
- Assets held for resale depend on certain actuarial and economic assumptions

(h) Assets held for resale

Inventories of cemetery lots are reflected at a nominal value and this cost is allocated to cost of sales on a lot-by-lot basis in a manner expected to reduce the carrying value to nil when all of the lots have been sold.

Inventories of niches in the cemetery are reflected at the lower of cost or net realizable value and this cost is allocated to cost of sales on a unit-by-unit basis in a manner expected to reduce the carrying value to nil when all of the niches have been sold.

Inventories of canteen and lounge merchandise at the arena are reflected at the lower of cost or net realizable value on a first-in-first-out basis.

(i) Deferred revenue

Deferred revenue represents grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Asset Retirement Obligation

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

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

The liability for closure of operational sites and post-closure care relating to landfill sites has been recognized based on estimated future expenses. An additional liability for the removal of asbestos in several of the buildings owned by the Township has also been recognized based on estimated future expenses for remediation or disposal.

A liability for the Township's gravel pit closure and the costs to return the property to its original state has also been recognized. The Township has recognized the liability based on estimated future expenses for remediation.

The landfill liability is discounted using a present value calculation, and adjusted yearly for accretion expense and any amounts paid. The recognition of the liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital asset is being amortized in accordance with the accounting policies outlined in (c).

The liability for the gravel pit and asbestos removal has not been discounted using a present value calculation due to the uncertainty of when the future costs will be incurred. The recognition of the initial liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in (c).

(k) Reserves and reserve funds

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

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

2. BUDGET FIGURES

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

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

	2025 \$
Council approved budgeted surplus	-
Tangible capital asset additions	2,139,291
Amortization of tangible capital assets	(1,723,203)
Principal repayment of long term debt	57,143
Transfers to/(from) reserves and reserve funds	(819,836)
Change in unfunded capital	82,457
<u>Annual surplus/(deficit) reported on the Consolidated Statement of Operations</u>	<u>(264,148)</u>

3. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF PETERBOROUGH

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

	School Boards \$	County \$
<u>Amounts requisitioned and remitted</u>	<u>1,163,458</u>	<u>2,580,153</u>

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

4. CASH

Cash consists of the following:

	2025 \$	2024 \$
Unrestricted	2,126,493	1,919,378
Restricted	579,960	630,438
	<u>2,706,453</u>	<u>2,549,816</u>

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

5. INVESTMENTS

Investments, recorded at amortized cost, consist of Guaranteed Investment Certificates as follows:

	2025	2024
	\$	\$
Maturing January 7, 2025 with interest at 4.00%	-	10,000
Maturing April 8, 2025 with interest at 4.00%	-	15,000
Maturing April 8, 2025 with interest at 4.00%	-	25,000
Maturing April 28, 2026 with interest at 2.5%	25,000	-
Maturing January 6, 2026 with interest at 3.00%	10,000	-
Maturing January 7, 2026 with interest at 3.00%	15,000	-
	50,000	50,000

6. ASSETS HELD FOR RESALE

Assets held for resale consist of the following:

	2025	2024
	\$	\$
Cemetery plots	1,685	1,685
Niches at the cemetery	21,374	24,847
Canteen and lounge	27,971	27,971
	51,030	54,503

7. DEFERRED REVENUE - OTHER

Included in deferred revenue - other are the following amounts:

	2025	2024
	\$	\$
Province of Ontario - Cannabis funding	20,000	20,000
Ontario Community Infrastructure Funding	141,287	98,243
Building permits	29,737	31,530
Ontario trillium grant	-	7,600
Other	24,715	21
	215,739	157,394

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

8. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

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

	2025	2024
	\$	\$
Parkland	50,651	48,865
Development charges	393,307	350,530
Canada Community-Building Fund	431,248	328,542
	875,206	727,937

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

	2025	2024
	\$	\$
Balance - beginning of year	727,937	541,076
Add amounts received:		
Canada Community-Building Fund received	152,550	148,478
Development charges received	68,622	133,013
Interest	22,350	33,924
	243,522	315,415
Less transfer to operations:		
Canada Community-Building Fund earned	60,658	29,505
Development charges earned	35,595	99,049
	96,253	128,554
Balance - end of year	875,206	727,937

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

9. LONG TERM DEBT

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

	2025	2024
	\$	\$
OSIFA loan repayable in semi-annual installments of \$28,571 plus interest at 4.9%, due June 2045	1,114,286	1,171,429

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

- (c) Interest paid during the year on long term debt amounted to \$56,698 (2024 - \$59,663).

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

	Principal \$	Interest \$	Total \$
2026	57,143	53,898	111,041
2027	57,143	51,098	108,241
2028	57,143	48,432	105,575
2029	57,143	45,744	102,887
2030	57,143	42,583	99,726
	285,715	241,755	527,470
2031 to 2035	285,714	171,640	457,354
2036 and subsequent years	542,857	132,988	675,845
	1,114,286	546,383	1,660,669

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

10. ASSET RETIREMENT OBLIGATION

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

(a) Landfill obligation

The Township owns and operates two landfill sites. The liability for the remaining closure costs of the one operational site as well as the post-closure costs for both sites has been recognized under PS 3280 – Asset Retirement Obligations. The costs have been estimated based upon the presently known obligations that will exist at the estimated year of closure of the one site and for 25 years after the closure date using a discount rate of 4.38% and an inflation rate of 3%. For the closed site, there are 12 years of remaining monitoring costs; however, the 25 year estimate could be extended based on the results of the monitoring. For the one operational site, the site is projected to close in 2030. The liability was revalued based on a change in closure cost estimate.

(b) Asbestos obligation

The Township owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the Township recognized an obligation relating to the removal of the asbestos in these building as estimated at January 1, 2023. Post-closure care is estimated to extend for up to a year post the closure of the building, while demolition and construction continues.

(c) Gravel pit

The Township owns and operates a gravel pit. The liability for the closure of these sites and the costs to return the property to it's original state has been recognized under PS 3280 – Asset Retirement Obligations. The costs were based on presently known obligations that will exist at the estimated year of closure of the sites.

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

	Landfill post- closure \$	Asbestos removal \$	Gravel Pit \$	Total 2025 \$	Total 2024 \$
Asset Retirement Obligation					
Opening balance	1,510,100	299,470	470,000	2,279,570	2,251,770
Closure/post-closure costs incurred	(36,014)	-	-	(36,014)	-
Revaluation of estimate of liability	4,703,700	-	-	4,703,700	-
Accretion expense	14,313	-	-	14,313	27,800
Closing balance	6,192,099	299,470	470,000	6,961,569	2,279,570

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

11. TANGIBLE CAPITAL ASSETS

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

	2025	2024
	\$	\$
General		
Land	928,901	928,901
Land improvements	6,268,466	2,648,141
Buildings	12,772,239	12,960,137
Machinery and equipment	2,735,243	2,766,735
Vehicles	1,126,936	703,505
Infrastructure		
Roads and culverts	10,947,366	10,500,883
Water and sewer	11,730,294	10,212,952
	46,509,445	40,721,254
Assets under construction	1,382,222	1,733,038
	47,891,667	42,454,292

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

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

The tangible capital assets of \$2,544,943 contributed in 2025 consisted of assumed subdivision assets. This was allocated across land improvements, roads and culverts, and water and sewer. During 2024 there were no contributed assets.

The allocation of tangible capital assets by segment are as follows:

	2025	2024
	\$	\$
General government	1,222,388	1,219,082
Protection services	1,335,778	965,656
Transportation services	14,731,864	14,837,121
Environmental services	23,496,836	18,147,388
Health services	763,304	793,523
Recreation and cultural services	6,341,497	6,491,522
	47,891,667	42,454,292

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

12. ACCUMULATED SURPLUS

(a) Accumulated surplus consists of the following:

	2025	2024 Restated (note 20)
	\$	\$
Surplus/(Deficit)		
Township	(70,369)	(402,710)
Norwood water	(172,372)	(258,027)
Norwood sewer	(238,511)	(263,207)
Cemeteries	91,205	109,347
	(390,047)	(814,597)
Invested In Capital Assets		
Tangible capital assets - net book value	47,891,667	42,454,292
Long term debt	(1,114,286)	(1,171,429)
Unfunded capital (note 13 (b))	(1,112,124)	(1,194,582)
Unfunded asset retirement obligations	(6,961,569)	(2,279,570)
	38,703,688	37,808,711
Surplus	38,313,641	36,994,114
Reserves		
Working funds	52,459	135,460
General government	240,307	231,447
Recreation facilities	117,928	72,236
Waste collection and disposal (note 13 (c))	311,254	370,860
Fire	-	296,554
Transportation (note 13 (d))	1,281,053	1,153,441
Emergency measures	1,854	1,854
Police	111,197	111,197
Water and sewer (note 13 (e))	673,626	498,626
Furnace replacement	2,728	16,830
Libraries	89,113	76,356
Building department	295,019	409,266
Total Reserves	3,176,538	3,374,127
Reserve Funds		
Library	5,295	4,464
	41,495,474	40,372,705

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

12. ACCUMULATED SURPLUS, continued

- (b) Unfunded capital projects will be funded from future property taxation and user fees. Unfunded capital projects consist of the following:

	2025	2024
	\$	\$
Norwood water system	(755,597)	(819,290)
Medical centre capital	(356,527)	(375,292)
	(1,112,124)	(1,194,582)

- (c) Waste collection and disposal reserves consist of:

	2025	2024
	\$	\$
Garbage collection contract	4,000	4,000
Landfill site	288,266	347,872
Landfill equipment	18,988	18,988
	311,254	370,860

- (d) Transportation reserves consist of:

	2025	2024
	\$	\$
Roads	1,256,376	1,128,764
Pit rehabilitation	24,677	24,677
	1,281,053	1,153,441

- (e) Water and sewer reserves consist of:

	2025	2024
	\$	\$
Water	175,000	-
Trentview water	81,045	81,045
Sewer	417,581	417,581
	673,626	498,626

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

13. EXPENSES BY OBJECT

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

	Budget 2025 \$ (note 2)	Actual 2025 \$	Actual 2024 \$
Salaries and benefits	3,483,735	3,587,654	3,425,892
Interest charges	56,545	56,698	59,663
Materials	2,600,269	2,751,292	2,668,215
Contracted services	1,026,794	1,023,221	974,819
Rents and financial	9,000	24,319	54,657
External transfers	49,693	127,420	42,082
Amortization	1,723,203	2,833,363	1,723,203
Loss (gain) on disposal of tangible capital assets	(25,000)	2,245	(46,557)
	8,924,239	10,406,212	8,901,974

14. PENSION AGREEMENTS

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

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

The Township's total contributions to OMERS in 2025 were \$456,870 (2024 - \$373,544) of which \$228,435 (2024 - \$186,772) was contributed by employees.

15. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$4,000,000 via Royal Bank prime based demand loans, bankers acceptances or flex financing. Any balance borrowed will accrue interest at the bank's prime lending rate less 0.50% per annum. Council authorized the temporary borrowing limit by By-law 2025-02. At December 31, 2025 there was no balance outstanding.

16. TRUST FUNDS

Trust funds administered by the Township amounting to \$266,114 (2024 - \$244,044) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

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

17. CONTINGENT LIABILITIES

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

18. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation. The changes do not affect prior year surplus.

19. FINANCIAL INSTRUMENTS

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

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

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

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

20. PRIOR PERIOD RESTATEMENT

The Township has restated its financial statements to reflect an error in the allocation between the Township and Norwood Water and Sewer accumulated surplus/(deficit).

Adjustment to 2024 Township Surplus/(Deficit)

Accumulated Township operating deficit as previously recorded	\$ (923,944)
Accumulated water deficit not previously allocated	258,027
Accumulated sewer deficit not previously allocated	<u>263,207</u>
Closing 2024 Township accumulated operating deficit as restated	<u>\$ (402,710)</u>

Adjustment to 2024 Water Surplus/(Deficit)

Accumulated water deficit as previously recorded for December 31, 2024	\$ -
Accumulated water deficit not previously allocated	<u>(258,027)</u>
Closing 2024 accumulated water deficit as restated	<u>\$ (258,027)</u>

Adjustment to 2024 Sewer Surplus/(Deficit)

Accumulated sewer deficit as previously recorded for December 31, 2024	\$ -
Accumulated sewer deficit not previously allocated	<u>(263,207)</u>
Closing 2024 accumulated water deficit as restated	<u>\$ (263,207)</u>

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

21. SEGMENTED INFORMATION

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

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

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

General Government

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

Water and Sewer

This function is responsible for providing sanitary sewer and waterworks services to certain areas of the Township.

Other Environmental Services

This function is responsible for providing waste collection and waste disposal services to ratepayers.

Health Services

The health services function consists of the activities of contract services for a local medical centre and the operation of the Township's cemeteries.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and library services.

Planning and Development

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

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2025

	General					Infrastructure		Assets Under Construction	Totals
	Land \$	Land Improvements \$	Buildings \$	Machinery and Equipment \$	Vehicles \$	Roads and Culverts \$	Water and Sewer \$		
COST									
Balance, beginning of year	928,901	3,530,573	16,139,025	4,793,596	2,333,309	25,580,660	15,577,911	1,733,038	70,617,013
Add: additions during the year	-	35,373	39,739	118,392	-	747,664	1,818,346	853,728	3,613,242
Less: disposals during the year	-	-	-	12,388	231,070	-	2,106	-	245,564
Transfers	-	-	-	77,214	603,712	523,618	-	(1,204,544)	-
Asset retirement obligation	-	4,703,700	-	-	-	-	-	-	4,703,700
Balance, end of year	928,901	8,269,646	16,178,764	4,976,814	2,705,951	26,851,942	17,394,151	1,382,222	78,688,391
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	882,432	3,178,888	2,026,861	1,629,804	15,079,777	5,364,959	-	28,162,721
Add: additions during the year	-	1,118,748	227,637	227,098	134,077	824,799	301,004	-	2,833,363
Less: disposals during the year	-	-	-	12,388	184,866	-	2,106	-	199,360
Balance, end of year	-	2,001,180	3,406,525	2,241,571	1,579,015	15,904,576	5,663,857	-	30,796,724
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	928,901	6,268,466	12,772,239	2,735,243	1,126,936	10,947,366	11,730,294	1,382,222	47,891,667

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

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

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	984,290	1,172,644	1,415,845	-	91,907	510,911	449,168	88,433	4,713,198
User charges	71,477	129,005	80,912	1,456,964	166,462	37,595	508,782	9,255	2,460,452
Government transfers - operating	150,671	451,026	216,769	-	14,071	78,221	131,870	13,566	1,056,194
Government transfers - capital	70,506	-	138,192	-	-	-	-	-	208,698
Other municipalities	-	10,000	-	-	-	100,100	-	-	110,100
Penalties and interest on taxes	89,986	-	-	-	-	-	-	-	89,986
Investment income	59,784	-	-	-	-	2,497	-	-	62,281
Donations	24,078	-	-	-	-	-	7,211	-	31,289
Donated tangible capital assets	24,720	-	731,045	1,789,178	-	-	-	-	2,544,943
Other	116,990	-	-	-	-	37,398	1,199	-	155,587
Development charges earned	-	19,276	-	-	-	-	16,319	-	35,595
Canada Community-Building Fund earned	-	-	60,658	-	-	-	-	-	60,658
Total revenues	1,592,502	1,781,951	2,643,421	3,246,142	272,440	766,722	1,114,549	111,254	11,528,981
Expenses									
Salaries and benefits	941,624	448,435	805,761	292,759	63,998	415,698	561,048	58,331	3,587,654
Interest charges	-	-	-	56,698	-	-	-	-	56,698
Materials	358,992	429,111	883,569	376,014	42,766	87,934	562,767	10,139	2,751,292
Contracted services	180	699,740	611	38,826	113,659	160,605	9,600	-	1,023,221
Rents and financial	9,606	400	-	-	14,313	-	-	-	24,319
External transfers	9,906	115,734	-	-	1,780	-	-	-	127,420
Amortization	32,620	102,598	1,007,432	402,753	1,040,623	30,220	217,117	-	2,833,363
Loss (gain) on disposal of tangible capital assets	-	2,245	-	-	-	-	-	-	2,245
Total expenses	1,352,928	1,798,263	2,697,373	1,167,050	1,277,139	694,457	1,350,532	68,470	10,406,212
Net surplus/(deficit)	239,574	(16,312)	(53,952)	2,079,092	(1,004,699)	72,265	(235,983)	42,784	1,122,769

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

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

	General Government \$	Protection Services \$	Transportation Services \$	Water and Sewer \$	Other Environmental Services \$	Health Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues									
Property taxation	504,742	1,218,367	1,588,271	-	82,391	352,083	493,798	127,042	4,366,694
User charges	73,558	131,288	101,538	1,271,422	155,912	58,704	496,929	28,341	2,317,692
Government transfers - operating	647,000	11,034	-	-	-	-	33,127	-	691,161
Government transfers - capital	-	-	205,823	371,114	-	-	-	-	576,937
Other municipalities	-	8,150	-	-	-	-	-	-	8,150
Penalties and interest on taxes	75,209	-	-	-	-	-	-	-	75,209
Investment income	110,410	-	-	-	-	-	-	-	110,410
Donations	8,098	-	-	-	-	36,586	4,017	-	48,701
Other	1,059	13,948	250	-	-	1,330	1,199	-	17,786
Development charges earned	-	57,709	-	-	-	-	41,340	-	99,049
Canada Community-Building Fund earned	-	-	29,505	-	-	-	-	-	29,505
Total revenues	1,420,076	1,440,496	1,925,387	1,642,536	238,303	448,703	1,070,410	155,383	8,341,294
Expenses									
Salaries and benefits	834,011	471,264	766,953	355,237	48,641	330,647	512,418	106,721	3,425,892
Interest charges	-	-	-	59,663	-	-	-	-	59,663
Materials	502,761	249,945	731,631	434,407	47,679	45,375	631,426	24,991	2,668,215
Contracted services	1,251	652,926	-	13,908	168,740	130,182	7,812	-	974,819
Rents and financial	10,042	-	-	-	27,710	-	16,905	-	54,657
External transfers	4,000	38,082	-	-	-	-	-	-	42,082
Amortization	28,195	59,956	1,037,544	335,940	56,436	6,740	198,392	-	1,723,203
Loss (gain) on disposal of tangible capital assets	-	(15,147)	(31,410)	-	-	-	-	-	(46,557)
Total expenses	1,380,260	1,457,026	2,504,718	1,199,155	349,206	512,944	1,366,953	131,712	8,901,974
Net surplus/(deficit)	39,816	(16,530)	(579,331)	443,381	(110,903)	(64,241)	(296,543)	23,671	(560,680)

INDEPENDENT AUDITOR'S REPORT

**To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Asphodel-
Norwood**

**T: (705) 742-3418
F: (705) 742-9775**

www.bakertilly.ca

Opinion

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

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2025, and the continuity of the Trust Funds 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 the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust 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.

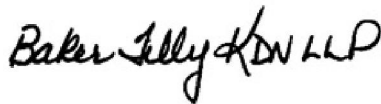
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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
October 1, 2026

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

TRUST FUNDS STATEMENT OF FINANCIAL POSITION At December 31, 2025

	Community Recognition Award \$	Perpetual Care \$	2025 Total \$	2024 Total \$
FINANCIAL ASSETS				
Cash	5,887	21,798	27,685	252,466
Investments (note 2)	9,000	230,000	239,000	-
Due from operations	-	400	400	400
	14,887	252,198	267,085	252,866
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to Province	-	-	-	6,180
Due to Township	-	971	971	2,642
	-	971	971	8,822
FUND BALANCES	14,887	251,227	266,114	244,044
	14,887	252,198	267,085	252,866

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF
ASPHODEL-NORWOOD**



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

	Community Recognition Award \$	Perpetual Care \$	2025 Total \$	2024 Total \$
BALANCES - beginning of year	14,632	229,412	244,044	213,751
RECEIPTS				
Interest earned	255	971	1,226	12,240
Capital gains	-	-	-	22,859
Perpetual care	-	21,815	21,815	6,835
	255	22,786	23,041	41,934
EXPENSES				
Trustee fees	-	-	-	2,092
Transfers to cemetery operations	-	971	971	9,549
	-	971	971	11,641
BALANCES - end of year	14,887	251,227	266,114	244,044

The accompanying notes are an integral part of these financial statements



CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

(b) Use of Estimates

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

2. INVESTMENTS

The investment reported on the Statement of Financial Position consists of a \$230,000 G.I.C. maturing April 2026, earning interest at 2.82% per year for the Perpetual Care trust fund. Additionally, the Community Recognition Award trust fund is invested in a \$9,000 GIC maturing June 24, 2026 earning interest at 2.75% per year. These investments are recorded at cost which approximates market value.

3. CARE AND MAINTENANCE FUNDS

The figures reported for the cemetery care and maintenance funds represent the trust fund activities for the Asphodel-Norwood cemetery.

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

4. COMMUNITY RECOGNITION

An investment was made by a Township resident in trust to fund the creation of the Community Recognition Award in the name of the Township of Asphodel-Norwood. Interest earned each year is to be used to pay for advertising and the presented award. If no amounts are awarded for three consecutive years, the investment will be returned to the donor.

**CORPORATION OF THE TOWNSHIP OF
ASPHODEL-NORWOOD**

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 2025

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

INDEPENDENT AUDITOR'S REPORT

To the Members of the Asphodel-Norwood Public Library Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Asphodel-Norwood

T: (705) 742-3418
F: (705) 742-9775

www.bakertilly.ca

Qualified Opinion

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

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

Basis for Qualified Opinion

In common with many Public Library Boards, the Board derives revenue from user fees, fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Board. Therefore, we were not able to determine whether any adjustments might be necessary to user fees, fundraising and donations revenue, annual surplus and cash flows from operations for the years ended December 31, 2025 and 2024, and assets and accumulated surplus as at December 31, 2025 and 2024. Our opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this scope limitation.

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

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

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

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

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

ASSURANCE • TAX • ADVISORY

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Peterborough

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
October 1, 2026

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2025

	2025 \$	2024 \$
FINANCIAL ASSETS		
Cash	28,341	27,510
Due from Township (note 4)	90,760	60,910
TOTAL FINANCIAL ASSETS	119,101	88,420
LIABILITIES		
Deferred revenue (note 6)	24,694	7,600
NET FINANCIAL ASSETS	94,407	80,820
NON-FINANCIAL ASSETS		
Tangible capital assets (note 2)	68,021	50,817
ACCUMULATED SURPLUS (note 3)	162,428	131,637

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2025

	Budget 2025 \$ (note 5)	Actual 2025 \$	Actual 2024 \$
REVENUES			
Contribution from Township (note 4)	208,230	208,230	193,464
Development charge earned (note 4)	13,000	16,319	12,821
User fees	5,410	7,898	8,986
Province of Ontario	8,593	8,593	8,593
Ontario Trillium Foundation	15,200	15,200	-
Seniors active living centre funding	-	34,490	-
Donations and fundraising	1,600	9,817	5,023
Other grants	1,199	1,199	1,699
Interest earned	-	831	1,301
TOTAL REVENUES	253,232	302,577	231,887
EXPENSES			
Salaries and benefits	156,832	153,468	144,664
Repairs and maintenance	25,590	23,850	33,320
Supplies and programs	32,670	29,482	22,659
Seniors active living centre programming	-	34,511	-
Utilities	21,188	16,114	11,352
Amortization	10,376	12,090	10,376
Insurance (note 4)	1,695	1,792	1,546
Fundraising	100	479	-
TOTAL EXPENSES	248,451	271,786	223,917
ANNUAL SURPLUS	<u>4,781</u>	30,791	7,970
ACCUMULATED SURPLUS - beginning of year		131,637	123,667
ACCUMULATED SURPLUS - end of year		162,428	131,637

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2025

	Budget 2025 \$ (note 5)	Actual 2025 \$	Actual 2024 \$
ANNUAL SURPLUS	4,781	30,791	7,970
Amortization of tangible capital assets	10,376	12,090	10,376
Acquisition of tangible capital assets	(23,924)	(29,294)	(13,308)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(8,767)	13,587	5,038
NET FINANCIAL ASSETS - beginning of year	80,820	80,820	75,782
NET FINANCIAL ASSETS - end of year	72,053	94,407	80,820

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

	2025 \$	2024 \$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus	30,791	7,970
Items not involving cash		
Amortization of tangible capital assets	12,090	10,376
Change in non-cash assets and liabilities		
Due from Township	(29,850)	(11,337)
Deferred revenue	17,094	7,600
Net change in cash from operating activities	30,125	14,609
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(29,294)	(13,308)
NET CHANGE IN CASH	831	1,301
CASH - beginning of year	27,510	26,209
CASH - end of year	28,341	27,510

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Recognition of revenue and expenses

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

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

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

Donations and fundraising revenue is recognized when the amounts are received.

(b) Use of estimates

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

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

(c) Inter-entity transactions

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

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

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

(d) Deferred revenue

Deferred revenue represents grants which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Financial Instruments

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

Financial Instrument	Measurement Method
Cash	Amortized Cost
Due from Township	Amortized Cost

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

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

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

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

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

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Books and periodicals	7 years
Furniture and computers	5 to 10 years
Land improvements	15 to 25 years

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

(g) Non-financial assets

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

(h) Reserves and reserve funds

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

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

2. TANGIBLE CAPITAL ASSETS

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

	Books and Periodicals \$	Furniture \$	Computers \$	Land Improvements \$	2025 Totals \$	2024 Totals \$
COST						
Balance, beginning of year	74,729	14,143	3,562	-	92,434	91,081
Add: additions during the year	12,975	-	-	16,319	29,294	13,308
Less: disposals during the year	12,388	-	-	-	12,388	11,955
Balance, end of year	75,316	14,143	3,562	16,319	109,340	92,434
ACCUMULATED AMORTIZATION						
Balance, beginning of year	29,569	8,486	3,562	-	41,617	43,196
Add: additions during the year	10,676	1,414	-	-	12,090	10,376
Less: disposals during the year	12,388	-	-	-	12,388	11,955
Balance, end of year	27,857	9,900	3,562	-	41,319	41,617
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	47,459	4,243	-	16,319	68,021	50,817

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2025

3. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2025 \$	2024 \$
Invested In Capital Assets		
Tangible capital assets - net book value	68,021	50,817
Surplus	68,021	50,817
Reserve		
General	89,112	76,356
Reserve Fund		
General	5,295	4,464
	162,428	131,637

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

4. INTER-ENTITY TRANSACTIONS

During the year, the Board entered into transactions with the Township of Asphodel-Norwood and with the following other boards of the Township:

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

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

	2025	2024
	\$	\$
Allocated costs:		
Audit	2,100	2,100
Insurance	1,792	1,546
	3,892	3,646
Unallocated costs:		
Bag tags	1,750	1,750
	5,642	5,396

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

- Accounting and administrative services
- Rental of buildings
- Water and sewer costs

All balances with the related parties noted above have been identified on the Statement of Financial Position. Due from balances are unsecured, without interest and have no terms of repayment.

5. BUDGET FIGURES

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

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

	2025
	\$
Board approved budgeted surplus	-
Tangible capital asset additions	23,924
Amortization of tangible capital assets	(10,376)
Transfers to/(from) reserves and reserve funds	(8,767)
Annual surplus reported on the Statement of Operations	4,781

CORPORATION OF THE TOWNSHIP OF ASPHODEL-NORWOOD

ASPHODEL-NORWOOD PUBLIC LIBRARY BOARD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

6. DEFERRED REVENUE

Deferred revenue consists of a 2026 Connectivity grant received in advance (\$768) and unspent Seniors Active Living funding (\$23,926). In 2024 the balance is comprised of a 2025 Ontario Trillium Grant received in advance.

7. FINANCIAL INSTRUMENTS

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

(a) Credit risk

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

In the opinion of management the credit risk exposure to the organization is low as all receivables are due from the Township.

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