Township of Whitewater Region

Financial Statements

For the year ended 31 December 2025

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

WHITEWATER
REGION

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the Township of Whitewater Region (the "Township") are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is contained in Note 1 to the consolidated financial statements. The preparation of consolidated 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.

The Township's management maintains a system of internal controls 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. These systems are monitored and evaluated by management.

The Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MacKillican & Associates, independent external auditors appointed by the Township. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.

Ivan Burton
CAO

(613) 646-2282

P.O. Box 40,
44 Main Street
Cobden, ON
K0J 1K0

www.whitewaterregion.ca

Township of Whitewater Region

Consolidated Financial Statements Index

For the year ended 31 December 2025

	Page
Independent Auditor's Report	1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Changes in Net Financial Assets (Liabilities)	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 17
Schedule of General Operations	18
Schedules of Tangible Capital Assets	19 - 20
Schedule of Reserves and Reserve Funds	21

Whitewater Region Public Library Board

Independent Auditor's Report	22 - 23
Statement of Financial Position	24
Statement of Operations and Accumulated Surplus	25
Statement of Cash Flows	26
Notes to the Financial Statements	27 - 28

Whitewater Historical Society

Independent Auditor's Report	29 - 30
Statement of Financial Position	31
Statement of Operations and Accumulated Surplus	32
Notes to the Financial Statements	33 - 34

MacKillican & Associates
Chartered Professional Accountants
Since 1951

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Whitewater Region.

Opinion

We have audited the consolidated financial statements of the Township of Whitewater Region (the Township), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net financial assets (liabilities) and consolidated statement of 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 Township as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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.

Auditor's Responsibilities for the Audit of the 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

MacKillican & Associates

RENFREW, Ontario.
16 September 2026.

Chartered Professional Accountants,
Licensed Public Accountants.

Township of Whitewater Region

Consolidated Statement of Financial Position

For the year ended 31 December 2025
(with 2024 figures for comparison)

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 3,359,565	$ 2,715,915
Taxes receivable	1,650,958	1,482,031
Accounts receivable	898,225	1,051,796
Investments (Note 3)	295,029	295,029
	$ 6,203,777	$ 5,544,771
Liabilities:		
Accounts payable and accrued liabilities	$ 2,672,575	$ 1,601,116
Deferred revenue - obligatory reserve funds (Note 5)	1,130,580	862,700
Net long term liabilities (Note 10)	13,429,190	14,536,690
Asset retirement obligation (Note 6)	740,577	719,788
	$ 17,972,922	$ 17,720,294
Net financial assets (liabilities)	$ (11,769,145)	$ (12,175,523)
Non-financial assets:		
Tangible capital assets (net)	$ 48,285,642	$ 47,540,307
Inventories of supplies	455,799	165,522
Prepaid expenses	19,160	29,458
	$ 48,760,601	$ 47,735,287
Accumulated surplus	$ 36,991,456	$ 35,559,764
Accumulated surplus comprised of:		
Equity in tangible capital assets (Note 12)	$ 32,745,671	$ 32,357,987
Whitewater Region Public Library Board	19,150	31,045
Whitewater Historical Society	40,211	17,703
Reserves and reserve funds	4,927,001	3,872,817
Unfunded - asset retirement obligation (Notes 2 and 6)	(740,577)	(719,788)
Total accumulated surplus	$ 36,991,456	$ 35,559,764

(See accompanying notes)

Township of Whitewater Region

Consolidated Statement of Operations and Accumulated Surplus

For the year ended 31 December 2025
(with 2025 budget and 2024 actual figures for comparison)

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Taxation and user charges	$ 11,141,752	$ 11,076,131	$ 10,360,327
Government transfers:			
Ontario	2,465,839	2,385,794	1,859,195
Canada	306,775	88,236	262,912
Other municipalities	14,075	12,306	8,000
Other	1,179,862	1,286,756	1,263,868
	$ 15,108,303	$ 14,849,223	$ 13,754,302
Expenses:			
General government	$ 1,570,309	$ 1,814,557	$ 1,583,601
Protection to persons and property	2,465,209	2,429,552	2,160,109
Transportation services	4,598,781	4,238,406	4,118,370
Environmental services	3,239,623	3,379,847	3,252,859
Social services	7,100	95,348	117,664
Recreation and cultural services	1,314,571	1,188,716	1,141,759
Planning and development	231,566	271,105	297,761
	$ 13,427,159	$ 13,417,531	$ 12,672,123
Excess of revenue over expenses	$ 1,681,144	$ 1,431,692	$ 1,082,179
Accumulated surplus at the beginning of the year	35,559,764	35,559,764	34,477,585
Accumulated surplus at the end of the year	$ 37,240,908	$ 36,991,456	$ 35,559,764

(See accompanying notes)

Township of Whitewater Region

Consolidated Statement of Changes in Net Financial Assets (Liabilities)

For the year ended 31 December 2025
(with 2025 budget and 2024 actual figures for comparison)

	2025 Budget	2025 Actual	2024 Actual
Excess of revenue over expenses	$ 1,681,144	$ 1,431,692	$ 1,082,179
Amortization of tangible capital assets	2,105,593	2,105,593	1,990,083
Acquisition of tangible capital assets	(2,999,117)	(3,190,538)	(2,715,922)
Loss (gain) on sale of tangible capital assets		187,429	(23,109)
Proceeds on sale of tangible capital assets		152,181	29,596
Consumption (acquisition) of inventory		(290,277)	(35,134)
Consumption (acquisition) of prepaid expenses		10,298	(9,612)
Increase (decrease) in net financial assets (liabilities)	$ 787,620	$ 406,378	$ 318,081
Net financial assets (liabilities) at the beginning of the year	(12,175,523)	(12,175,523)	(12,493,604)
Net financial assets (liabilities) at the end of the year	$ (11,387,903)	$ (11,769,145)	$ (12,175,523)

(See accompanying notes)

Township of Whitewater Region

Consolidated Statement of Cash Flows

For the year ended 31 December 2025
(with 2024 figures for comparison)

	2025	2024
Cash flows from operating activities:		
Excess of revenue over expenses	$ 1,431,692	$ 1,082,179
Add (deduct) items which do not involve cash:		
- amortization	2,105,593	1,990,083
- accretion expense	20,789	
- loss (gain) on sale of tangible capital assets	187,429	(23,109)
	$ 3,745,503	$ 3,049,153
Net change in non cash working capital balances related to operations:		
- decrease (increase) in taxes receivable	$ (168,927)	$ (256,973)
- decrease (increase) in accounts receivable	153,571	(172,871)
- decrease (increase) in inventories of supplies	(290,277)	(35,134)
- increase (decrease) in accounts payable and accrued liabilities	1,071,459	380,878
- increase (decrease) in deferred revenue	267,880	346,869
- decrease (increase) in prepaid expenses	10,298	(9,612)
	$ 1,044,004	$ 253,157
Cash flows from operating activities	$ 4,789,507	$ 3,302,310
Cash flows from (used for) financing activities:		
Repayment of OILC debentures	$ (1,107,500)	$ (1,076,235)
Proceeds from OILC debentures		861,431
Cash flows from (used for) financing activities	$ (1,107,500)	$ (214,804)
Cash flows used for capital activities:		
Additions to tangible capital assets:		
General government	$ (18,084)	$ (52,925)
Protection services	(697,903)	(82,201)
Transportation services	(1,043,302)	(1,137,415)
Environmental services	(1,302,627)	(1,388,190)
Recreation and cultural services	(46,436)	(55,191)
Planning and development	(82,186)	
Proceeds from the sale of tangible capital assets	152,181	29,596
Cash flows used for capital activities	$ (3,038,357)	$ (2,686,326)
Increase (decrease) in cash and cash equivalents during the year	$ 643,650	$ 401,180
Cash and cash equivalents at the beginning of the year	2,715,915	2,314,735
Cash and cash equivalents at the end of the year	$ 3,359,565	$ 2,715,915

(See accompanying notes)

Township of Whitewater Region

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Whitewater Region are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Township and changes thereto. The Consolidated Statement of Financial Position reports financial assets and liabilities. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the Township and is the difference between financial assets and liabilities. This information explains the Township's overall future revenue requirements and its ability to finance activities and meet its obligations.

(a) Reporting Entity

(i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds, and changes in investment in tangible capital assets of the Township. 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 or controlled by the Township. Interdepartmental and organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

- Whitewater Region Public Library Board
- Whitewater Historical Society

(ii) Accounting for County and School Board Transactions
The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the county and school boards are not reflected in the municipal fund balances of these financial statements.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

(c) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

Township of Whitewater Region

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Tangible Capital Assets

(i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Consumer Price Index (CPI). Land for road segments is valued at $ 1.00 per segment. All other land is valued at cost. Where cost was not readily determinable, the land was given a value of $ 1.00 per segment. 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	15 - 40 years
Buildings	15 - 80 years
Machinery and equipment	5 - 30 years
Vehicles	10 - 50 years
Linear assets	15 - 100 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization will be charged against the asset. Capital work in progress is not amortized until it is put into service.

The Township has a capitalization threshold of $ 5,000, so that individual TCAs of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer.

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(e) Inventories

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

(f) Investment Income

Investment income earned on current funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balance.

(g) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Deferred Revenue
Certain amounts are received pursuant to regulations or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(i) Deferred Revenue - Obligatory Reserve Funds
The Township receives restricted contributions under the authority of provincial and federal legislation and Township by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

(j) 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Significant estimates include the allowance for doubtful taxes, landfill closure and post closure costs, employee future benefits and amortization.

(k) Cash and Cash Equivalents
Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

(l) Revenue Recognition
Taxation revenue consists of non-exchange transactions. It is recognized in the period to which the assessment relates and reasonable estimates of amounts can be made. Annual revenue also includes adjustments related to reassessments or appeals related to prior years. Fees and user charges relate to utility charges (water, wastewater, and solid waste), licensing fees, fees for use of various programming, and fees imposed based on specific activities. Revenue is recognized when the activity is performed or when the services are rendered.

(m) Financial Instruments
Financial instruments include cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, and net long term liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash and cash equivalents, accounts receivable, investments, and accounts payable and accrued liabilities, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

The fair value of net long term liabilities, including the current portion, is based on rates currently available to the Municipality with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

2. AMOUNTS TO BE RECOVERED

Amounts to be recovered represent the requirement of the Township to raise funds in subsequent periods to asset retirement obligations, comprised of the landfill closure and post closure liabilities.

Township of Whitewater Region

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. INVESTMENTS

The investments are carried at cost and are comprised as follows:

147 Common shares of Ottawa River Power Corporation	$ 147,000
147 Special shares of Ottawa River Power Corporation	147
147 Common shares of Ottawa River Solutions Inc.	735
147 Special shares of Ottawa River Solutions Inc.	147
Promissory Note from Ottawa River Power Corporation 5.37%	147,000
	$ 295,029

4. OPERATIONS OF SCHOOL BOARDS AND COUNTY OF RENFREW

Requisitions were made by the School Boards and County of Renfrew 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
Property taxes	$ 1,868,676	$ 4,343,606
Payments in lieu	2,002	48,638
	$ 1,870,678	$ 4,392,244

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place because federal, provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Township are summarized below:

(a) The balance of deferred revenue - obligatory reserve funds on the "Consolidated Statement of Financial Position" at the end of the year is comprised of the following externally restricted reserve funds:

	2025	2024
Parkland Reserve Fund	$ 1,401	
Water and Sewer Reserve Fund	15,282	$ 14,547
CCBF - Federal	245,580	84,712
OCIF - Component based	413,930	413,629
Development charges	454,387	349,812
	$ 1,130,580	$ 862,700

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS (Continued)

(b) Transactions during the year in the deferred revenue - obligatory reserve funds are as follows:

	2025	2024
Balance at the beginning of the year	$ 862,700	$ 515,831
CCBF - Federal revenue received	236,620	230,618
Parkland	1,401	
Development fees	98,324	64,751
OCIF revenue received	742,785	645,900
Interest earned	15,988	6,713
	$ 1,957,818	$ 1,463,813
Transfer for tangible capital asset acquisitions	(757,057)	(572,547)
Transfer to operations	(70,181)	(28,566)
Balance at the end of the year	$ 1,130,580	$ 862,700

6. ASSET RETIREMENT OBLIGATION

The Township has accrued for asset retirement obligation related to the legal requirment for the remediation of the landfill sites and properties owned by the Township. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remediate the landfills and properties in accordance with current legislation.

	2025	2024
Landfill closure and post closure costs	$ 473,062	$ 462,562
Properties	267,515	257,226
	$ 740,577	$ 719,788

Landfill

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. Some closure costs are incurred on an ongoing basis and are included in the yearly fiscal operating budget. All remaining expected closure and post closure costs have been discounted at the Township's average long term borrowing rate, net of estimated inflation. There are currently no reserves set aside for either closure or post closure activities.

The reported liability is based on estimates and assumptions with respect to events extending over the useful life and estimated post closure care period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

6. ASSET RETIREMENT OBLIGATION (Continued)

Ross

The landfill is expected to reach its capacity in 20 years, and the estimated remaining capacity is 166,610 cubic meters, which is 44% of the site's total capacity. The total undiscounted future expenditures for closure and post-closure care are $ 317,562 (2024 - $ 315,562). The estimated length of time for post-closure care is 10 years.

Cobden

This landfill reached capacity in 2002. The total undiscounted future expenditures for post-closure care are $ 70,000 (2024 - $ 61,000). The estimated length of time for post-closure care is 10 years.

Westmeath

This landfill reached capacity in 2008. The total undiscounted future expenditures for post-closure care are $ 90,000 (2024 - $ 86,000). The estimated length of time for post-closure care is 10 years.

Properties

The asset retirement obligations associated with the properties are costs to remediate various sites due to contaminents contained on the properties. The properties have expected remaining useful lives between 10 and 42 years at which point the properties will require remediation.

7. CONTINGENT LIABILITIES

In the normal course of operations the Municipality becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at 31 December 2025 cannot be predicted with certainty, it is the opinion of the Municipality that their resolution will not have a material adverse effect on the Municipality's financial position or results of operations.

8. BUDGET FIGURES

The operating budget approved by the Township of Whitewater Region for 2025 is reflected on the Consolidated Statement of Operations. The budget established for capital investment in tangible capital assets is on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Township does not budget activity within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures have been reclassified for the purpose of these financial statements to comply with PSAB reporting requirements. The budget figures have not been audited.

9. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Township by major asset class and by function, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

(i) Contributed Tangible Capital Assets
The Township records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. Typical examples are roadways, water and sewer lines installed by a developer as part of a subdivision agreement. In 2025, an external party contributed an asset with a value of $ Nil (2024 - $ Nil).

9. TANGIBLE CAPITAL ASSETS (Continued)

(ii) Tangible Capital Assets Recognized at Nominal Value
Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such assets are the Township's road allowances. The 2025 road network had segments, each of which has been assigned a value of one dollar for the road allowance itself.

10. NET LONG TERM LIABILITIES	2025	2024
(a) OIPC loan payable, interest at 4.94%, $ 42,471 blended payment, payable semi-annually, maturing June 2040	$ 872,075	$ 912,435
OIPC loan payable, interest at 3.35%, $ 32,631 blended payment, payable semi-annually, maturing June 2027	94,702	155,266
OIPC loan payable, interest at 3.59%, $ 5,664 blended payment, payable semi-annually, maturing June 2031	60,660	69,569
OIPC loan payable, interest at 3.9%, $ 5,374 blended payment, payable semi-annually, maturing December 2041	127,051	132,680
OIPC loan payable, interest at 3.59%, $ 4,234 blended payment, payable semi-annually, maturing December 2031	45,342	52,002
OIPC loan payable, interest at 3.39%, $ 11,081 blended payment, payable semi-annually, maturing February 2039	238,491	252,219
OIPC loan payable, interest at 3.39%, $ 41,555 blended payment, payable semi-annually, maturing February 2039	894,343	945,821
OIPC loan payable, interest at 3.01%, $ 13,432 blended payment, payable semi-annually, maturing February 2029	88,608	112,269
OIPC loan payable, interest at 3.39%, $ 2,770 blended payment, payable semi-annually, maturing February 2039	59,623	63,055
OIPC loan payable, interest at 1.04%, $ 40,536 blended payment, payable semi-annually, matured August 2025		80,444
OIPC loan payable, interest at 2.78%, $ 9,683 blended payment, payable semi-annually, maturing February 2045	289,989	301,062
OIPC loan payable, interest at 2.48%, $ 28,582 blended payment, payable semi-annually, maturing February 2030	241,992	292,219
OIPC loan payable, interest at 2.98%, $ 151,969 blended payment, payable semi-annually, maturing October 2051	5,472,550	5,610,320
OIPC loan payable, interest at 1.32%, $ 16,330 blended payment, payable semi-annually, maturing September 2026	32,339	64,256
OIPC loan payable, interest at 1.44%, $ 38,711 blended payment, payable semi-annually, maturing November 2026	76,593	152,095

10. NET LONG TERM LIABILITIES (Continued)

OIPC loan payable, interest at 3.81%, $ 151,494 blended payment, payable semi-annually, maturing January 2033	1,960,489	2,182,419
OIPC loan payable, interest at 4.51%, $ 156,680 blended payment, payable semi-annually, maturing December 2033	2,085,004	2,297,128
OIPC loan payable, interest at 3.86%, $ 52,327 blended payment, payable semi-annually, maturing September 2034	789,339	861,431
Net long term liabilities at the end of the year	$ 13,429,190	$ 14,536,690

(b) Principal and interest payments required on the net long term liabilities are as follows:

	Principal	Interest	Total
2026	$ 1,063,203	$ 466,771	$ 1,529,974
2027	957,619	429,644	1,387,263
2028	960,715	393,917	1,354,632
2029	983,853	362,938	1,346,791
2030	979,235	319,951	1,299,186
2031 to 2035	3,719,408	1,065,587	4,784,995
2036 onward	4,765,157	1,126,403	5,891,560
	$ 13,429,190	$ 4,165,211	$ 17,594,401

(c) The Municipality is contingently liable for debt with respect to tile drainage loans made by landowners with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). The Municipality collects the loan repayments from the owners and remits them to OMAFRA. The Municipality does not have any history of default payments on the loans. The total amount outstanding as at 31 December 2025 is $ 70,596 (2024 - $ 83,109) and is not recorded on the statement of financial position.

11. CHARGES FOR NET LONG TERM LIABILITIES

(a) Total charges for the year for net long term liabilities are as follows:

	2025	2024
Principal	$ 1,107,500	$ 1,076,235
Interest	503,548	506,403
	$ 1,611,048	$ 1,582,638

These payments are within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing under Ontario Regulation 403/02.

(b) The interest charges shown in (a) above are reported on the Consolidated Statement of Operations under the appropriate functional expenditure heading.

Township of Whitewater Region

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2025	2024
Tangible capital assets - net	$ 48,285,642	$ 47,540,307
Net long term liabilities (Note 10)	(13,429,190)	(14,536,690)
Amounts to be funded in future years	(2,110,781)	(645,630)
Equity in tangible capital assets	$ 32,745,671	$ 32,357,987

13. PENSION CONTRIBUTIONS

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. During the year ended 31 December 2025, the Municipality contributed $ 244,464 (2024 - $ 263,160) to the plan and is included as an expense in the consolidated statement of operations. The Township does not recognize in its consolidated financial statements any share of the pension plan surplus as this is a joint responsibility of all Ontario municipalities and their employees. The pension plan deficit for 2025 was $ (6,127,000,000) (2024 - deficit of $ (4,319,000,000)) based on the fair market value of the Plan's assets.

14. CONTRACTUAL OBLIGATIONS

In 2025, the Township renewed its' contract with Ontario Clean Water Agency for a two year term. The fixed price contract was established for water and sewage treatment. The annual cost of this contract was $ 987,069 (2024 - $ 1,042,743) and is adjusted annually for inflation and insurance.

The Township has not negotiated a contract with the Ontario Provincial Police for the provision of policing services, however the Ontario Provincial Police provide policing services on an annual basis. Annual charges are determined based on the level of service and are reconciled to actual costs in the following year. The contract for 2025 was $ 1,064,292 (2024 - $ 1,002,427).

In 2020, the Township entered into a 5 year contract with Miller Waste Systems Inc. for the collection of curbside garbage. Annual charges are determined by reference to the Township's number of households. The contract for 2025 was $ 274,920 (2024 - $ 234,258).

In 2020, the Township entered into a 5 year contract with Miller Waste Systems Inc. for the collection and disposal of recycled materials. Annual charges are determined by reference to the Township's number of households. The contract for 2025 was $ 151,990 (2024 - $ 298,150).

15. OPERATING LOAN

Operating loan payable of $ Nil (2024 - $ Nil), bears interest at prime and is secured by a general security agreement. Advances and repayments occur on a revolving basis and total available financing under the agreement is $ 600,000.

16. SEGMENTED INFORMATION

(a) The Township is responsible for providing a wide range of services to its' citizens. The Township reports on functional areas and programs in its' consolidated financial statements. A brief description of each segment follows:

i) General government is comprised of Council and administration and is responsible for the overall governance and management of the Municipality.
ii) Protection is comprised of police, fire, and other protective services.
iii) Transportation is comprised of roads including parking, signs and signals, streetlights and the maintenance of roads of the Township.

16. SEGMENTED INFORMATION (Continued)

iv) Environmental services include water supply and distribution, wastewater treatment, and solid waste and recycling services.
v) Social services include expenses related to resident support programs.
vi) Recreation and cultural services include parks and recreation and libraries.
vii) Planning and development services are comprised of managing development for residential and business interests, as well as infrastructure and parks.

(b) For each functional area, expenditures represent both amounts that are directly attributable to the functional area and amounts that are allocated on a reasonable basis. The expenditures for 31 December 2025 are as follows:

	Salaries and benefits	Interest on long term debt	Materials and contracted services	Rent, financial expense and external transfers	Amortization	Total
General government	$ 1,008,476		$ 735,076	$ 6,896	$ 64,109	$ 1,814,557
Protection services	742,728	$ 15,231	1,512,929		158,664	2,429,552
Transportation services	1,239,481	202,437	1,481,864	17,943	1,296,681	4,238,406
Environmental services	324,674	285,880	2,320,970		448,323	3,379,847
Social services	38,562		56,786			95,348
Recreation and cultural services	594,708		461,858		132,150	1,188,716
Planning and development	177,428		88,011		5,666	271,105
	$ 4,126,057	$ 503,548	$ 6,657,494	$ 24,839	$ 2,105,593	$ 13,417,531

(c) The expenditures for 31 December 2024 are as follows:

	Salaries and benefits	Interest on long term debt	Materials and contracted services	Rent, financial expense and external transfers	Amortization	Total
General government	$ 931,589	$ 662	$ 576,825	$ 6,847	$ 67,678	$ 1,583,601
Protection services	665,772	16,755	1,319,281		158,301	2,160,109
Transportation services	1,260,483	289,552	1,273,589	17,055	1,277,691	4,118,370
Environmental services	297,537	199,434	2,409,372		346,516	3,252,859
Social services	38,725		78,939			117,664
Recreation and cultural services	592,627		414,901		134,231	1,141,759
Planning and development	205,173		86,922		5,666	297,761
	$ 3,991,906	$ 506,403	$ 6,159,829	$ 23,902	$ 1,990,083	$ 12,672,123

16. SEGMENTED INFORMATION (Continued)

(d) For each functional area, revenues represent both amounts that are directly attributable to the functional area and amounts that are allocated on a reasonable basis. The revenues for 31 December 2025 are as follows:

	Taxes	User charges and other revenues	Government transfers - Ontario	Government transfers - Canada	Total
General government	$ 8,568,606	$ 619,088	$ 1,402,579		$ 10,590,273
Protection services		60,347	33,216		93,563
Transportation services		33,990	748,600	$ 42,596	825,186
Environmental services		2,780,257	110,712		2,890,969
Social services		7,268			7,268
Recreation and cultural services		249,467	15,795	45,640	310,902
Planning and development		56,170	74,892		131,062
	$ 8,568,606	$ 3,806,587	$ 2,385,794	$ 88,236	$ 14,849,223

(e) The revenues for 31 December 2024 are as follows:

	Taxes	User charges and other revenues	Government transfers - Ontario	Government transfers - Canada	Total
General government	$ 7,956,791	$ 647,036	$ 1,223,128		$ 9,826,955
Protection services		37,889	44,171		82,060
Transportation services		32,950	349,126	$ 254,306	636,382
Environmental services		2,656,895	205,379		2,862,274
Social services		7,546			7,546
Recreation and cultural services		252,623	15,795	8,606	277,024
Planning and development		40,465	21,596		62,061
	$ 7,956,791	$ 3,675,404	$ 1,859,195	$ 262,912	$ 13,754,302

17. NON ACCRUAL OF INTEREST ON LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had the provision been made, the reserve balance at 31 December 2025 would have decreased and expenditures would have increased by $ 65,140 (2024 - $ 69,947).

Township of Whitewater Region

Schedule of General Operations

For the year ended 31 December 2025
(with 2025 budget and 2024 actual figures for comparison)

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Net municipal taxation	$ 8,517,500	$ 8,568,606	$ 7,956,789
User charges	1,127,650	1,106,860	1,074,663
Government transfers:			
Ontario	2,449,544	2,369,999	1,843,400
Canada	297,775	83,459	254,306
Other municipalities	12,500	12,306	5,255
Other	1,146,761	1,239,457	1,238,336
	$ 13,551,730	$ 13,380,687	$ 12,372,749
Expenses:			
General government	$ 1,570,309	$ 1,814,557	$ 1,583,601
Protection to persons and property	2,465,209	2,429,552	2,160,109
Transportation services	4,598,781	4,238,406	4,118,370
Environmental services	2,253,898	2,169,089	2,157,541
Social services	7,100	95,348	117,664
Recreation and cultural services	1,169,675	1,045,366	1,009,730
Planning and development	231,566	271,105	297,761
	$ 12,296,538	$ 12,063,423	$ 11,444,776
Excess of revenue over expenses	$ 1,255,192	$ 1,317,264	$ 927,973
Transfers:			
Transfer to Whitewater Region Public Library Board	$ (81,525)	$ (81,365)	$ (80,700)
Transfer to Whitewater Historical Society	(7,150)	(4,727)	(4,150)
Transfer to reserves	(272,993)	(872,988)	(373,014)
Transfer from asset retirement obligation		20,789	
Transfer to equity in tangible capital assets	(893,524)	(378,973)	(470,109)
Net transfers	$ (1,255,192)	$ (1,317,264)	$ (927,973)
Change in general surplus for the year	$ -	$ -	$ -
General surplus at the beginning of the year	-	-	-
General surplus at the end of the year	$ -	$ -	$ -

(See accompanying notes)

Township of Whitewater Region

Schedule of Tangible Capital Assets

For the year ended 31 December 2025
(with 2024 figures for comparison)

Segmented by asset class: Cost	Balance at 31 December 2024	Additions	Disposals, write-offs and adjustments	Balance at 31 December 2025
Land	$ 880,303		$ (325,601)	$ 554,702
Land improvements	925,483	$ 10,000		935,483
Buildings	19,241,981	40,041		19,282,022
Linear assets	56,699,403	939,127		57,638,530
Machinery and equipment	3,947,953	118,481	20,584	4,087,018
Vehicles	7,905,955	64,834	(237,248)	7,733,541
Capital work in progress	13,470,190	2,018,055	(20,584)	15,467,661
Total	$ 103,071,268	$ 3,190,538	$ (562,849)	$ 105,698,957

Accumulated amortization	Balance at 31 December 2024	Amortization	Disposals, write-offs and adjustments	Balance at 31 December 2025
Land improvements	$ 449,906	$ 19,316		$ 469,222
Buildings	11,591,957	313,542		11,905,499
Linear assets	38,349,610	1,089,011		39,438,621
Machinery and equipment	1,651,857	254,524		1,906,381
Vehicles	3,487,631	429,200	$ (223,239)	3,693,592
Total	$ 55,530,961	$ 2,105,593	$ (223,239)	$ 57,413,315

Net book value	Balance at 31 December 2024	Balance at 31 December 2025
Land	$ 880,303	$ 554,702
Land improvements	475,577	466,261
Buildings	7,650,024	7,376,523
Linear assets	18,349,793	18,199,909
Machinery and equipment	2,296,096	2,180,637
Vehicles	4,418,324	4,039,949
Capital work in progress	13,470,190	15,467,661
Total	$ 47,540,307	$ 48,285,642

(See accompanying notes)

Township of Whitewater Region

Schedule of Tangible Capital Assets

For the year ended 31 December 2025
(with 2024 figures for comparison)

Segmented by function: Cost	Balance at 31 December 2024	Additions	Disposals, write-offs and adjustments	Balance at 31 December 2025
General government	$ 2,598,620	$ 18,084	$ (325,601)	$ 2,291,103
Protection services	3,830,279	697,903		4,528,182
Transportation services	55,335,331	1,043,302	(212,678)	56,165,955
Environmental services	35,296,975	1,302,627	(24,570)	36,575,032
Recreation and cultural services	5,658,161	46,436		5,704,597
Planning and development	351,902	82,186		434,088
Total	$ 103,071,268	$ 3,190,538	$ (562,849)	$ 105,698,957

Accumulated amortization	Balance at 31 December 2024	Amortization	Disposals, write-offs and adjustments	Balance at 31 December 2025
General government	$ 852,119	$ 64,109		$ 916,228
Protection services	1,949,031	158,664		2,107,695
Transportation services	38,238,772	1,296,681	$ (198,669)	39,336,784
Environmental services	10,602,199	448,323	(24,570)	11,025,952
Recreation and cultural services	3,681,019	132,150		3,813,169
Planning and development	207,821	5,666		213,487
Total	$ 55,530,961	$ 2,105,593	$ (223,239)	$ 57,413,315

Net book value	Balance at 31 December 2024	Balance at 31 December 2025
General government	$ 1,746,501	$ 1,374,875
Protection services	1,881,248	2,420,487
Transportation services	17,096,559	16,829,171
Environmental services	24,694,776	25,549,080
Recreation and cultural services	1,977,142	1,891,428
Planning and development	144,081	220,601
Total	$ 47,540,307	$ 48,285,642

(See accompanying notes)

Township of Whitewater Region

Schedule of Reserves and Reserve Funds

For the year ended 31 December 2025
(with 2024 figures for comparison)

	2025	2024
Contributions:		
From operations	$ 1,456,631	$ 1,454,781
Other	1,348	1,283
	$ 1,457,979	$ 1,456,064
Transfers:		
Transfer to operations	$ 221,188	$ 401,742
Transfer for tangible capital asset acquisitions	182,607	416,110
	$ 403,795	$ 817,852
Change in reserves and reserve funds balance	$ 1,054,184	$ 638,212
Reserves and reserve funds at the beginning of the year	3,872,817	3,234,605
Reserves and reserve funds at the end of the year	$ 4,927,001	$ 3,872,817
Reserves:		
Working funds	$ 2,685,435	$ 1,670,252
General government	16,482	15,000
Protection services	158,915	283,731
Roadways	47,759	75,296
Wastewater system	245,392	280,417
Waterworks system	1,232,119	1,050,922
Solid waste disposal	324,482	274,482
Health services	66,198	66,198
Recreation	102,618	110,266
Planning	15,200	15,200
Sick leave	3,266	3,266
Total reserves	$ 4,897,866	$ 3,845,030
Discretionary reserve fund set aside for specific purpose:		
Wastewater system	29,135	27,787
Total reserves and reserve funds	$ 4,927,001	$ 3,872,817

(See accompanying notes)

Whitewater Region Public Library Board

Financial Statements

For the year ended 31 December 2025

MACKILLICAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

MacKillican & Associates
Chartered Professional Accountants
Since 1951

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Whitewater Region.

Opinion

We have audited the financial statements of the Whitewater Region Public Libary Board (the Library Board), which comprise the statement of financial position as at 31 December 2025, and the statement of operations and accumulated surplus and statement of 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 Library Board as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 Library 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 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 PSAS, 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 Library 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 Library Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library 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 Library 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 Library 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Library Board to express an opinion on the financial statements. We are responsible for the direction, supervision and performance 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.

MacKillican & Associates

RENFREW, Ontario.
16 September 2026.

Chartered Professional Accountants,
Licensed Public Accountants.

Whitewater Region Public Library Board

Statement of Financial Position

As at 31 December 2025
(with 2024 figures for comparison)

	2025	2024
Financial assets:		
Cash on hand and in bank	$ 9,746	$ 39,718
Term deposits	11,984	11,757
Due from Canada	2,447	2,252
Due from Township	147	
	$ 24,324	$ 53,727
Liabilities:		
Accounts payable	$ 4,714	$ 4,449
Due to Township		17,773
Due to Ontario	460	460
	$ 5,174	$ 22,682
Net financial assets	$ 19,150	$ 31,045
Accumulated surplus	$ 19,150	$ 31,045

(See accompanying notes)

Whitewater Region Public Library Board

Statement of Operations and Accumulated Surplus

For the year ended 31 December 2025
(with 2025 budget and 2024 actual figures for comparison)

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Grants from the Province of Ontario - operating	$ 13,517	$ 13,517	$ 13,517
- pay equity	2,278	2,278	2,278
- Trillium	500		
Municipal grant	83,100	81,365	83,445
IDAO Grant	500		500
Jason Blaine Grant	250		250
Fines and sale of books	9,851	1,384	1,438
Investment income	225	228	224
Donations and fundraising	11,775	5,381	14,517
	$ 121,996	$ 104,153	$ 116,169
Expenses:			
Bank charges	$ 420	$ 250	$ 372
Books and videos	18,425	18,679	20,289
Insurance	2,500	840	1,466
MacWha scholarship	1,000	500	1,000
Postage, telephone and internet	3,350	3,867	3,572
Rent	2,400	2,400	3,600
Repairs and maintenance	300	16	486
Salaries	70,000	78,863	77,228
Supplies	18,031	10,140	5,596
Travel and training	1,820	493	1,849
Utilities			810
	$ 118,246	$ 116,048	$ 116,268
Excess (shortfall) of revenue over expenses	$ 3,750	$ (11,895)	$ (99)
Accumulated surplus at the beginning of the year	31,045	31,045	31,144
Accumulated surplus at the end of the year	$ 34,795	$ 19,150	$ 31,045

(See accompanying notes)

Whitewater Region Public Library Board

Statement of Cash Flows

For the year ended 31 December 2025
(with 2024 figures for comparison)

	2025	2024
Cash flows from operating activities:		
Excess (shortfall) of revenue over expenses	$ (11,895)	$ (99)
Net change in non cash working capital balance related to operations:		
- decrease (increase) in term deposits	$ (227)	$ (224)
- decrease (increase) in due from Canada	(195)	(2,252)
- decrease (increase) in due from Township	(147)	
- increase (decrease) in accounts payable	265	3,106
- increase (decrease) in due to Township	(17,773)	(4,788)
	$ (18,077)	$ (4,158)
Cash flows from (used for) operating activities	$ (29,972)	$ (4,257)
Net increase (decrease) in cash during the year	$ (29,972)	$ (4,257)
Cash on hand and in bank at the beginning of the year	39,718	43,975
Cash on hand and in bank at the end of the year	$ 9,746	$ 39,718

(See accompanying notes)

Whitewater Region Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Whitewater Region Public Library Board are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

(c) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(d) 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

Whitewater Region Public Library Board

Notes to the Financial Statements

For the year ended 31 December 2025

2. FINANCIAL INSTRUMENTS

Financial instruments include cash on hand and in bank, term deposits, due from Canada, due from/to Township, accounts payable and due to Ontario. Unless otherwise noted, it is management's opinion that the Library Board is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amounts reported on the statement of financial position for cash on hand and in bank, term deposits, due from Canada, due from/to Township, accounts payable and due to Ontario, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

3. CONTINGENT LIABILITIES

The nature of the Board's activities is such that there may be litigation pending or in prospect at any time. The Library Board is not aware of any claims or possible claims as at 31 December 2025.

Whitewater Historical Society

Financial Statements

For the year ended 31 December 2025

MACKILLICAN & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

MacKillican & Associates
Chartered Professional Accountants
Since 1951

INDEPENDENT AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers of the
Corporation of the Township of Whitewater Region.

Opinion

We have audited the financial statements of the Whitewater Historical Society (the Society), which comprise the statement of financial position as at 31 December 2025, and the statement of operations and accumulated surplus 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 Society as at 31 December 2025, and its financial performance for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 Society 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 PSAS, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society'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 Society'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 Society 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

MacKillican & Associates

RENFREW, Ontario.
16 September 2026.

Chartered Professional Accountants,
Licensed Public Accountants.

Whitewater Historical Society

Statement of Financial Position

For the year ended 31 December 2025
(with 2024 figures for comparison)

	2025	2024
Financial assets:		
Cash on hand in bank	$ 32,065	$ 19,594
Due from Township of Whitewater Region	8,146	
	$ 40,211	$ 19,594
Liability:		
Due to Township of Whitewater Region	$ -	$ 1,891
Net financial assets	$ 40,211	$ 17,703
Accumulated surplus	$ 40,211	$ 17,703

(See accompanying notes)

Whitewater Historical Society

Statement of Operations and Accumulated Surplus

For the year ended 31 December 2025
(with 2024 figures for comparison)

	2025	2024
Revenue:		
Government of Canada	$ 4,777	$ 8,606
Municipal grant	4,727	4,150
Fundraising and donations	40,306	8,602
	$ 49,810	$ 21,358
Expenses:		
Building maintenance	$ 5,451	$ 628
Office, advertising and supplies	10,268	4,685
Salaries	11,583	10,448
	$ 27,302	$ 15,761
Excess of revenue over expenses	$ 22,508	$ 5,597
Accumulated surplus at the beginning of the year	17,703	12,106
Accumulated surplus at the end of the year	$ 40,211	$ 17,703

(See accompanying notes)

Whitewater Historical Society

Notes to the Financial Statements

For the year ended 31 December 2025

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Whitewater Historical Society are the representation of management prepared in accordance with generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenue; expenses are recognized in the period goods or services are acquired and a liability is incurred or transfers are due.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(b) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

(c) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

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

(d) 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

2. FINANCIAL INSTRUMENTS

Financial instruments include cash on hand and in bank and due from/to Township of Whitewater Region. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

2. FINANCIAL INSTRUMENTS (Continued)

The carrying amounts reported on the statement of financial position for cash on hand and in bank and due from/to Township of Whitewater Region, approximates their fair values, due to the immediate and short term maturities of these financial instruments.

3. CONTINGENT LIABILITIES

The nature of the Society's activities is such that there may be litigation pending or in prospect at any time. The Society is not aware of any claims or possible claims as at 31 December 2025.