

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
FINANCIAL STATEMENTS
DECEMBER 31, 2024

SEEBACH & COMPANY
Chartered Professional Accountants



— TOWNSHIP OF —
ASHFIELD-COLBORNE-WAWANOSH

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of The Corporation of the Township of Ashfield-Colborne-Wawanosh (the "Municipality") are the responsibility of the Municipality's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada, as described in Note 1 to the consolidated financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded from loss, transactions are properly authorized and recorded, and reliable information is available on a timely basis for preparation of the consolidated financial statements. These statements are monitored and evaluated by the Municipality's management. Council meets with management and the external auditor to review the consolidated financial statements and discuss and significant financial reporting or internal control matters prior to their approval.

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

CORPORATION OF THE TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

Mark Becker
CAO

Ellen McManus
Treasurer

October 21, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Ashfield-Colborne-Wawanosh

Opinion

We have audited the accompanying financial statements of the Corporation of the Township of Ashfield-Colborne-Wawanosh ("the Entity"), which are comprised of the consolidated statement of financial position as at December 31, 2024 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

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 Entity 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 PSAB, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Entity'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 Entity'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 Entity 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.

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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
October 21, 2025

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at December 31		2024	2023
Financial Assets			
Cash	note 4	8,990,134	9,143,712
Taxes receivable		670,887	498,272
Accounts receivable		902,501	1,238,786
Long-term receivables	note 5	51,195	60,796
		10,614,717	10,941,566
Liabilities			
Account payable and accrued liabilities		1,911,516	2,340,638
Deferred revenue	schedule 2	1,232,969	779,497
Municipal debt	note 6	51,195	60,796
Asset retirement obligations	note 7	1,849,515	1,852,055
		5,045,195	5,032,986
Net financial assets		5,569,522	5,908,580
Non-financial assets			
Tangible capital assets	schedule 3	49,490,055	47,079,154
Inventories		80,825	62,523
		49,570,880	47,141,677
Accumulated surplus	note 11	\$ 55,140,402	\$ 53,050,257

The accompanying notes and schedules are an integral part of these financial statements

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

for the year ended December 31	2024 Budget	2024 Actual	2023 Actual
			restated - see note 2
Annual surplus (deficit)	5,300,658	2,090,145	3,267,946
Amortization of tangible capital assets	-	1,743,097	1,606,391
Acquisition of tangible capital assets	(9,950,457)	(4,340,199)	(5,673,890)
Proceeds from disposition of assets	-	32,210	-
Loss (gain) on disposal of tangible capital assets	-	153,991	1,836
Change in inventories		(18,302)	(62,523)
Increase (decrease) in net financial assets	<u>(4,649,799)</u>	(339,058)	(860,240)
Net financial assets beginning of year		5,908,580	6,768,820
Net financial assets end of year		\$ 5,569,522	\$ 5,908,580

The accompanying notes and schedules are an integral part of these financial statements

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
CONSOLIDATED STATEMENT OF OPERATIONS

for the year ended December 31	2024 Budget	2024 Actual	2023 Actual
Revenue			
Taxation for municipal purposes	6,617,262	6,731,048	6,085,236
User charges	5,170,432	2,833,030	3,279,688
Government transfers	1,894,847	1,813,561	2,464,962
Other revenue	200,614	485,915	502,399
Gain(loss) on disposal of capital assets	-	(153,991)	(1,836)
Total revenue	13,883,155	11,709,563	12,330,449
Expenditure			
General government	1,290,760	1,176,976	1,172,784
Protection services	2,206,570	2,168,327	2,028,746
Transportation services	3,147,026	4,271,988	3,830,495
Environmental services	1,036,270	1,167,570	891,662
Health services	88,885	87,872	86,820
Recreation and culture	503,136	593,265	545,739
Planning and development	309,850	153,420	506,257
Total expenses	8,582,497	9,619,418	9,062,503
Annual surplus (deficit)	5,300,658	2,090,145	3,267,946
Accumulated surplus beginning of year	53,050,257	53,050,257	49,782,311
Accumulated surplus end of year	\$ 58,350,915	\$ 55,140,402	\$ 53,050,257

The accompanying notes and schedules are an integral part of these financial statements

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended December 31	2024	2023
Operating activities		
Annual surplus (deficit)	2,090,145	3,267,946
Amortization not requiring cash outlay	1,743,097	1,606,391
Loss (gain) on disposition of tangible capital assets	153,991	1,836
Decrease (increase) in taxes receivable	(172,615)	(144,786)
Decrease (increase) in accounts receivable	336,285	792,799
Increase (decrease) in accounts payable	(429,122)	1,094,729
Increase (decrease) in deferred revenue	453,472	(217,368)
Increase (decrease) in asset retirement obligations	(2,540)	(2,157)
Decrease (increase) in inventories	(18,302)	(62,523)
Cash provided from (used for) operations	4,154,411	6,336,867
Capital activities		
Proceeds of disposition of tangible capital assets	32,210	-
Acquisition of tangible capital assets	(4,340,199)	(5,673,890)
Net investment in tangible capital assets	(4,307,989)	(5,673,890)
Investing activities		
Issuance of loans receivable	-	(48,600)
Repayment of loans receivable	9,601	9,434
Net increase (decrease) in cash from investing	9,601	(39,166)
Financing activities		
Debt issued	-	48,600
Debt principal payments	(9,601)	(9,434)
Net increase (decrease) in cash from financing	(9,601)	39,166
Net increase (decrease) in cash	(153,578)	662,977
Cash beginning of year	9,143,712	8,480,735
Cash end of year	\$ 8,990,134	\$ 9,143,712

The accompanying notes and schedules are an integral part of these financial statements

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. Significant accounting policies

The consolidated financial statements of the Township of Ashfield-Colborne-Wawanosh are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, operating revenue and expenditures, reserves and reserve funds and changes in investment in tangible capital assets of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for their administration of their financial affairs and resources to the municipality and which are owned or controlled by the municipality. In addition to general government tax-supported operations, they include water systems operated by the municipality and the municipality's proportionate share of joint local boards.

These consolidated financial statements include the proportional share of the financial position and operating activities of the following joint local boards:

Mid-Huron Landfill Site Board - 9.4%
Lucknow and District Fire Department Joint Board of Management - 50%
Lucknow Community Health Centre Board - 50%
Lucknow and District Joint Recreation Board - 50%

Inter-departmental and inter-organizational transactions and balances are eliminated.

The statements do not include trust funds that are administered for the benefit of external parties.

b) Basis of accounting

i) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) 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 revenues over expenses, provides the change in net financial assets for the year.

a) 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. 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	50 years
Buildings	50 years
Transportation roads infrastructure	
Base and earthwork	100 years
Surface	15 years
Bridges and culverts	40 to 80 years
Water system	20 to 80 years
Vehicles and equipment	10 to 15 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The municipality capitalizes all land acquisitions and has a threshold of \$15,000 for buildings and infrastructure and \$1,000 - \$5,000 for various types of equipment, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are computer systems, equipment, furniture and fixtures.

b) 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 asset as of the date of transfer.

c) 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.

d) Inventories

Inventories held for consumption are recorded as a non-financial asset at the lower of cost or net realizable value.

iii) Reserves for future expenditures

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital expenditure. Transfers to or from reserves are reflected as adjustments to the respective appropriated equity.

iv) Pension and employee benefits

The municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.

v) Deferred revenue

Amounts received and required by legislation, regulation or agreement to be set aside for specific, restricted purposes are reported in the statement of financial position as deferred revenue until the obligation is discharged. These amounts will be recognized as revenues in the period in which related expenditure are incurred.

vi) Investments

Investments are recorded at cost plus accrued interest less amounts written off to reflect a permanent decline in value.

vii) Revenue recognition

Tax levies, based on assessment rolls issued by the Municipal Property Assessment Corporation and tax rates established by council, are recognized as revenue when the tax billings are issued. Other revenue is recognized when related services are provided or goods delivered, collectibility is reasonably assured and there are no significant future obligations.

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

viii) Asset retirement obligations

Asset retirement obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

ix) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

x) Financial instruments

Financial instruments consist of cash, taxes receivable, accounts receivable, long-term receivables, accounts payable and accrued liabilities and municipal debt. The municipality classifies all of its financial instruments as measured at amortized cost. Financial assets measured at cost are recognized initially at fair value plus any directly attributable transaction costs. The carrying amount is subsequently written down to net realizable value when an impairment loss is known and there is no reasonable prospect of recovery.

2. Change in Accounting Policy

Change in accounting policies: On January 1, 2024, the Township adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at December 31, 2024 the Township determined that the adoption of this new standard did not have a material impact on the amounts presented in the financial statements.

3. Pension agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement System Pension Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The amount contributed to OMERS for the year was \$ 197,661 (2023: \$190,111) for current services and is included as an expenditure on the consolidated statement of operations.

4. Cash	2024	2023
Unrestricted	3,848,904	5,350,919
Restricted	4,570,535	3,229,996
Cash held by other municipalities and boards	<u>570,695</u>	<u>562,796</u>
	\$ <u>8,990,134</u>	\$ <u>9,143,712</u>

5. Loans receivable	2024	2023
Property owners for tile drain loans	<u>\$ 51,195</u>	<u>\$ 60,796</u>

Amounts due in the next five years are as follows:

2025: \$10,176 2026: \$4,143 2027: \$4,391 2028: \$4,655 2029: \$4,934 Thereafter \$22,896

6. Municipal debt	2024	2023
Tile drainage loans payable to the Ministry of Finance	<u>\$ 51,195</u>	<u>\$ 60,796</u>

Amounts due in the next five years are as follows:

2025: \$10,176 2026: \$4,143 2027: \$4,391 2028: \$4,655 2029: \$4,934 Thereafter \$22,896

7. Asset Retirement Obligations

The Municipality's financial statements include an asset retirement obligation for the closure and post-closure costs for Ashfield Landfill and the West Wawanosh Landfill. In addition, the Municipality owns buildings which contain asbestos, and therefore, the Municipality is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The Municipality owns a gravel pit and is legally required to rehabilitate the site upon depletion.

The asset retirement costs are being amortized on a straight line basis. All liability for asset retirement obligations have been estimated using a net present value technique with a discount rate of 2% (2022: 2%).

The estimated total undiscounted future expenditures related to the Ashfield Landfill are \$1,398,777 (2023: \$1,398,777), which are to be incurred over 56 years. The liability is expected to be fully settled in 80 years.

The estimated total undiscounted future expenditures related to the West Wawanosh Landfill are \$283,372 (2023: \$302,220), which are to be incurred over 21 years. The liability is expected to be fully settled in 20 years.

The estimated total undiscounted future expenditures related to the Mid-Huron Landfill are \$1,614,329 (2023: \$1,614,329), which are expected to be incurred over 50 years. The liability is expected to be fully settled in 50 years. The Mid-Huron Landfill Site Board has set aside reserve funds to fund post closure costs of which the Municipality's share is \$455,760 (2023: \$453,769).

The estimated total undiscounted future expenditures of asbestos abatement are \$18,500 (2023: \$18,500) and are estimated to be incurred in 2045.

The estimated total undiscounted future expenditures of gravel pit remediation are \$73,000 (2023: \$73,000) and are estimated to be incurred from 2030 to 2050.

7. Asset Retirement Obligations (cont'd)

The carrying amount of the liabilities are as follows:

	Township- Owned Landfills	Share of Mid-Huron Landfill	Asbestos	Gravel Pits	Total
Asset retirement obligation as at December 31, 2023	\$ 768,481	\$ 1,019,574	\$ 12,000	\$ 52,000	\$ 1,852,055
Increase due to accretion expense	15,371	20,391	240	1,040	37,041
Settlements and adjustments	(13,164)	(26,418)			(39,582)
Asset retirement obligation as at December 31, 2024	\$ <u>770,688</u>	\$ <u>1,013,547</u>	\$ <u>12,240</u>	\$ <u>53,040</u>	\$ <u>1,849,515</u>

8. Contractual obligations

The municipality has contracted with Waste Management for garbage collection and recycling until April 2025 at a base annual fee of \$195,986 in 2020 plus 2% increase per year. Since the year-end, the municipality has contracted with Waste Management for garbage collection until April 2030 at a base annual fee of \$127,400 in 2025 plus a 5% increase per year.

The municipality has contracted with Veolia Water Canada Inc. for water system management at an annual fee of \$192,610 until March 2028.

9. Contingencies

In the ordinary course of business, various claims and lawsuits are brought against the municipality. Because settlement amounts, if any, cannot be determined or because claims are expected to be within the municipality's insurance coverage, no provision has been made for the contingency in the financial statements.

10. Tangible capital assets

Schedule 3 provides information on the tangible capital assets of the municipality by major class and by business segment, as well as for accumulated amortization of the assets controlled.

i) Contributed tangible capital assets

The municipality records all tangible capital assets contributed by external parties at fair value.

ii) Tangible capital assets recognized at nominal value

Certain assets have been assigned a nominal value of \$1 because of the difficulty of determining a tenable valuation.

11. Schedule of accumulated surplus

	2024	2023
Reserves	<u>13,123,315</u>	<u>10,801,045</u>
Surpluses		
Invested in tangible capital assets	49,490,055	47,079,154
General revenue fund	12,455	8,618
Unfunded		
Capital projects in process	(5,635,908)	(2,986,505)
Asset retirement obligations	<u>(1,849,515)</u>	<u>(1,852,055)</u>
Total surpluses	<u>42,017,087</u>	<u>42,249,212</u>
Accumulated surplus	\$ <u>55,140,402</u>	\$ <u>53,005,257</u>

12. Budget amounts

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statements of change in net assets and operations for comparative purposes. The budget amounts for the municipality have been approved by Council. Certain amounts have been reclassified to conform to the basis of presentation of the revenues and expenditures on the consolidated statement of operations. As a result, the budget figures presented in the statements of operations and changes in net financial assets represent the budget approved by Council with the following adjustments:

Approved budget annual surplus (deficit)	-
Add: acquisition of tangible capital assets	9,950,457
Less: sale of tangible capital assets	-
net transfers to reserves	(4,649,799)
Budgeted surplus reported on statement of operations	\$ <u>5,300,658</u>

13. Financial instrument risk management**Credit risk**

The Township is exposed to credit risk through its cash, trade and other receivables, loans receivable, and long-term investments. There is the possibility of non-collection of its trade and other receivables. The majority of the Township's receivables are from ratepayers and government entities. For trade and other receivables, the Township measures impairment based on how long the amounts have been outstanding. For amounts outstanding considered doubtful or uncollectible, an impairment allowance is setup.

Liquidity risk

Liquidity risk is the risk that the Township will not be able to meet its financial obligations as they fall due. The Township has a planning and a budgeting process in place to help determine the funds required to support the Township's normal operating requirements on an ongoing basis. The Township ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain an available line of credit balance as approved by the appropriate borrowing bylaw to meet, at a minimum, expected requirements.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Township's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Township is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings and long-term liabilities and the value of fixed rate long-term liabilities.

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

14. Operations of school boards and county

Taxation levied for school board and county purposes are not reflected in the financial statements. The amounts transferred were:

	2024	2023
School boards	2,392,873	2,364,030
County of Huron	6,912,205	6,470,762

15. Trust funds

Trust funds administered by the municipality amounting to \$ 211,834 (2023: \$204,656) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

16. Segmented information

The Township of Ashfield-Colborne-Wawanosh provides a wide range of services to its citizens such as recreational and cultural services, planning and development, fire, and transportation services. Distinguishable functional segments have been separately disclosed in the segmented information provided in schedule 4. Municipal taxation revenue and the Ontario Municipal Partnership Fund grant are allocated to general government. The nature of the segments and the activities they encompass are as follows:

General Government

This segment relates to the general operations of the municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection is comprised of fire protection, policing, court services, conservation authorities, protective inspection and control, building permit and inspection services, emergency measures and other protection services.

Transportation

Transportation services include road maintenance, winter control services, street light maintenance, parking lots, equipment maintenance and other transportation services.

Environmental Services

Environmental services include sanitary sewer system, storm sewer system, waterworks, waste collection, waste disposal and recycling.

Health Services

This service area includes cemeteries and other health services.

Recreational and Cultural Services

This service area provides public services that contribute to the provision of recreation and leisure facilities and programs, the maintenance of parks and open spaces, library services, museums and other cultural services.

Planning and Development

This segment includes matters relating to zoning and site plan controls, land acquisition, development initiatives, agriculture and reforestation, municipal drainage and tile drainage.

For additional information, see the schedule of segmented information.

Township of Ashfield-Colborne-Wawanosh

Consolidated Schedule of Continuity of Reserves and Reserve Funds

Schedule 1

For the Year Ended December 31, 2024

	Balance, beginning of year	Revenues and contributions				Transfers			Balance, end of year
		Interest	From Operations	Other	Total	To Operations	To Capital Acquisitions	Total	
Reserves and reserve funds									
for general government	4,436,363		664,902		664,902	76,317	48,815	125,132	4,976,133
for protection services	834,532				-	10,948		10,948	823,584
for transportation services	4,599,752	141,243	1,743,727		1,884,970		200,000	200,000	6,284,722
for environmental services	802,255	1,991	72,662		74,653			-	876,908
for health services	15,902				-			-	15,902
for social and family services	2,500				-			-	2,500
for recreation and cultural services	109,741		61,771		61,771	27,946		27,946	143,566
	10,801,045	143,234	2,543,062	-	2,686,296	115,211	248,815	364,026	\$ 13,123,315

Consolidated Schedule of Continuity of Deferred Revenue

Schedule 2

For the Year Ended December 31, 2024

	Balance, beginning of year	Revenues and contributions				Transfers			Balance, end of year
		Interest	From Operations	Contributions	Total	To Operations	To Capital Acquisitions	Total	
Deferred revenue									
Development charges and parklands	246,919	16,906		227,847	244,753		99,890	99,890	391,782
Canada Community Building Fund	301,361	19,620		187,673	207,293		68,274	68,274	440,380
Ontario Community Infrastructure Fun	231,217	30,992		585,153	616,145		446,555	446,555	400,807
	779,497	67,518	-	1,000,673	1,068,191	-	614,719	614,719	\$ 1,232,969

Township of Ashfield-Colborne-Wawanosh
Consolidated Schedule of Tangible Capital Assets
For the Year Ended December 31, 2024

Schedule 3

	General				Infrastructure				Total Net Book Value 2024	Total Net Book Value 2023
	Land and Land Improvements	Buildings	Machinery & Equipment	Vehicles	Plants and Facilities	Roads	Underground and other Networks	Bridges and other Structures		
Cost										
Balance, beginning of year	2,711,584	6,688,203	1,889,663	4,540,598	3,827,491	50,032,748	2,181,104	8,330,166	80,201,557	74,607,897
Additions during the year	42,976	167,601	119,556	415,914	967,484	2,626,668			4,340,199	5,673,890
Disposals during the year			(25,323)	(342,232)		(477,759)			(845,314)	(80,230)
Balance, end of year	2,754,560	6,855,804	1,983,896	4,614,280	4,794,975	52,181,657	2,181,104	8,330,166	83,696,442	80,201,557
Accumulated depreciation										
Balance, beginning of year	326,026	1,885,965	873,482	2,946,309	1,030,610	21,438,793	802,348	3,818,870	33,122,403	31,594,406
Amortization during the year	6,602	142,325	108,014	260,466	90,404	970,642	29,081	135,563	1,743,097	1,606,391
Accumulated amortization on disposals			(23,558)	(342,232)		(293,323)			(659,113)	(78,394)
Balance, end of year	332,628	2,028,290	957,938	2,864,543	1,121,014	22,116,112	831,429	3,954,433	34,206,387	33,122,403
Net Book Value of Tangible Capital Assets	2,421,932	4,827,514	1,025,958	1,749,737	3,673,961	30,065,545	1,349,675	4,375,733	49,490,055	47,079,154

Township of Ashfield-Colborne-Wawanosh

Segmented Information

Schedule 4

For the Year Ended December 31, 2024

	General Government	Police Protection	Fire Protection	Building inspection	Other Protection	Roads and Street lights	Water,Sewers, Storm sewers	Waste Disposal	Health	Recreation and Culture	Zoning and Development	Total 2024	Total 2023
Revenue													
Taxation	6,731,048											6,731,048	6,085,236
User charges	754,557		16,696	414,802	61,380	62,000	731,314	329,507	26,920	225,866	209,988	2,833,030	3,279,688
Government transfers	974,337					736,740		88,034		580	13,870	1,813,561	2,464,962
Interest and penalties	485,915											485,915	502,399
Gain (loss) on disposal of assets	(1,147)			(342)		(152,502)						(153,991)	(1,836)
	8,944,710	-	16,696	414,460	61,380	646,238	731,314	417,541	26,920	226,446	223,858	11,709,563	12,330,449
Operating expenditure													
Wages, salaries and benefits	837,412		108,202	268,658	951	1,155,439	1,468	55,117	43,635	180,839	20,256	2,671,977	2,559,706
Contract services	110,292	922,009	310,505	9,719	297,716	578,077	359,262	172,295	8,747	88,700	71,833	2,929,155	2,940,223
Materials and supplies	174,438		67,475	50,375	42,455	1,191,951	222,600	217,513	22,853	224,197	61,331	2,275,188	1,956,182
Depreciation and write-downs	54,834		83,416	6,846		1,323,252	142,754	19,830	12,637	99,529		1,743,098	1,606,392
	1,176,976	922,009	569,598	335,598	341,122	4,248,719	726,084	464,755	87,872	593,265	153,420	9,619,418	9,062,503
Net revenue (expense)	7,767,734	(922,009)	(552,902)	78,862	(279,742)	(3,602,481)	5,230	(47,214)	(60,952)	(366,819)	70,438	2,090,145	3,267,946

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Township of Ashfield-Colborne-Wawanosh

Opinion

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of Ashfield-Colborne-Wawanosh ("the Entity"), which are comprised of the statement of financial position as at December 31, 2024 and 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 accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and the continuity of funds for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

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 Entity 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 PSAB, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Entity'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 Entity'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 Entity 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.

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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
October 21, 2025

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
TRUST FUNDS
STATEMENT OF CONTINUITY

For the Year Ended December 31	Total		Cemetery Internment Rights		Cemetery Monument Installation		Cemetery Bequest	
	2024	2023	2024	2023	2024	2023	2024	2023
Capital beginning of year	204,656	199,099	140,332	137,662	34,735	33,335	29,589	28,102
Receipts								
Plot sales	3,405	2,670	3,405	2,670				
Monument installations	2,200	1,400			2,200	1,400		
Interest earned	10,900	10,713	7,476	7,427	1,851	1,799	1,573	1,487
	16,505	14,783	10,881	10,097	4,051	3,199	1,573	1,487
Expenditure								
Maintenance	9,327	9,226	7,476	7,427	1,851	1,799	-	-
	9,327	9,226	7,476	7,427	1,851	1,799	-	-
Capital end of year	\$ 211,834	204,656	\$ 143,737	140,332	\$ 36,935	34,735	\$ 31,162	29,589

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION

As at December 31	Total		Cemetery Internment Rights		Cemetery Monument Installation		Cemetery Bequest	
	2024	2023	2024	2023	2024	2023	2024	2023
Assets								
Cash	211,834	204,656	143,737	140,332	36,935	34,735	31,162	29,589
Liabilities								
Due to municipality	-	-	-	-	-	-	-	-
Net assets	211,834	204,656	143,737	140,332	36,935	34,735	31,162	29,589
Trust fund capital	\$ 211,834	204,656	\$ 143,737	140,332	\$ 36,935	34,735	\$ 31,162	29,589

The accompanying notes are an integral part of these financial statements

TOWNSHIP OF ASHFIELD-COLBORNE-WAWANOSH
TRUST FUNDS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

1. Accounting Policies

The financial statements of the Township of Ashfield-Colborne-Wawanosh Trust Funds are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Basis of Consolidation

These trust funds have not been consolidated with the financial statements of the Township of Ashfield-Colborne-Wawanosh .

Basis of Accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

2. Investments

Trust fund investments are stated at cost and have a market value approximately equal to cost.

INDEPENDENT AUDITOR'S REPORT

To the Members of the Lucknow and District Fire Department Joint Board of Management, Members of Council, Inhabitants and Ratepayers of the participating municipalities

Opinion

We have audited the accompanying statement of operations of the Lucknow and District Fire Department Joint Board of Management ("the Entity") for the year ended December 31, 2024 and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial operations of the Entity as at December 31, 2024 in accordance with Canadian public sector accounting standards (PSAB).

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 Entity 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 PSAB, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Entity'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 Entity'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 Entity 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.

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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
October 20, 2025

LUCKNOW AND DISTRICT FIRE DEPARTMENT JOINT BOARD OF MANAGEMENT
STATEMENT OF OPERATIONS

For the year ended December 31	2024 Budget	2024 Actual	2023 Actual
Revenue			
Operating contributions from participating municipalities			
Township of Ashfield-Colborne-Wawanosh	188,450	185,120	175,934
Township of Huron-Kinloss	188,450	185,120	175,934
Fire calls	-	19,700	27,700
County of Bruce Modified First Response grant	5,000	5,000	5,000
Other revenue	-	26,091	17,609
	381,900	421,031	402,177
Expenditure			
Salaries	230,000	216,403	238,907
Vehicle operation	14,000	27,455	39,146
Equipment	45,500	47,994	25,037
Hydrant repairs	4,000	4,030	3,840
Building maintenance	12,200	23,815	18,263
Dispatch service	22,000	34,673	9,625
Training	17,000	10,100	18,176
Telephone	2,000	2,289	2,218
Utilities	10,200	11,622	11,716
Insurance	14,000	17,743	12,060
Licences, fees, administration	11,000	24,907	23,189
	381,900	421,031	402,177
Annual surplus	\$ 0	\$ 0	\$ 0

LUCKNOW AND DISTRICT FIRE DEPARTMENT JOINT BOARD OF MANAGEMENT NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. Accounting policies

The statement of operations of the Lucknow and District Fire Department Joint Board of Management is the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) **Basis of accounting**

i) **Accrual basis of accounting**

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) 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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

3. Related party transactions

Board administration cost of \$2,500 was paid to the Township of Huron-Kinloss (2023: \$2,500).

INDEPENDENT AUDITOR'S REPORT

To the Members of the Lucknow Community Health Centre Board , Members of Council, Inhabitants and Ratepayers of the participating municipalities

Opinion

We have audited the accompanying statement of operations of the Lucknow Community Health Centre Board ("the Entity") for the year ended December 31, 2024 and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial operations of the Entity as at December 31, 2024 in accordance with Canadian public sector accounting standards (PSAB).

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 Entity 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 PSAB, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Entity'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 Entity'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 Entity 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.

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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
October 20, 2025

LUCKNOW COMMUNITY HEALTH CENTRE BOARD
STATEMENT OF OPERATIONS

For the year ended December 31	2024 Budget	2024 Actual	2023 Actual
Revenue			
Rentals	24,490	24,490	23,714
Operating contributions from participating municipalities			
Township of Ashfield-Colborne-Wawanosh	6,320	2,223	553
Township of Huron-Kinloss	6,320	2,223	553
	<u>37,130</u>	<u>28,936</u>	<u>24,820</u>
Expenditure			
Maintenance	18,500	13,909	10,639
Utilities	7,330	6,401	6,101
Property taxes	5,800	5,499	5,304
Insurance	2,500	2,627	2,276
Administration	3,000	500	500
	<u>37,130</u>	<u>28,936</u>	<u>24,820</u>
Annual surplus	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LUCKNOW COMMUNITY HEALTH CENTRE BOARD

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. Accounting policies

The statement of operations of the Lucknow Community Health Centre Board is the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) **Basis of accounting**

i) **Accrual basis of accounting**

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) **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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.**

2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

3. Related party transactions

During the year, the board paid property taxes of \$5,304 (2023: \$5,499) and water and sewer charges of \$2,564 (2023: \$2,330) to the Township of Huron-Kinloss, and \$2,969 maintenance charges to the Township of Ashfield-Colborne-Wawanosh (2022: \$2,790).

INDEPENDENT AUDITOR'S REPORT

To the Members of the Lucknow and District Joint Recreation Board , Members of Council, Inhabitants and Ratepayers of the participating municipalities

Opinion

We have audited the accompanying statement of operations of the Lucknow and District Joint Recreation Board ("the Entity") for the year ended December 31, 2024 and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial operations of the Entity as at December 31, 2024 in accordance with Canadian public sector accounting standards (PSAB).

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 Entity 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 PSAB, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Entity'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 Entity'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 Entity 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.

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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
October 20, 2025

LUCKNOW AND DISTRICT JOINT RECREATION BOARD

STATEMENT OF OPERATIONS

For the year ended December 31	2024 Budget	2024 Actual	2023 Actual
Revenue			
Arena			
Ice rentals	128,000	151,871	121,011
Arena rentals	5,200	5,905	6,566
Bar sales	52,925	60,844	54,934
Public skating	7,000	9,330	9,450
Advertising boards	15,000	15,600	16,524
Grass cutting/watering	17,000	20,249	14,000
Grants	50,000	51,159	-
Donations and other revenue	6,726	8,816	12,418
	281,851	323,774	234,903
Recreation receipts			
Hockey insurance recovery	1,800	1,760	2,080
Skating program	7,500	5,493	9,210
Swimming pool	13,800	17,849	17,069
Baseball	15,000	18,132	18,564
Soccer	10,100	15,665	11,998
Daycamp	10,000	13,581	12,830
Other programs	1,000	1,260	-
	59,200	73,740	71,751
Total rentals and program revenue	341,051	397,514	306,654
Operating contributions from participating municipalities			
Township of Huron-Kinloss	387,487	153,991	174,575
Township of Ashfield-Colborne-Wawanosh	387,487	153,991	174,575
	774,974	307,982	349,149
Total revenue	1,116,025	705,496	655,803
Expenses			
Administration and general			
Salaries	197,000	183,078	180,647
Maintenance	56,200	55,401	40,137
Utilities	60,250	65,497	56,815
Insurance	25,000	23,621	19,877
Administration and training	34,800	17,582	28,043
	373,250	345,179	325,519
Arena and auditorium			
Salaries	144,900	147,591	122,967
Maintenance	374,200	56,302	26,981
Utilities	25,000	16,678	20,306
Bar purchases and profit share	47,250	39,997	40,585
	591,350	260,568	210,839
Recreation programs			
Skating program	2,500	1,447	2,449
Ball and soccer program	7,200	4,947	7,270
Daycamp program	9,350	9,611	8,321
Pool salaries	33,975	21,398	23,844
Pool expenses	32,600	18,101	22,937
Fitness program	800	1,080	-
Parks	65,000	43,165	54,624
	151,425	99,749	119,445
Total expenses	1,116,025	705,496	655,803
Annual surplus	\$ 0	\$ 0	\$ 0

LUCKNOW AND DISTRICT JOINT RECREATION BOARD

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. Accounting policies

The statement of operations of the Lucknow and District Joint Recreation Board is the representation of management prepared in accordance Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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

a) **Basis of accounting**

i) **Accrual basis of accounting**

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

ii) **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 reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.**

2. Participating municipalities

Participating municipalities are the Township of Ashfield-Colborne-Wawanosh and the Township of Huron-Kinloss. The board conducts its operations using tangible capital assets owned by the participating municipalities.

3. Related party transactions

Board administration cost of \$ nil (2023: \$5,000) was paid to the Township of Ashfield-Colborne-Wawanosh. Water and sewer fees of \$6,600 (2023: \$5,212) were paid to the Township of Huron-Kinloss.