The Corporation of the Township of Laird
Financial Statements
For the year ended December 31, 2025

Contents

Management's Responsibility for the Financial Statements

The accompanying financial statements for the Corporation of the Township of Laird (the "Township") are the responsibility of management of the Township and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principals for local governments established by the Public Sector Accounting Board. A summary of significant accounting policies are described in Note 1 of the financial statements. The preparation of the financial statements involves the use of estimates based on management's judgement, including transactions in the current financial period relating to future periods.

Management maintains and monitors a system of internal controls which are designed to provide reasonable assurance that transactions are properly authorized and recorded in compliance with regulatory and legislative requirements, reliable financial information is available on a timely basis and assets are appropriately safeguarded.

Council is responsible to ensure management's fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

These financial statements have been audited by Stefanizzi Professional Corporation in accordance with Canadian Auditing Standards on behalf of the inhabitants and ratepayers of the Township. The accompanying auditor's report outlines their responsibilities, the scope of the examination and the opinion on the Township's financial statements.

Jennifer Errington - Clerk

Rhonda Crozier - Treasurer

STEFANIZZI
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Independent Auditors' Report

To the Members of Council, inhabitants and Ratepayers of The Corporation of the Township of Laird:

Opinion
We have audited the financial statements of The Corporation of the Township of Laird (the Township), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and accumulated surplus, changes in re-measurement gains, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Laird as at December 31, 2025, and the results of its operations, its re-measurement gains, its change in net financial assets 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 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 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 judgement 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 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 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 the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Stefanizzi Professional Corporation

Stefanizzi Professional Corporation
Chartered Professional Accountant, authorized to practice public accounting by
The Chartered Professional Accountants of Ontario
Sault Ste. Marie, Ontario
April 18, 2026

The Corporation of the Township of Laird
Statement of Financial Position

As at December 31,	2025	2024
Financial assets		
Cash and cash equivalents	$ 1,098,126	$ 531,708
Portfolio investments (note 2)	1,026,803	913,757
Taxes receivable - no allowance	421,077	330,182
Accounts receivable - net of $10,912 allowance	6,691	385,401
Government remittances recoverable	222,805	134,771
	2,775,502	2,295,819
Financial liabilities		
Accounts payable and accrued liabilities	141,252	47,590
Deferred revenue (note 4)	46,857	-
Asset retirement obligation (note 5)	1,928,540	1,893,512
	2,116,649	1,941,102
Net financial assets	658,853	354,717
Non-financial assets		
Tangible capital assets (schedule 1)	10,139,731	10,120,463
Prepaid expenses	10,581	9,487
	10,150,312	10,129,950
Accumulated surplus (note 6)	$10,809,165	$10,484,667
Accumulated surplus represented by:		
Accumulated operating surplus	$10,709,410	$10,460,745
Accumulated re-measurement gains	99,755	23,922
	$10,809,165	$10,484,667

The Corporation of the Township of Laird
Statement of Operations and Accumulated Surplus

Year ended December 31, (with comparative figures for the prior year)

	Budget 2025	Actual 2025	Actual 2024
Revenues			
Taxation (note 7)	$ 2,008,912	$ 2,015,607	$ 1,920,073
Federal grants	73,426	73,426	71,523
Provincial grants	554,779	502,819	867,449
Other municipalities	8,285	3,741	7,719
Fees and user charges	86,494	87,084	108,951
Other income	119,000	139,426	175,600
	2,850,896	2,822,103	3,151,315
Expenditures			
General government	459,998	533,317	490,715
Protection	304,979	275,366	312,668
Transportation services	930,336	763,578	629,605
Environmental services	142,491	156,163	185,187
Health services	54,376	62,376	80,910
Social and family services	527,418	536,249	509,172
Recreation and cultural services	202,854	228,338	212,911
Planning and development	25,266	18,051	17,446
	2,647,718	2,573,438	2,438,614
Annual surplus	203,178	248,665	712,701
Accumulated surplus, beginning of year	10,460,745	10,460,745	9,748,044
Accumulated surplus, end of year	$10,663,923	$10,709,410	$10,460,745

The Corporation of the Township of Laird
Statement of Changes in Net Financial Assets

Year ended December 31, (with comparative figures for the prior year)

	Budget (Unaudited) 2025	Actual 2025	Actual 2024
Annual surplus from operations	$ 203,178	$ 248,665	$ 712,701
Acquisition of tangible capital assets	(450,026)	(401,669)	(826,963)
Amortization of tangible capital assets	382,401	382,401	372,912
	135,553	229,397	258,650
Acquisition of prepaid expenses	-	(1,094)	(9,488)
Increase in net financial assets excluding re-measurement gains	-	228,303	249,162
Net re-measurement gains	-	75,833	4,813
Net change in net financial assets	135,553	304,136	253,975
Net financial assets, beginning of year	354,717	354,717	100,742
Net financial assets, end of year	$ 490,270	$ 658,853	$ 354,717

The Corporation of the Township of Laird
Statement of Re-measurement Gains and Losses

Year ended December 31, (with comparative figures for the prior year)

	Actual 2025	Actual 2024
Accumulated re-measurement gains, beginning of year	$ 23,922	$ 19,109
Unrealized gains attributable to:		
Investments	75,833	4,813
Accumulated re-measurement gains, end of year	99,755	23,922

The Corporation of the Township of Laird
Statement of Cash Flow

For the year ended December 31,	2025	2024
Cash provided by (used for):		
Operating:		
Annual Surplus from operations	$ 248,665	$ 712,701
Items not involving cash:		
Accretion expense	35,028	34,472
Annual depreciation	382,401	372,912
	666,094	1,120,085
Changes in working capital items:		
Taxes receivable	(90,895)	(131,077)
Accounts receivable	378,710	(192,505)
Prepaid expenses	(1,094)	(9,847)
Accounts payable	93,662	7,733
Deferred revenue	46,857	-
Government remittances recoverable	(88,034)	12,538
	339,206	(313,158)
Investing transactions		
Net purchase of investments	(37,213)	(80,545)
Acquisition of tangible capital assets	(401,669)	(826,963)
Increase (Decrease) in cash for the year	566,418	(100,581)
Cash and cash equivalents, beginning of year	531,708	632,289
Cash and cash equivalents, end of year	$ 1,098,126	$ 531,708

December 31, 2025

The Corporation of the Township of Laird ("the Township") is a Township in the Province of Ontario, Canada. The Township conducts its operations in accordance with the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. Summary of significant accounting policies

Reporting entity

These statements reflect the assets, liabilities, operating revenues and expenditures, reserve funds and reserves, and tangible capital assets of the Township. The following local boards and municipal enterprises are not consolidated:

- Algoma District Services Administration Board
- Algoma Public Health

Basis of accounting

The Township follows the accrual method of accounting for revenues and expenditures. Revenues are recorded in the year for which they are earned, measurable and collectible. Expenses are recognized on the provision as they are incurred and measurable, arising from the receipt of goods or services and creation of a legal obligation to pay.

Revenue Recognition

Revenues and expenditures are reported on the accrual basis of accounting. Expenditures are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due. Revenues are recognized as follows:

a) Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.

b) Fines and donations are recognized when collected.

c) Fees and user charges are recognized when the services are performed or goods are delivered, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future services are deferred until the service is provided.

d) Interest income is recognized in the period in which it is earned.

e) Conditional grant revenue is recognized to the extent conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when funds are received or become receivable.

Deferred revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the balance sheet. The revenue is reported on the statement of operations in the year in which it is used for the specified purpose.

1. Summary of significant accounting policies (continued)

Reserves and reserve funds

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

Government transfers

Government transfers include entitlements, transfers under shared cost agreements and grants. Revenue is recognized for unconditional entitlements and grants in the period received or receivable. Revenue is recognized for any conditional entitlements and grants in the period the associated expenditure is incurred. Revenue is recognized for transfers under shared service agreements in the period the costs are incurred.

Contributed goods and services

Goods and services contributed to the Township are recorded at their fair market value at the time of their occurrence.

Cash and cash equivalents

Cash and cash equivalents include bank deposits and short-term GICs that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates include allowance for doubtful accounts, asset retirement obligations, useful life of capital assets, and accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Accounting for school board transactions

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

Trust funds

Trust funds and their related operations administered by the Township are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and Balance Sheet.

1. Summary of significant accounting policies (continued)

Asset Retirement Obligations

The Township recognizes the fair value of asset retirement obligations ("ARO") when all of the following criteria have been met:

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

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.

(a) Capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the tangible 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:

	Useful Life - Years
Buildings	40
Roads	10 - 50
Sidewalks	30
Bridge structure	30
Water infrastructure	50
Sewer infrastructure	50
Fleet	8-20

In the year of acquisition, capital assets are amortized at one-half the above rates.

(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.

(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.

1. Summary of significant accounting policies (continued)

Budget figures

Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The approved operating budget and capital budgets are reflected on the Statement of Operations and are unaudited. The budgets established for capital investment in tangible capital assets are 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.

Future Employee Benefits

The Township participates in a pension plan for employees. The Township is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The Township has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The Township records the current service cost within salaries and benefits expense at the time incurred.

Financial Instruments

The Township initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Township subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are in the Statement of Re-measurement Gains and Losses until they are subsequently realized, when they are transferred to the Statement of Operations and Accumulated Surplus.

The Township's financial instruments measured at amortized cost consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Township is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

2. Portfolio investments

	Level	2025	2024
Cash and guaranteed investment certificates	1	$ 277,347	$ 186,113
Fixed income	1	80,044	156,368
Securities and mutual funds	1	669,412	571,276
		$ 1,026,803	$ 913,757

All financial instruments must be classified in accordance with the significant inputs used in making the fair value measurements. The fair value hierarchy prioritises the valuation techniques used to determine the fair value of the financial instrument based on whether the inputs to those techniques are observable or unobservable.

I. Level 1 - valuation can be based on quoted prices in active markets for identifiable assets and liabilities.

II. Level 2 - valued using quoted prices for similar assets and liabilities, quoted prices in the markets are not active, or models using inputs that are observable.

III. Level 3 - values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

Portfolio investments held by the Township include guaranteed investment certificates, government bonds and securities. Interest rates on fixed income investments range from 0.25% to 2.00% and mature between March 2026 and June 2028.

3. Banking facilities

The Township has an authorized overdraft limit of $100,000 at a rate of bank prime plus 0.5% per annum. The overdraft is secured by a pledge agreement covering taxes receivable of the Township.

4. Deferred revenue

A requirement of the public sector accounting principles of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. These obligatory reserve funds include Canada Community Building Fund, formerly referred to as Federal Gas Tax, Ontario Community Infrastructure Fund, and Northern Ontario Regional Resource Development funds. This requirement is in place because provincial and federal legislation restricts how these funds are used. The balances in obligatory reserve funds of the Township are summarized below:

	2025	2024
Ontario Community Infrastructure Fund (OCIF)	$ 46,857	$ -

Continuity of deferred revenue is as follows:	2025	2024
Contributions received	$ 247,245	$ -
Interest earned on obligatory reserve	1,027	-
Contributions used	(201,415)	-
	$ 46,857	$ -

5. Asset retirement obligation

The Township owns and operates one landfill site. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 – Asset Retirement Obligation. The costs were based upon the most recent valuation prepared on December 31, 2023.

The basis of valuation is a present value calculation of the site closure during the 2073 calendar year (48 years remaining), and post closure care activity costs that would carry on for a period of 30 years. This includes final cover and vegetation, completing facilities for drainage control features, leachate monitoring, water quality and related monitoring, and annual post-closure maintenance to 2104. Costs are estimated at using a discount rate of 3.00% per annum. A reserve of 141,660 has been established to fund the future closure costs and does not offset the liability on the statement of financial position The total remaining site capacity is 248,904 cubic metres.

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

	2025	2024
Opening balance of obligation	$ 1,893,512	$ 1,859,040
Accretion expense	35,028	34,472
	$ 1,928,540	$ 1,893,512

6. Accumulated surplus

The accumulated surplus is comprised of the following:

	2025	2024
Fund balances set aside for specific purposes by Council:		
- to be applied to the operation of local boards	$ 69,960	$ 69,960
Reserves set aside for specific purposes by Council:		
- For general and administrative use	1,313,588	1,069,217
- Heritage	35,726	35,726
- Climate change	20,000	-
- Tax stabilization	50,000	-
- MNR - Fire Assistance	90,393	85,393
- Fire department capital	400,032	300,032
- Landfill closure and post-closure	141,660	306,775
- Road equipment	100,169	90,000
- Wharf	276,691	276,691
	2,428,259	2,163,834
Total operating, reserves and reserve funds	2,498,219	2,233,794
Invested in tangible capital assets	10,139,731	10,120,463
Accumulated re-measurement gains	99,755	23,922
Funds to be provided from future revenues	(1,928,540)	(1,893,512)
Accumulated surplus	$10,809,165	$10,484,667

7. Taxation

	2025	2024
Residential and farmlands taxation	$ 2,186,294	$ 2,096,992
Commercial taxation	81,857	78,638
Industrial and resources taxation	10,339	1,072
Less: Amount levied and remitted to school boards	(262,883)	(256,629)
	$ 2,015,607	$ 1,920,073

8. Expenditures by object

	2025	2024
Salaries, wages and employee benefits	$ 706,672	$ 652,114
Materials	540,845	471,199
Amortization	382,401	372,913
Contracted and general services	943,520	942,388
	$ 2,573,438	$ 2,438,614

9. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of seven members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The most recent actuarial valuation of the plan was completed on December 31, 2025. The results of this valuation disclosed total going concern actuarial liabilities of $151,365 million (2024 - $142,289 million) and net going concern actuarial assets of $150,043 million (2024 - $139,576 million), indicating a going concern actuarial deficit of $1,322 million (2024 - $2,913 million). As OMERS is a multi-employer plan, any pension plan surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. The Township's individual share is not determinable, and as a result, the Township does not recognize any share of the OMERS pension deficit.

Contributions made in 2025 were in the amount of $35,541 (2024 - $28,614). No pension liability for this type of plan is included in the Township's financial statements.

10. Public Sector Salary Disclosure Act

No employee was paid an annual salary of $100,000 or more as defined by the Public Sector Salary Disclosure Act, 1996.

11. Contributions to unconsolidated joint boards

The following contributions were made by the Township to these boards:

	2025	2024
Algoma District Service Administration Board	$ 536,249	$ 509,172
Algoma Public Health	52,376	48,052
	$ 588,625	$ 557,224

The Township is contingently liable for its share of any accumulated deficits of the above boards as well as long term liabilities issued by other Municipalities for these boards.

12. Trust funds

Trust fund assets administered by the Township amounting to $42,464 (2024 - $38,588) have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations and Accumulated Surplus.

13. Budget

The Budget adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statement of operations and change in net financial assets represent the Financial Plan with adjustments as follows:

Budget Bylaw surplus for the year	$ -
Less:	
Amortization	(382,401)
Add:	
Net inter-fund transfers from reserves	135,553
Capital transactions	450,026
Budget surplus per statement of operations	$ 203,178

14. Comparative information

Certain comparative information has been reclassified to conform with the current year presentation of the financial statement. These reclassifications have no impact on the opening accumulated surplus.

15. Financial Risk

The Township is exposed to various risks through its financial instruments. The following analysis provides information about the Township's risk exposure and concentration as of December 31, 2025.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Township is exposed to credit risk from customers and ratepayers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Township has a significant number of customers and ratepayers which minimizes concentration of credit risk. Further, the Township has available to it a tax registration process to recover unpaid municipal taxes by way of forced transfer of properties with multi-year arrears. The Township has established a reserve in the amount of $50,000 for tax stabilization. Approximately 42% of property taxes receivable is due from one individual roll. Management and council are coordinating payment plans to reduce the amount owing.

Liquidity risk

Liquidity risk is the risk that the Township cannot repay its obligations when they become due to its creditors. The Township is exposed to this risk relating to its accounts payable and accrued liabilities.

The Township reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through extensive budgeting and maintaining enough cash and credit facilities available to repay creditors as they become due. In the opinion of management the liquidity risk exposure to the Township is low.

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

Market risk

Market risk incorporates a range of risks. Movements in risk factors, such as interest rate risk, currency risk and market price risk, affect the fair value of financial assets and liabilities. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price. The Township's investments are exposed to market price risk.

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Township's investments in publicly traded securities exposes the Township to price risk, as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets. This risk is managed through diversification of investments.

16. Segmented information

The Township is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government
The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

Protection
Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishments of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

Transportation
The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

Environmental
The environmental department provides garbage collection and waste minimization programs and facilities for solid waste disposal.

Health
Through the Algoma Health Unit, the Township contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries.

16. Segmented information (continued)

Social and family
Through the Algoma District Services Administration Board, the Township contributes to social assistance payments, child care services and social housing.

Recreation and cultural
The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, arena, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the Township's citizens through the provision of library services.

Planning
The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The Corporation of the Township of Laird

Schedule 1

Schedule of Tangible Capital Assets

Year ended December 31, 2025

	Cost				Accumulated Amortization				2025	2024
	2025 Opening Balance	Additions and Betterments	Disposals/ Transfers	2025 Closing Balance	2025 Opening Balance	2025 Amortization Expense	Accumulated Amortization on Disposals	2025 Ending Balance	Net Book Value	Net Book Value
Land	$ 123,159	$ -	$ -	$ 123,159	$ -	$ -	$ -	$ -	$ 123,159	$ 123,159
Land improvements	9,830	-	-	9,830	9,830	-	-	9,830	-	-
Buildings	1,817,909	45,932	-	1,863,841	413,690	30,192	-	443,882	1,419,959	1,404,219
Roads	7,734,803	124,592	-	7,859,395	5,426,739	124,253	-	5,550,992	2,308,403	2,308,064
Equipment	242,847	218,147	-	460,994	129,977	30,276	-	160,253	300,741	112,870
Bridge structure	4,660,072	12,998	-	4,673,070	782,569	90,300	-	872,869	3,800,201	3,877,503
Automotive	1,329,117	-	-	1,329,117	828,689	67,475	-	896,164	432,953	500,428
Landfill	1,874,030	-	-	1,874,030	79,810	39,905	-	119,715	1,754,315	1,794,220
	$ 17,791,767	$ 401,669	$ -	$ 18,193,436	$7,671,304	$ 382,401	$ -	$ 8,053,705	$ 10,139,731	$ 10,120,463

The Corporation of the Township of Laird

Schedule 2

Segment Disclosures - Service Bundle

Year ended December 31, 2025

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and cultural services	Planning and development	Total
Expenditures									
Salaries and wages	$ 310,962	$ 23,366	$ 253,436	$ 36,386	$ 10,000	$ -	$ 72,522	$ -	$ 706,672
Materials, goods, and supplies	97,861	92,623	197,629	-	-	-	134,681	18,051	540,845
Contracted & general services	118,848	158,595	-	77,452	52,376	536,249	-	-	943,520
Amortization expenses	5,646	782	312,513	42,325	-	-	21,135	-	382,401
	533,317	275,366	763,578	156,163	62,376	536,249	228,338	18,051	2,573,438
Revenues									
Taxation	417,713	215,676	598,061	122,312	48,854	420,010	178,842	14,139	2,015,607
User charges	18,048	9,318	25,839	5,284	2,111	18,146	7,727	611	87,084
External non-tax revenues	149,091	76,979	213,460	43,656	17,436	149,910	63,834	5,046	719,412
	584,852	301,973	837,360	171,252	68,401	588,066	250,403	19,796	2,822,103
Annual Surplus	$ 51,535	$ 26,607	$ 73,782	$ 15,089	$ 6,025	$ 51,817	$ 22,065	$ 1,745	$ 248,665

The Corporation of the Township of Laird

Schedule 3

Segment Disclosures - Service Bundle

Year ended December 31, 2024

	General Government	Protection services	Transportation services	Environmental services	Health services	Social and family services	Recreation and cultural services	Planning and development	Total
Expenditures									
Salaries and wages	$ 270,351	$ 30,976	$ 204,588	$ 39,618	$ 40,607	$ -	$ 65,974	$ -	$ 652,114
Materials, goods, and supplies	85,940	120,378	124,786	-	-	-	122,649	17,446	471,199
Contracted & general services	129,137	160,532	-	103,244	40,303	509,172	-	-	942,388
Amortization expenses	5,287	782	300,231	42,325	-	-	24,288	-	372,913
	490,715	312,668	629,605	185,187	80,910	509,172	212,911	17,446	2,438,614
Revenues									
Taxation	386,373	246,183	495,727	145,809	63,705	400,903	167,636	13,737	1,920,073
User charges	21,924	13,970	28,129	8,274	3,615	22,748	9,512	779	108,951
External non-tax revenues	225,836	143,895	289,755	85,226	37,235	234,329	97,986	8,029	1,122,291
	634,133	404,048	813,611	239,309	104,555	657,980	275,134	22,545	3,151,315
Annual Surplus	$ 143,418	$ 91,380	$ 184,006	$ 54,122	$ 23,645	$ 148,808	$ 62,223	$ 5,099	$ 712,701

STEFANIZZI
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Independent Auditors' Report

To the Members of Council, inhabitants and Ratepayers of The Corporation of the Township of Laird:

Opinion
We have audited the financial statements for the Trust Funds of The Corporation of the Township of Laird (the "Trust Funds"), which comprise the statement of financial position as at December 31, 2025, and the statements of continuity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds of The Corporation of the Township of Laird as at December 31, 2025, and the statement of continuity, for the year then ended in accordance with Canadian public sector accounting standards.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Trust Funds or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust Fund's financial reporting process.

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 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 judgement and maintain professional skepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Managements use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Funds ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Trust Funds to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also 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.

Stefanizzi Professional Corporation

Stefanizzi Professional Corporation
Chartered Professional Accountant, authorized to practice public accounting by
The Chartered Professional Accountants of Ontario
Sault Ste. Marie, Ontario
April 18, 2026

The Corporation of the Township of Laird
Trust Funds
Statement of Financial Position

As at December 31,

		Actual 2025		Actual 2024
Assets				
Cash	$	13,922	$	11,314
Term deposits		28,542		27,274
		42,464		38,588
Liabilities				
Due to municipality		691		-
Fund Balance	$	41,773	$	38,588

The Corporation of the Township of Laird
Trust Funds
Statement of Continuity

Year ended December 31, (with comparative figures for the prior year)

	Actual 2025	Actual 2024
Balance, beginning of year	$ 38,588	$ 35,937
Revenues		
Interest earned	1,268	1,181
Trust receipts	1,917	1,470
	3,185	2,651
Balance, end of year	$ 41,773	$ 38,588

The Corporation of the Township of Laird
Trust Funds
Notes to Trust Fund Financial Statements

December 31, 2025

1. Summary of significant accounting policies

Management responsibility

The financial statements of The Corporation of the Township of Laird Trust Funds are the responsibility of Management prepared in accordance with Canadian public sector accounting standards. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

Basis of accounting

Revenue and expenditures 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.