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SCRIMGEOUR & COMPANY
CPA PROFESSIONAL CORPORATION

CORPORATION OF THE TOWNSHIP OF ZORRA

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

SCRIMGEOUR & COMPANY
CPA PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Zorra

Opinion

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Zorra (the "Township"), which comprise the Consolidated Statement of Financial Position as at December 31, 2025, and Consolidated Statements of Operations and Accumulated Surplus, Cash Flows and Change in Net Financial Assets (Liabilities) for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Corporation of the Township of Zorra as at December 31, 2025 and its financial performance and its cash flows and change in net financial assets (liabilities) for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Township's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

SCRIMGEOUR & COMPANY
CPA PROFESSIONAL CORPORATION

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

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

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.

Scrimgeour & Company

July 15, 2026
London, Canada

LICENSED PUBLIC ACCOUNTANT

Suite 1706, 148 Fullarton Street London, ON N6A 5P3 • Phone: 519-672-6811 Fax: 519-672-9757

CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash	**$ 8,868,548**	$ 7,466,995
Taxes receivable	**1,483,534**	1,452,064
Drains receivable	**2,457,648**	1,448,441
Accounts receivable	**1,365,770**	1,865,113
Land held for resale	**-**	60,757
Investment in ERTH Corporation (note 10)	**3,146,055**	2,976,988
	17,321,555	15,270,358
LIABILITIES		
Accounts payable and accrued liabilities	**2,472,272**	2,146,227
Deferred revenue (note 7)	**1,191,127**	1,640,203
Net long-term liabilities (note 8)	**9,332,125**	10,218,982
Asset retirement obligation (note 14)	**1,477,830**	1,441,785
	14,473,354	15,447,197
NET FINANCIAL ASSETS (LIABILITIES)	**2,848,201**	(176,839)
NON-FINANCIAL ASSETS (note 1.e)		
Tangible capital assets - Schedule 1	**61,668,208**	61,212,590
Capital work in progress	**1,161,222**	812,416
Prepaid supplies and inventory	**1,228,934**	1,152,038
	64,058,364	63,177,044
ACCUMULATED SURPLUS (note 9)	**$ 66,906,565**	$ 63,000,205

Approved by:

Approved by:

MANAGER OF FINANCIAL SERVICES
TREASURER

CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025	Actual 2025	Actual 2024
REVENUE			
Property taxation	$ 12,331,845	$ 12,406,202	$ 11,994,352
User charges	1,462,300	1,506,416	1,548,657
Government grants	2,180,683	2,386,446	1,741,764
Investment income	298,000	393,397	541,416
Penalty and interest on taxes	190,000	220,664	217,993
Other revenue	21,600	46,024	341,086
	16,484,428	16,959,149	16,385,268
EXPENDITURES			
General government	1,728,158	2,105,996	1,853,535
Protection to persons and property	2,913,895	2,984,798	2,795,654
Transportation services	4,759,261	6,701,687	6,025,131
Environmental services	8,079	13,601	16,363
Health services	268,404	206,710	197,593
Recreation and cultural development	2,005,016	2,349,282	2,215,899
Planning and development	163,977	187,667	165,810
	11,846,790	14,549,741	13,269,985
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER	4,637,638	2,409,408	3,115,283
OTHER			
Government transfers related to capital	460,320	238,601	840,093
Increase in investment in ERTH Corporation (note 10)	-	169,067	117,358
Gain (loss) on disposal of capital assets	-	(33,391)	1,122,710
Developer and other contributions related to capital	702,462	1,122,675	1,802,545
	1,162,782	1,496,952	3,882,706
EXCESS OF REVENUE OVER EXPENDITURES	5,800,420	3,906,360	6,997,989
ACCUMULATED SURPLUS, BEGINNING OF YEAR	63,000,205	63,000,205	56,002,216
ACCUMULATED SURPLUS, END OF YEAR	$ 68,800,625	$ 66,906,565	$ 63,000,205

CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Excess of revenue over expenditures (page 4)	**$ 3,906,360**	$ 6,997,989
Non-cash changes to operations		
Amortization	**2,499,531**	2,339,444
Net disposal of tangible capital assets	**91,096**	59,088
(Increase) decrease in investment in ERTH Corporation	**(169,067)**	(117,358)
Net change in working capital other than cash (A)	**(628,320)**	(2,803,027)
	5,699,600	6,476,136
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	**(3,046,245)**	(12,354,239)
Decrease (increase) in capital work in progress	**(348,806)**	4,226,479
(Acquisition) disposal of land held for resale	**60,757**	45,623
Decrease (increase) in prepaid supplies and inventory	**(76,896)**	(36,872)
	(3,411,190)	(8,119,009)
FINANCING ACTIVITIES		
Net change in long-term debt	**(886,857)**	(1,000,347)
	(886,857)	(1,000,347)
Net change in cash and cash equivalents, during the year	**1,401,553**	(2,643,220)
Cash and cash equivalents, beginning of year	**7,466,995**	10,110,215
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 8,868,548**	$ 7,466,995

(A) Net change in working capital other than cash includes the net change in taxes receivable, drains receivable, accounts receivable, accounts payable and accrued liabilities, deferred revenue and asset retirement obligation.

CORPORATION OF THE TOWNSHIP OF ZORRA
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (LIABILITIES)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025	Actual 2025	Actual 2024
Excess of revenue over expenditures (page 4)	$ 5,800,420	$ 3,906,360	$ 6,997,989
Amortization of tangible capital assets	-	2,499,531	2,339,444
Acquisition of tangible capital assets	(4,465,149)	(3,046,245)	(12,354,239)
Net disposal of tangible capital assets	-	91,096	59,088
Decrease (increase) in capital work in progress	348,806	(348,806)	4,226,479
Decrease (increase) in prepaid supplies and inventory	-	(76,896)	(36,872)
Change in net financial assets	1,684,077	3,025,040	1,231,889
NET FINANCIAL ASSETS (LIABILITIES), BEGINNING OF YEAR	(176,839)	(176,839)	(1,408,728)
NET FINANCIAL ASSETS (LIABILITIES), END OF YEAR	$ 1,507,238	$ 2,848,201	$ (176,839)

CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

1. Significant accounting policies

The consolidated financial statements of the Township are prepared by management in accordance with Canadian public sector accounting standards (PS). Significant aspects of the accounting policies adopted by the Township are as follows:

a. Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, operating revenue and expenditures and accumulated surpluses and changes in investment in tangible capital assets of the Township.

These consolidated financial statements include the activities of all other committees of Council including the Zorra Recreation Advisory Committee and the Village of Embro Cemetery Board.

The investment in a government business enterprise, ERTH Corporation (ERTH), is accounted for using the modified equity basis of accounting. Under this method, the government business enterprise's accounting policies, which follow International Financial Reporting Standards (IFRS) as modified by regulations and policies set forth in the Ontario Energy Board Accounting Procedures Handbook, are not adjusted to conform with Canadian public sector accounting standards and inter-entity transactions and balances are not eliminated.

b. Revenue recognition

Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Government grants and transfers are recognized in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

c. Accounting for County and School Board transactions

The Township is required to bill, collect and remit provincial education and upper tier taxation in respect of residential and other properties on behalf of the School Boards and County of Oxford. The Township has no jurisdiction or control over the School Board or upper tier's operations or their tax rate. The taxation, other revenue, expenditures, assets and liabilities with respect to the operations of the School Boards, and the County of Oxford are not reflected in these consolidated financial statements.

d. Trust fund

The Corporation of the Township of Zorra Trust Fund (the "Trust") and its related operations administered by the Township are not consolidated but are reported separately on the Trust's Statements of Financial Position and Operations.

1. Significant accounting policies continued

e. 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 expenditures, provides the consolidated change in financial assets for the year.

The Township's non-financial assets consist of 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 is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 to 30 years
Buildings and fixtures	40 years
Machinery and equipment	10 to 20 years
Automotive	5 to 20 years
Infrastructure - Bridges	60 years
Infrastructure - Roads	10 to 20 years
Infrastructure - Other	25 to 30 years

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

f. Deferred revenue

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

g. Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

1. Significant accounting policies continued

h. 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 expense as incurred.

i. Asset retirement obligations

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

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

Retirement obligations related to buildings containing asbestos, are estimated and recognized as a liability and an increase in the cost of the asset at the time of acquisition. The liability is discounted annually over the same useful life as the asset's annual amortization expense, calculated in accordance with the Township's amortization policies. In addition, a liability for the post closure costs of a gravel pit owned by the Township has been estimated as of January 1, 2022. The liability is increased each year, due to the passage of time, and is recorded as an accretion expense on Schedule 2 under Rent and Financial Expenses.

j. Financial instruments

Financial instruments of the Township consist mainly of cash, accounts receivable and taxes receivable. The carrying values of these financial assets approximate their fair values unless otherwise disclosed.

k. Prepaid supplies and inventory

Inventory of supplies for consumption are valued at the lower of cost or replacement cost. Gravel inventory is determined per tonne and includes raw material, extraction and crushing costs.

2. Public Sector Accounting Standards (PSAS)

There are two new PSAS that will be implemented for the year ended December 31, 2027.

PS 1100 will replace PS 1000. This standard provides a new Conceptual Framework providing guidance for the application of accounting policies where no standard exists and will guide future new standards.

PS 1202 will result in a new Financial Statement Presentation Model. The changes will result in the following:

a. Restructured Statement of Financial Position with liabilities classified as financial or non-financial.
b. New statements disclosing the change in net assets and net debt as well as debt indicators.
c. Isolated financing transactions in the Statement of Cash Flows.

Management is currently assessing the impact of these new standards on future financial statements.

3. Tax revenue

Property tax billings are prepared by the Township based on an assessment roll prepared by the Municipal Property Assessment Corporation. All assessed property values in the Township were reviewed and new values established based on a common valuation date which was used by the Township in computing the 2025 property tax bills. Property tax revenue and tax receivables are subject to appeals which may not have been heard yet. Any supplementary billing adjustments made necessary by the determination of such appeals will be recognized in the fiscal year they are determined and the effect shared with the County of Oxford and the appropriate school boards.

4. Trust fund

Trust fund administered by the Township amounting to $149,156 (2024 - $139,936) has not been included in these consolidated financial statements.

5. Operations of School Boards and the County of Oxford

Further to note 1.c, the taxation revenue of the school boards and County of Oxford are comprised of the following:

	School Boards	County
Taxation and user charges	**$ 4,006,968**	**$ 9,831,615**
Requisitions	**$ 4,006,968**	**$ 9,831,615**

CORPORATION OF THE TOWNSHIP OF ZORRA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

6. Pension agreements

The Township makes contributions to the Ontario Municipal Employees Retirement 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 the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2025 was $326,532 (2024 - $295,760) for current service and is included as an expenditure on the Consolidated Statement of Operations and Accumulated Surplus. The Township has no obligation, as of December 31, 2025, under the past service provisions. The OMERS funding ratio for 2025 is 99% (2024 - 98%).

7. Deferred revenue - obligatory reserve funds

A requirement of the Canadian public sector accounting standards is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized as follows:

	2025	2024
Development charges	**$ 515,986**	$ 1,070,492
Federal gas tax	**251,800**	144,797
Recreational land	**110,012**	90,512
Other	**313,329**	334,402
	$ 1,191,127	$ 1,640,203

8. Long-term liabilities

a. Composition of long-term liabilities

The balance of long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following:

	2025	2024
Total long-term liabilities incurred by the Township including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	**$ 9,376,048**	$ 10,252,334
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for tile drain loan has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	**(43,923)**	(33,352)
	$ 9,332,125	$ 10,218,982

b. Debt retirement

Debt to be retired over the next five years will be recovered from general taxation as follows:

2026	$ 865,853
2027	$ 644,162
2028	$ 486,662
2029	$ 430,664
2030	$ 430,664

c. Approval

Approval of the Ontario Municipal Board has been obtained for those pending issues of long-term liabilities and commitments to be financed by revenue beyond the term of Council and approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The principal and interest payments required to service these pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs.

8. Long-term liabilities continued

d. Contingent liability

The Township is contingently liable for long-term liabilities with respect to tile drainage loans, and for those for which the principal and interest have been assumed by other municipalities, school board and unconsolidated local boards, municipal enterprises, and utilities. The total amount outstanding as at December 31, 2025 is $43,923 (2024 - $33,352) and is not recorded on the Consolidated Statement of Financial Position.

e. Interest

Interest paid on long-term liabilities for the year ending December 31, 2025 is $436,344 (2024 - $483,027).

9. Accumulated surplus

The accumulated surplus on the Consolidated Statement of Financial Position at the end of the year is comprised of the following:

	2025	2024
Reserves set aside for specific purpose:		
for working capital	$ **677,103**	$ 544,200
for general purposes	**2,313,943**	2,069,125
for capital replacement	**7,028,191**	5,021,281
for tax rate stabilization	**867,505**	867,505
for insurance	**49,679**	39,679
Total reserves	**10,936,421**	8,541,790
Current surplus - cemetery	**33,605**	58,025
Asset retirement obligation	**(1,477,830)**	(1,441,785)
Investment in tangible capital assets	**54,268,314**	52,865,187
Investment in government business enterprise	**3,146,055**	2,976,988
ACCUMULATED SURPLUS	$ **66,906,565**	$ 63,000,205

10. Investment in ERTH Corporation

As at December 31, 2025, the Township owns 5.41% (2024 - 5.41%) of ERTH Corporation and is comprised of the following:

	2025	2024
Promissory note receivable	$ **815,000**	$ 815,000
Equity	**2,331,055**	2,161,988
	$ **3,146,055**	$ 2,976,988

The promissory note receivable from ERTH Corporation is unsecured and bears interest at 7.25% (2024 - 7.25%). The term of the note is undefined, but no principal repayments are expected within the next twelve months. Interest received during the year and included in other income is $59,088 (2024 - $59,088).

As a business enterprise of the Township, it is accounted for on a Modified Equity basis in these consolidated financial statements and the investment is shown at the Township's proportionate share of the equity of ERTH. The following table provides condensed supplementary financial information for the ERTH for the years ended December 31, 2025 and 2024 from their audited financial statements which are prepared in accordance with International Financial Reporting Standards.

	2025	2024
Financial Position		
Total Net Assets	$ **43,094,867**	$ 39,969,270
Results from Operations		
Total revenue	$ **121,475,284**	$ 109,845,547
Total operating and other expenditures	**117,319,687**	106,955,914
Total comprehensive income	$ **4,155,597**	$ 2,889,633

ERTH Corporation's financial statements are prepared in accordance with International Financial Reporting Standards.

ERTH Corporation declared a dividend of $1,030,000 in 2025 (2024 - $720,000) of which the Township's portion is $55,714 (2024 - $38,946).

11. Budget figures

The Township's Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2025 is reflected on the Consolidated Statement of Operations and Accumulated Surplus.

12. Public sector salary disclosure

There are nine employees paid a salary, as defined in the Public Sector Disclosure Act, 1996 of $100,000 or more.

13. Segmented Information

Segmented information is presented on Schedule 2. The Township is a diversified municipality and provides a wide range of services to its citizens including police through contracted services, fire, protective services, transportation, environmental, including water, wastewater, waste disposal and storm management joint projects with the County of Oxford, community services, including recreation, library and planning, including economic development and municipal drains. The general government segment includes such functions as finance and information services, council and administrative offices.

14. Asset retirement obligation

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

a. Gravel pit closure obligation

The Township owns and operates one gravel pit. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 - Asset Retirement Obligations. The costs are based on presently known obligations that will exist at the estimated year of closure of the gravel pit. It is anticipated the gravel pit will close in 30 years.

b. Asbestos obligation

The Township owns and operates buildings that are known to have asbestos, which is subject to health and safety regulatory requirements if disturbed or removed. In accordance with the adoption of PS 3280 - Asset Retirement Obligations, the Township recognized an obligation related to the removal of asbestos. Remaining useful lives are determined on an individual asset basis. the related asset retirement costs were discounted to December 31, 2025 using a discount rate of 2.5% per annum.

14. Asset retirement obligation continued

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

	Gravel Pit Closure	Asbestos Removal	2025	2024
Beginning of year	$ 1,386,414	$ 55,371	$ 1,441,785	$ 1,406,620
Accretion expense	34,660	1,385	36,045	35,165
END OF YEAR	$ 1,421,074	$ 56,756	$ 1,477,830	$ 1,441,785

15. Comparative balances

Certain comparative balances have been reclassified to conform with the current year's financial statement presentation.

CORPORATION OF THE TOWNSHIP OF ZORRA
SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Land	Land Improvements	Buildings and Fixtures	Machinery and Equipment	Automotive	Infrastructure	2025 Total	2024 Total
COST								
Balance, beginning of year	$ 2,845,877	$ 3,843,086	$ 25,651,328	$ 5,451,457	$ 7,407,028	$ 39,072,506	$ 84,271,282	$ 72,506,560
Add:								
Additions during the year	303,243	198,238	126,952	336,254	218,945	1,862,613	3,046,245	12,354,239
Less:								
Disposals during the year	-	-	-	(55,836)	(534,021)	-	(589,857)	(589,517)
Balance, end of year	3,149,120	4,041,324	25,778,280	5,731,875	7,091,952	40,935,119	86,727,670	84,271,282
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	1,123,367	4,423,574	2,884,980	3,342,212	11,284,559	23,058,692	21,249,677
Add:								
Amortization during the year	-	143,017	668,899	316,922	401,394	969,299	2,499,531	2,339,444
Less:								
Disposals during the year	-	-	-	(38,620)	(460,141)	-	(498,761)	(530,429)
Balance, end of year	-	1,266,384	5,092,473	3,163,282	3,283,465	12,253,858	25,059,462	23,058,692
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	$ 3,149,120	$ 2,774,940	$ 20,685,807	$ 2,568,593	$ 3,808,487	$ 28,681,261	$ 61,668,208	$ 61,212,590

This schedule is provided for information purposes only.

CORPORATION OF THE TOWNSHIP OF ZORRA
SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Government	Protective Services	Transportation	Environmental	Health	Recreation and Culture	Planning and Development	Total
REVENUE								
Taxation	$ 12,406,202	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,406,202
User fees	208,553	282,541	43,108	31,130	25,683	757,091	158,310	1,506,416
Government grants - operating	1,000,200	100,468	1,162,206	-	-	85,564	38,008	2,386,446
Investment income	373,986	-	-	-	-	-	19,411	393,397
Penalty and interest on taxes	220,664	-	-	-	-	-	-	220,664
Other	-	283	-	-	26,996	18,745	-	46,024
	14,209,605	383,292	1,205,314	31,130	52,679	861,400	215,729	16,959,149
EXPENDITURES								
Salaries and benefits	1,330,505	923,051	1,608,178	3,243	85,965	1,068,298	54,149	5,073,389
Materials, goods and services	520,537	1,801,481	2,899,929	10,358	120,745	1,012,270	133,472	6,498,792
Rents and financial expenses	5,243	29,835	441,396	-	-	1,509	46	478,029
Amortization	249,711	230,431	1,752,184	-	-	267,205	-	2,499,531
	2,105,996	2,984,798	6,701,687	13,601	206,710	2,349,282	187,667	14,549,741
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE) BEFORE OTHER	12,103,609	(2,601,506)	(5,496,373)	17,529	(154,031)	(1,487,882)	28,062	2,409,408
OTHER								
Government transfers related to capital	-	47,594	191,007	-	-	-	-	238,601
Increase in investment in ERTH Corporation	169,067	-	-	-	-	-	-	169,067
Gain (loss) on disposal	-	-	(19,609)	-	-	(13,782)	-	(33,391)
Developer contributions related to capital	-	-	824,738	-	-	297,937	-	1,122,675
	169,067	47,594	996,136	-	-	284,155	-	1,496,952
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)	$ 12,272,676	$ (2,553,912)	$ (4,500,237)	$ 17,529	$ (154,031)	$ (1,203,727)	$ 28,062	$ 3,906,360

This schedule is provided for information purposes only.