

Consolidated Financial Statements of

**THE CORPORATION OF THE
COUNTY OF RENFREW**

Year ended December 31, 2025

THE CORPORATION OF THE COUNTY OF RENFREW

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Corporation of the County of Renfrew (the "County") are the responsibility of the County's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards.

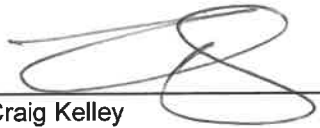
A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The County's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

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

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the County. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the County's consolidated financial statements.

On behalf of the County:


Craig Kelley
Chief Administrative Officer
Daniel Burke, CPA, CA
Treasurer

June 29, 2026



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the County of Renfrew

Opinion

We have audited the consolidated financial statements of the Corporation of the County of Renfrew (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2025
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025, and its consolidated results of operations, its consolidated changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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 Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

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.



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- 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 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 Entity 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 29, 2026

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
Cash	\$ 51,192,916	\$ 63,834,681
Investments (note 4)	7,399,569	7,397,694
Accounts receivable:		
Federal government	3,374,689	2,597,659
Provincial government	5,599,696	3,719,929
Municipalities	223,804	238,979
Other	1,121,943	995,468
	68,912,617	78,784,410
Financial liabilities:		
Accounts payable and accrued liabilities	40,560,043	31,965,551
Short-term loan (note 6)	2,908,000	8,850,000
Deferred revenue	428,026	631,088
Asset retirement obligation (note 15)	18,351,909	17,891,293
Long-term liabilities (note 6)	14,772,738	7,654,007
Capital lease obligations (note 7)	1,195,755	1,396,311
Accrued interest on long-term liabilities	134,657	45,905
Post-employment benefits (note 8)	13,818,437	12,679,766
	92,169,565	81,113,921
Net financial debt	(23,256,948)	(2,329,511)
Non-financial assets:		
Tangible capital assets (note 9)	275,647,326	252,471,981
Tangible capital assets - construction in progress (note 9)	128,137,534	122,273,540
Inventory	697,888	749,566
Prepaid expenses	2,996,518	1,844,406
	407,479,266	377,339,493
Contingent liabilities (note 12)		
Accumulated surplus (note 10)	\$ 384,222,318	\$ 375,009,982

See accompanying notes to consolidated financial statements.

On behalf of Council:


Councillor


Councillor

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 13)	2025 Actual	2024 Actual
Revenue:			
Government grants	\$ 107,556,073	\$ 110,058,187	\$ 98,999,411
Levies on area municipalities	55,989,301	55,795,043	52,301,785
User fees and service charges	17,302,749	18,452,166	18,577,886
Payments-in-lieu of taxation	6,183,070	6,582,251	5,779,242
Other municipal revenue	4,068,984	4,187,632	4,814,499
Investment income	3,340,000	2,176,574	3,856,493
Donations, fines and other	4,615,500	1,651,111	979,898
Loss on disposal of tangible capital assets	—	(80,875)	(63,073)
	199,055,677	198,822,089	185,246,141
Expenses (note 14):			
General government	10,500,482	9,459,895	8,948,654
Protection services	1,114,293	1,036,704	949,143
Transportation services	22,305,142	23,838,863	21,729,415
Health services	37,982,304	38,476,386	35,737,755
Social and family services	90,220,302	91,935,632	76,549,742
Social housing	18,658,265	19,774,206	20,150,547
Recreation and cultural services	2,846,667	1,905,210	2,985,644
Planning and development	3,454,954	3,182,857	2,981,253
	187,082,409	189,609,753	170,032,153
Annual surplus	11,973,268	9,212,336	15,213,988
Accumulated surplus, beginning of year	375,009,982	375,009,982	359,795,994
Accumulated surplus, end of year	\$ 386,983,250	\$ 384,222,318	\$ 375,009,982

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Changes in Net Debt

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 13)	2025 Actual	2024 Actual
Annual surplus	\$ 11,973,268	\$ 9,212,336	\$ 15,213,988
Amortization of tangible capital assets	16,175,690	18,391,073	17,106,079
Acquisition of tangible capital assets	(66,572,148)	(41,827,059)	(29,114,261)
Acquisition of tangible capital assets under construction	—	(5,863,994)	(19,805,128)
Loss on disposal of tangible capital assets	—	80,875	63,073
Proceeds on disposal of tangible capital assets	—	179,767	270,551
Increase in inventory	—	51,677	133,258
Increase in prepaid expenses	—	(1,152,112)	(43,987)
Change in net financial assets	(38,423,190)	(20,927,437)	(16,176,427)
Net financial assets (debt), beginning of year	(2,329,511)	(2,329,511)	13,846,916
Net debt, end of year	\$ (40,752,701)	\$ (23,256,948)	\$ (2,329,511)

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE COUNTY OF RENFREW

Consolidated Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 9,212,336	\$ 15,213,988
Items not involving cash:		
Amortization of tangible capital assets	18,391,073	17,106,079
Loss on disposal of tangible capital assets	80,875	63,073
Post-employment benefits	1,138,671	(678,915)
Asset retirement obligation	460,616	631,701
Change in non-cash assets and liabilities:		
Accounts receivable		
Federal government	(777,030)	(2,597,659)
Provincial government	(1,879,767)	(462,630)
Municipalities	15,176	644,731
Other	(126,475)	100,519
Inventory	51,676	133,258
Prepaid expenses	(1,152,112)	(43,987)
Accounts payable and accrued liabilities	8,594,492	3,936,482
Accrued interest on long-term liabilities	88,752	(15,121)
Deferred revenue	(203,062)	225,809
	33,895,221	34,257,328
Capital activities:		
Acquisition of tangible capital assets	(41,827,059)	(27,486,562)
Proceeds on disposal of tangible capital assets	179,767	270,551
Additions to tangible capital assets under construction	(5,863,994)	(19,805,128)
	(47,511,286)	(47,021,139)
Investing activities:		
Purchase of investments	(1,875)	(19,644)
Financing activities:		
Advance of temporary construction loan	2,908,000	8,678,000
Repayment of temporary construction loan	(8,850,000)	—
Proceeds of long-term liabilities	8,850,000	—
Principal repayments of long-term liabilities	(1,731,269)	(1,856,305)
Capital lease advance	139,973	—
Repayments of capital lease	(340,529)	(231,388)
	976,175	6,590,307
Decrease in cash	(12,641,765)	(6,193,148)
Cash, beginning of year	63,834,681	70,027,829
Cash, end of year	\$ 51,192,916	\$ 63,834,681

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements

Year ended December 31, 2025

The Corporation of the County of Renfrew (the "County") is an upper tier municipality in the Province of Ontario, Canada. The provisions of provincial statutes such as the Municipal Act and related legislation guide its operations.

1. Significant accounting policies:

The consolidated financial statements of the County are the representations of management and have been prepared in all material respects in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the County are as follows:

(a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, operating revenues and expenditures, reserve, reserve funds, and changes in investment in tangible capital assets of the County. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the County and which are owned or controlled by the County. Interdepartmental and interorganizational transactions and balances between these organizations are eliminated. These consolidated financial statements include the Renfrew County Housing Corporation.

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

(b) Basis of accounting:

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

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 annual surplus, provides the change in net financial assets for the year.

Trust funds and their related operations administered by County are not included in these consolidated financial statements.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(c) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

	Useful Life - Years
Land improvements	20 to 25
Buildings	25 to 60
Machinery and equipment	5 to 25
Vehicles	4 to 20
Linear assets	15 to 99

Leasehold improvements are amortized on a straight-line basis over the current lease term plus one subsequent lease term.

Construction in progress comprises capital assets under construction, not yet placed into service and pre-construction activities related to specific projects expected to be constructed. Amortization is not recorded on assets under construction until the asset is available for productive use, at which time they are capitalized.

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 the transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the Consolidated Statement of Operations and Accumulated Surplus in the year of disposal.

When conditions indicate that a tangible capital asset no longer contributes to the County's ability to provide services, or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(d) Inventories:

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

(e) Deferred revenue – obligatory reserve funds:

The County receives restricted contributions under the authority of federal and provincial legislation. These funds are restricted in their use and until applied to applicable costs, are recorded as deferred revenue – obligatory reserve funds in the Consolidated Statement of Financial Position. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended. These amounts are recognized as revenue in the fiscal year the services are performed, or related expenses incurred.

(f) Deferred revenue:

The County receives contributions pursuant to legislation, regulations or agreement that may only be used for certain programs or in the completion of specific work. In addition, certain user fees and service charges are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, or services performed.

(g) Revenue recognition:

Government transfers and funding for projects are recognized when the transfer is authorized, any eligible criteria has been met and the amount can be reasonably estimated. County-generated funds, generally consisting of user fees, licenses and permits, are recognized when the goods are sold or the services are provided, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained. Other restricted contributions received in advance of the related expenditure are deferred until the related expenditure is incurred.

(h) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenues 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 made, except when and to the extent that stipulations by the transferor give rise to an obligation that meets the definition of a liability. Government transfers that meet the definition of a liability are recorded as deferred revenue and recognized as revenue as the liability is extinguished.

(i) Post-employment benefits:

The County accounts for its participation in the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. As a result, the County does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(i) Post-employment benefits (continued):

The County accrues its obligation for post-employment benefits, including sick leave benefits and benefits under the Workplace Safety and Insurance Board ("WSIB"). The County is a Schedule 2 employer under the WSIB Act, and as such, assumes the responsibility for financing its workplace safety and insurance costs. The costs of the WSIB benefits earned by employees are actuarially determined. Actuarial gains and losses are expensed in the fiscal year they arise.

(j) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the County:
 - (i) is directly responsible; or
 - (ii) accepts responsibility
- (d) it is expected that future economic benefit will be given up; and
- (e) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(k) Financial instruments:

The County measures derivatives and portfolio investments in equity instruments that are quoted in an active market at fair value. All other financial instruments will generally be measured at cost or amortized cost.

Management has not elected to record any investments at fair value as they are managed and evaluated on a fair value basis.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(k) Financial instruments (continued):

Unrealized gains and losses arising from changes in fair value are presented in the Consolidated Statement of Remeasurement Gains and Losses which records the remeasurement gains and losses for financial instruments measured at fair value. Unrealized gains and losses are realized upon settlement of the financial instrument when the financial instrument is sold or reaches maturity through the Consolidated Statement of Operations and Accumulated Surplus. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the Consolidated Statement of Operations and Accumulated Surplus.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Consolidated Statement of Operations and Accumulated Surplus and any unrealized gain is adjusted through the Consolidated Statement of Remeasurement Gains and Losses.

Long-term debt is recorded at amortized cost.

Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

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

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(k) Financial instruments (continued):

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

(l) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the Consolidated Statement of Remeasurement Gains and Losses. In, the period of settlement, the realized foreign exchange gains and losses are recognized in the Consolidated Statement of Operations and Accumulated Surplus and the unrealized balances are reversed from the Consolidated Statement of Remeasurement Gains and Losses.

(m) Consolidated Statement of Remeasurement Gains and Losses:

A Consolidated Statement of Remeasurement Gains and Losses has not been provided as there are no significant unrealized gains or losses at December 31, 2025 and 2024.

(n) Asset retirement obligation:

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

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

The liability for the removal of asbestos in several of the buildings owned by the County has been recognized based on estimated undiscounted future expenses. Assumptions used in the calculations are revised yearly.

The recognition of the ARO liability resulted in an accompanying increase to the respective tangible capital assets. Building tangible capital assets affected by the asbestos liability are being amortized with the building following the amortization accounting policies.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(o) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses for the year. Significant areas requiring the use of management's estimates include the actuarial assumptions used to develop the post-employment benefits liability, the carrying value of tangible capital assets, and the asset retirement obligation. Actual results could differ from these estimates.

2. Trust funds:

Trust funds administered by the County amounting to \$137,565 (2024 - \$148,462) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the County for the benefit of others, they are not presented as part of the County's financial position of financial activities.

3. Pension agreement:

The County makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of participating employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all members and their employees, the County does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The latest available report for the OMERS plan was at December 31, 2025. At that time, the plan reported a \$1.3 billion (2024 - \$2.9 billion) actuarial deficit.

For the year ended December 31, 2025, the amount contributed to OMERS was \$5,569,157 (2024 - \$4,721,482) for current service and is included as an expense on the Consolidated Statement of Operations and Accumulated Surplus.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

4. Investments:

Investments are stated at cost plus accrued interest and are comprised of the following:

	2025	2024
2.11% guaranteed investment certificate with Bank of Montreal, maturing on May 7, 2025	\$ —	\$ 1,013,816
4.55% guaranteed investment certificate with Bank of Montreal Trust Co., maturing on August 24, 2025	—	304,824
2.91% % guaranteed investment certificate with Bank of Montreal, maturing on May 13, 2026	1,017,817	—
5.23% guaranteed investment certificate with Bank of Montreal Trust Co., maturing on August 24, 2026	304,519	305,587
3.60% guaranteed investment certificate with Cost Capital, maturing on August 26, 2026	101,262	—
3.57% guaranteed investment certificate with Bank of Canada, maturing on August 26, 2026	101,252	—
3.57% guaranteed investment certificate with Bank of Canada SBI, maturing on August 26, 2026	101,252	—
2.15% guaranteed investment certificate with Equitable Bank, maturing on September 23, 2026	100,589	100,589
2.15% guaranteed investment certificate with Equitable Trust, maturing on September 23, 2026	100,589	100,589
2.15% guaranteed investment certificate with Home Trust, maturing on September 23, 2026	100,589	100,589
2.15% guaranteed investment certificate with Home Equity Bank, maturing on September 23, 2026	100,589	100,589
1.75% guaranteed investment certificate with Manulife Bank, maturing on September 23, 2026	602,877	602,877
1.95% guaranteed investment certificate with President's Choice Bank, maturing on September 23, 2026	100,534	100,534
1.85% guaranteed investment certificate with RFA Bank of Canada, maturing on September 23, 2026	100,507	100,507
4.75% guaranteed investment certificate with BMO Trust Company, maturing on December 6, 2027	401,353	401,353
4.65% guaranteed investment certificate with Bank of Montreal, maturing on July 12, 2027	817,632	817,632
4.05% guaranteed investment certificate with Bank of Montreal, maturing on August 23, 2027	304,361	304,361
5.15% guaranteed investment certificate with Canadian Western Bank, maturing on November 25, 2027	100,508	100,508
5.16% guaranteed investment certificate with Home Equity Bank, maturing on November 25, 2027	100,509	100,509
3.95% guaranteed investment certificate with Bank of Montreal Trust Co., maturing on August 23, 2028	304,253	304,253
5.45% guaranteed investment certificate with Bank of Montreal, maturing on November 6, 2028	1,008,362	1,008,362
4.57% guaranteed investment certificate with Bank of Montreal, maturing on July 12, 2029	1,225,993	1,225,993
3.92% guaranteed investment certificate with Bank of Montreal, maturing on August 23, 2029	304,222	304,222
	\$ 7,399,569	\$ 7,397,694

The County's investments are all level 1 investments.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

5. Deferred revenue – obligatory reserve funds:

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

	2025		2024	
Canada Community Building Fund (formerly Federal Gas Tax)	\$	–	\$	–
Balance, end of year	\$	–	\$	–

The transactions for the year are summarized below:

	2025		2024	
Balance, beginning of year	\$	–	\$	–
Revenue:				
Canada Community Building Fund		2,996,997		2,920,632
Utilization:				
Transfer for capital		(2,996,997)		(2,920,632)
Balance, end of year	\$	–	\$	–

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

6. Long-term liabilities:

	2025	2024
3.01% Debenture, payable \$197,926 semi-annually, including principal and interest, maturing February 1, 2032	\$ 2,321,203	\$ 2,639,973
3.08% Debenture, payable \$219,284 semi-annually, including principal and interest, maturing April 16, 2028	1,047,530	1,444,637
2.60% Mortgage, payable \$10,349 monthly, including principal and interest, maturing June 1, 2028	300,363	415,169
2.08% Debenture, payable \$260,662 semi-annually, including principal and interest, maturing June 15, 2031	2,696,142	3,154,228
3.50% Debenture, payable \$442,500 semi-annually, in principal plus interest, maturing March 3, 2035	8,407,500	—
	\$ 14,772,738	\$ 7,654,007

Principal payments required for next 5 years and thereafter are:

2026	\$ 2,208,342
2027	2,243,871
2028	1,998,706
2029	1,741,848
2030	1,763,147
Thereafter	4,816,824
	\$ 14,772,738

Interest paid on long-term liabilities is \$426,931 (2024 - \$235,314).

The 2.60% mortgage is secured by a first charge on the land and building located at 26 Spruce Street, Arnprior with a carrying value of \$1,282,346 (2024 - \$1,248,755).

In 2025, the County was granted an approved construction loan in the amount of \$15,500,000, of which, \$2,908,000 was drawn at December 31, 2025.

The rate of interest payable on this advance is variable based on the prime rate of lending.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

7. Capital lease obligation:

	2025	2024
2.50% lease agreement, payable \$28,388 plus HST monthly, maturing March 12, 2029	\$ 1,195,755	\$ 1,396,311

Principal repayments relating to long-term liabilities are due as follows:

2026	\$ 357,642
2027	366,687
2028	375,960
2029	95,466
	\$ 1,195,755

8. Post-employment benefits:

Post-employment benefits are summarized as follows:

	2025	2024
Sick leave benefits (note 8(a))	\$ 867,437	\$ 827,166
Workplace Safety and Insurance Board (note 8(b))	12,951,000	11,852,600
	\$ 13,818,437	\$ 12,679,766

- (a) Under the sick leave benefit plan, unused sick leave can accumulate, and employees may become entitled to a cash payment when they leave the County's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$867,437 (2024 - \$827,166).

- (b) The County is a Schedule 2 employer under the Workplace Safety and Insurance Board Act ("WSIB") and remits payments to the WSIB as required to fund disability payments. An independent actuarial valuation was undertaken at December 31, 2024 in order to determine the estimated liability reporting in the consolidated financial statements. As at December 31, 2025, the County's accrued benefit liability relating to future WSIB claims is \$12,951,000 (2024 - \$11,852,600).

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

8 Post-employment benefits (continued):

(b) (continued):

The significant actuarial assumptions adopted in estimating the County's accrued benefit obligation for WSIB claims are as follows:

	2025	2024
Discount rate	4.50% per annum	4.50% per annum
Inflation rate	2.50% per annum	2.50% per annum

Information with respect to the County's Workplace Safety and Insurance Board future payments is as follows:

	2025	2024
Accrued benefit liability, beginning of year	\$ 11,852,600	\$ 12,511,464
Expense recognized for the period	2,852,215	2,403,796
Benefits paid for the period	(1,753,815)	(1,547,760)
Amortization of actuarial gain	—	(1,514,900)
Accrued benefit liability, end of year	\$ 12,951,000	\$ 11,852,600

The accrued benefit liability at December 31 includes the following components:

	2025	2024
Accrued benefit obligation	\$ 12,951,000	\$ 11,852,600
Unamortized actuarial gains	—	—
	\$ 12,951,000	\$ 11,852,600

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

9. Tangible capital assets:

Cost	Balance at December 31, 2024	Additions	Disposals	Balance at December 31, 2025
Land	\$ 6,502,707	\$ —	\$ —	\$ 6,502,707
Land improvements	6,291,286	909,075	(139,188)	7,061,173
Buildings	154,859,971	5,156,089	(543,294)	159,472,766
Leasehold improvements	424,596	667,117	—	1,091,713
Machinery and equipment	15,906,270	1,504,470	(222,096)	17,188,644
Vehicles	19,793,431	3,137,478	(1,791,252)	21,139,657
Linear assets	401,802,541	30,452,830	(2,420,866)	429,834,505
	605,580,802	41,827,059	(5,116,696)	642,291,165
Construction-in-progress	122,273,540	5,863,994	—	128,137,534
	\$ 727,854,342	\$ 47,691,053	\$ (5,116,696)	\$ 770,428,699

Accumulated amortization	Balance at December 31, 2024	Amortization	Disposals	Balance at December 31, 2025
Land	\$ —	\$ —	\$ —	\$ —
Land improvements	3,546,980	220,443	(90,361)	3,677,062
Buildings	78,639,653	4,568,810	(435,430)	82,773,033
Leasehold improvements	54,280	28,266	—	82,546
Machinery and equipment	9,453,415	1,166,883	(214,665)	10,405,633
Vehicles	11,425,652	2,037,240	(1,791,252)	11,671,640
Linear assets	249,988,841	10,369,431	(2,324,347)	258,033,925
	353,108,821	18,391,073	(4,856,055)	366,643,839
Construction-in-progress	—	—	—	—
	\$ 353,108,821	\$ 18,391,073	\$ (4,856,055)	\$ 366,643,839

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

9. Tangible capital assets (continued):

Net book value	Balance at December 31, 2024	Balance at December 31, 2025
Land	\$ 6,502,707	\$ 6,502,707
Land improvements	2,744,306	3,384,112
Buildings	76,220,318	76,699,731
Leasehold improvements	370,316	1,009,167
Machinery and equipment	6,452,855	6,783,011
Vehicles	8,367,779	9,468,017
Linear assets	151,813,700	171,800,581
	252,471,981	275,647,326
Construction-in-progress	122,273,540	128,137,534
	\$ 374,745,521	\$ 403,784,860

On April 28, 2016, the County's Council passed a by-law to enter into a significant Asset Donation Agreement with Canadian Pacific Railway Company. The County and its partners, the County of Lanark and Township of Papineau-Cameron, will be acquiring 296 km of the Canada Pacific Rail Corridor beginning in October 2016. The County will be responsible for a cash payment of \$360,300 and a donation tax receipt for \$55,624,583. Furthermore, it is anticipated that this transaction will cost a further \$164,000 in legal, survey and closing costs.

As at December 31, 2025, the portion of the Canada Pacific Rail Corridor acquired of \$51,162,828 (2024 - \$50,831,209) is recorded as a tangible capital asset - construction in progress on the Consolidated Statement of Financial Position. It is anticipated that the remaining amount under this commitment will be transferred in 2027.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

10. Accumulated surplus:

Accumulated surplus is comprised of:

	2025	2024
Investment in tangible capital assets:		
Tangible capital assets	\$ 403,784,860	\$ 374,745,521
Capital lease	(1,195,755)	(1,396,311)
Long-term liabilities	(14,772,738)	(7,654,007)
Temporary construction loan	(2,908,000)	(8,850,000)
	384,908,367	356,845,203
Reserves - current (note 11)	6,140,767	6,985,034
Reserves - capital (note 11)	25,343,530	41,750,804
Unfunded:		
Asset retirement obligation	(18,351,909)	(17,891,293)
Post-employment benefits	(13,818,437)	(12,679,766)
	(32,170,346)	(30,571,059)
Accumulated surplus	\$ 384,222,318	\$ 375,009,982

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

11. Reserves:

	2025	2024
Reserves - current:		
Ottawa Valley Ontario Health Team	\$ 330,744	\$ 207,440
Child Care Funding Mitigation	1,193,539	1,701,344
Economic Development Reserve	55,589	35,000
Hype reserve	83,175	—
General Fund Insurance	150,000	150,000
General Fund Sick Leave	69,458	69,458
Cannabis	90,693	90,693
Housing Non Profit Provider Capital	116,222	116,222
Housing Statutory Severance Entitlement	167,290	167,290
Community Paramedic	354,153	917,683
Paramedic Services Severance	1,378,862	1,378,862
Operations Winter Control	250,000	250,000
Social Services Fiscal Pressure	339,942	339,942
Algonquin Trail	54,125	54,125
Miramichi Lodge Sick Leave	186,402	186,402
Miramichi Lodge Case Mix Stabilization	100,614	100,614
Miramichi Lodge WSIB	228,442	228,442
Bonnechere Manor Case Mix Stabilization	248,242	248,242
Bonnechere Manor WSIB	594,792	594,792
Renfrew County Housing Corporation WSIB	148,483	148,483
		..
	\$ 6,140,767	\$ 6,985,034
Reserves - capital:		
Reforestation	\$ 603,153	\$ 440,698
Development	9,992	9,992
General Fund Working Capital	11,941,465	23,849,844
General Fund Building	481,442	876,389
OPP Building	1,007,631	956,360
Paramedic Service Equipment	1,357,157	1,948,731
Growth Reserve	827,163	—
Miramichi Lodge Equipment	38,782	38,782
Miramichi Lodge Butterfly Model of Care	159,419	159,419
Miramichi Lodge Working Capital	2,920,859	3,533,132
Bonnechere Manor Equipment	100,000	100,000
Bonnechere Manor Butterfly Model of Care	149,318	149,318
Bonnechere Manor Working Capital	5,363,006	7,530,404
Renfrew County Housing Corporation Working Capital	50,000	50,000
Renfrew County Housing Corporation Capital Renewal	334,143	2,107,735
	\$ 25,343,530	\$ 41,750,804

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

12. Contingent liabilities:

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2025, management believes that the County has valid defences and appropriate revenues and insurance coverages in place.

In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the consolidated financial statements.

13. Budget information:

The 2025 approved budget was prepared on a cash-based approach with a reconciliation to a budget based on Public Sector Accounting Standards. The cash-based approach includes capital expenses, repayment of long-term debt and transfers to and from reserves which are removed in the year end Consolidated Statement of Operations and Accumulated Surplus. The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited consolidated financial statements.

	2025 Budget	2025 Actual
Total revenue	\$ 199,055,677	\$ 198,822,089
Total expenses	(187,082,409)	(189,609,753)
Net revenue	11,973,268	9,212,336
Capital:		
Amortization	16,175,690	18,391,073
Capital purchases	(66,572,148)	(41,827,059)
Change in WIP	—	(5,863,994)
	(50,396,458)	(29,299,980)
Finance:		
Asset retirement obligation increase	—	460,616
Principal repayments of long-term debt	(2,351,772)	(1,731,270)
Capital lease principal repayments	—	(340,529)
Capital lease proceeds	—	139,973
Debt issued	17,780,000	2,908,000
	15,428,228	1,436,790
Reserve transfers:		
Transfers to reserves	(24,871,905)	(25,262,101)
Transfers from reserves	47,866,867	44,709,788
	22,994,962	19,447,687
Surplus per budget approach	\$ —	\$ 796,833

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. Segmented information:

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

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

- (a) General government consists of the activities of Council and general financial and administrative management of the County and its programs and services.
- (b) Protection services include emergency measures and provincial offences operation for the County.
- (c) Transportation services include the construction and maintenance of the County's roads and bridges.
- (d) Health services consists of land ambulance services and contributions to the local Health Unit.
- (e) Social and family services consist of general assistance to inhabitants, homes of the aged and childcare services.
- (f) Social housing services provide affordable housing to qualified inhabitants of the County.
- (g) Recreation services include the development activities of the County.

Planning and development services function manages commercial, industrial and residential development within the County.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. Segmented information (continued):

2025	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Social Housing	Recreation and Culture	Planning and Development	Total
Revenue:									
Levies on area municipalities and payments-in-lieu of taxation	\$ 23,514,613	\$ (118,628)	\$ 11,940,333	\$ 14,900,048	\$ 2,974,297	\$ 6,686,271	\$ 308,130	\$ 2,171,230	\$ 62,377,294
User fees and service charges	1,121,572	-	332,525	616,162	10,389,735	5,265,392	41,569	685,211	18,452,166
Other municipal revenue	104,862	156,497	750	1,982,868	1,156,928	731,919	-	53,808	4,187,832
Government grants	153,232	-	5,035,754	22,584,355	74,238,805	7,036,533	656,064	353,444	110,058,187
Investment income	2,176,574	-	-	-	-	-	-	-	2,176,574
Donations, fines and other	459,687	1,191,424	-	-	-	-	-	-	1,651,111
Loss on disposal of tangible capital assets	(80,875)	-	-	-	-	-	-	-	(80,875)
	27,449,665	1,229,293	17,309,362	40,083,433	88,759,765	19,720,115	1,008,763	3,263,693	198,822,089
Expenses:									
Salaries, wages and benefits	4,208,285	542,285	4,647,404	26,720,842	40,773,093	3,194,714	127,505	2,265,549	82,479,677
Interest on long-term debt	426,931	-	-	-	-	9,128	-	-	436,059
Materials	1,892,818	244,994	6,309,994	4,899,374	9,126,170	12,293,048	1,777,705	780,510	37,324,613
Contracted services	1,974,615	213,962	1,231,850	3,318,905	25,636,815	1,683,630	-	106,998	34,166,775
Rents and financial expense	47,658	-	84,361	64,702	321,870	278,638	-	-	797,229
Transfer payments	-	-	-	2,020,950	13,993,377	-	-	-	16,014,327
Amortization of tangible capital assets	909,588	35,483	11,565,254	1,451,613	2,084,307	2,315,048	-	29,800	18,391,073
	9,459,895	1,036,704	23,838,863	38,476,386	91,935,632	19,774,206	1,905,210	3,182,857	189,609,753
Annual surplus (deficit)	\$ 17,989,770	\$ 192,589	\$ (6,529,501)	\$ 1,607,047	\$ (3,175,867)	\$ (54,091)	\$ (898,447)	\$ 80,836	\$ 9,212,336

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. Segmented information (continued):

2024	General Government	Protection Services	Transportation Services	Health Services	Social and Family Services	Social Housing	Recreation and Culture	Planning and Development	Total
Revenue:									
Levies on area municipalities and payments-in-lieu of taxation	\$ 20,577,779	\$ 23,721	\$ 10,196,441	\$ 14,515,606	\$ 4,687,030	\$ 6,036,909	\$ 292,971	\$ 1,750,570	\$ 58,081,027
User fees and service charges	1,085,345	-	429,465	681,587	10,509,122	5,050,250	65,469	758,648	18,577,886
Other municipal revenue	79,410	138,853	-	1,992,565	1,838,162	739,864	8,741	16,904	4,814,499
Government grants	65,099	49,600	5,319,170	19,768,046	64,130,692	8,205,176	1,085,179	376,449	98,999,411
Investment income	3,856,493	-	-	-	-	-	-	-	3,856,493
Donations, fines and other	20,808	959,090	-	-	-	-	-	-	979,898
Loss on disposal of tangible capital assets	(63,073)	-	-	-	-	-	-	-	(63,073)
	25,621,861	1,171,264	15,945,076	36,957,804	81,165,006	20,032,199	1,452,360	2,900,571	185,246,141
Expenses:									
Salaries, wages and benefits	3,998,731	519,334	4,661,565	24,479,877	33,260,767	3,082,420	120,383	2,233,462	72,358,539
Interest on long-term debt	205,849	-	-	-	17,400	12,065	-	-	235,314
Materials	1,820,220	204,914	4,749,425	4,511,348	8,568,883	12,353,313	2,862,252	615,592	35,685,947
Contracted services	1,963,863	190,513	1,135,186	3,585,780	20,380,142	2,042,974	3,009	110,278	29,411,745
Rents and financial expense	71,397	28	79,729	106,954	39,064	430,352	-	-	724,524
Transfer payments	-	-	-	1,854,497	12,557,508	-	-	-	14,512,005
Amortization of tangible capital assets	888,594	34,354	11,103,510	1,099,299	1,728,978	2,229,423	-	21,921	17,106,079
	8,948,654	949,143	21,729,415	35,737,755	76,549,742	20,150,547	2,985,644	2,981,253	170,032,153
Annual surplus (deficit)	\$ 16,673,207	\$ 222,121	\$ (5,784,339)	\$ 1,220,049	\$ 4,615,264	\$ (118,348)	\$ (1,533,284)	\$ (80,682)	\$ 15,213,988

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

15. Asset retirement obligations:

The County discounts significant obligations where there is a high degree of confidence on the amount and timing of cash flows and the obligation will not be settled for at least five years from the reporting date.

As at December 31, 2025, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

	2025	2024
Liabilities for asset retirement obligations, beginning of year	\$ 17,891,293	\$ 17,259,592
Remeasurement	466,801	631,701
Liabilities settled during the year	(6,185)	—
Liabilities for asset retirement obligations, end of year	\$ 18,351,909	\$ 17,891,293

16. Financial risks:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The County is exposed to credit risk with respect to accounts receivable and investments on the Consolidated Statement of Financial Position.

The County assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the County at December 31, 2025 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Consolidated Statement of Operations and Accumulated Surplus. Subsequent recoveries of impairment losses related to accounts receivable are credited to the Consolidated Statement of Operations and Accumulated Surplus.

The amount in the allowance for doubtful accounts at December 31, 2025 is \$91,831 (2024 - \$56,385).

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

16. Financial risks (continued):

(a) Credit risk (continued):

The County follows an investment policy approved by its Council. The maximum exposure to credit risk with respect to investments of the County at December 31, 2025 is the carrying value of investment assets.

There have been no significant changes to the credit risk exposure from 2024.

(b) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, impact the County's income or the value of its holdings of financial instruments. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

There have been no significant changes to the market risk exposure from 2024.

(i) Currency risk:

Currency risk arises from the County's operations in different currencies and converting non-Canadian earnings at different points in time at different foreign currency levels when adverse changes in foreign currency rates occur. The County does not have any material transactions or financial instruments denominated in foreign currencies.

(ii) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. Financial assets and financial liabilities with fixed interest rates expose the County to fair value interest rate risk. The County is exposed to this risk through its interest bearing investments and long-term debt.

The County's management monitors the interest rate fluctuations on a continuous basis and acts accordingly with regards to long-term debt as described in note 7.

Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the long-term debt.

The County's investments are disclosed in note 4.

There has been no change to the interest rate risk exposure from 2024.

(iii) Equity risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The County is not exposed to this risk based on the current investment portfolio.

THE CORPORATION OF THE COUNTY OF RENFREW

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

16. Financial risks (continued):

(c) Liquidity risk:

Liquidity risk is the risk that the County will not be able to meet all of its cash outflow obligations as they come due. The County mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. Accounts payable are all current and the terms of the long-term debt are disclosed in note 6.

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