

**SAUGEEN VALLEY
CONSERVATION AUTHORITY**

FINANCIAL REPORT

DECEMBER 31, 2025

SAUGEEN VALLEY CONSERVATION AUTHORITY

DECEMBER 31, 2025

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SAUGEEN VALLEY CONSERVATION AUTHORITY

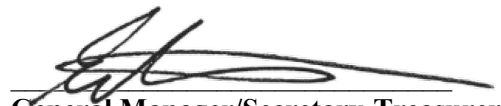
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The accompanying financial statements of the Saugeen Valley Conservation Authority (the "Authority") are the responsibility of the Authority's management and have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the financial statements.

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

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

The financial statements have been audited by Baker Tilly SGB LLP, independent external auditor appointed by the Authority. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.



General Manager/Secretary-Treasurer
September 17, 2026



Acting Corporate Services Manager
September 17, 2026

BAKER TILLY SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of **Saugeen Valley Conservation Authority**:

Opinion

We have audited the financial statements of Saugeen Valley Conservation Authority (the Authority), which comprise the statement of financial position as at December 31, 2025 and the statements of operations and changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2025, and results of its operations and its 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 report. We are independent of the Authority 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.

Emphasis of Matter - future amalgamation of conservation authorities

We draw attention to (Note 14) to the financial statements, which describes the Province of Ontario's announced plan to amalgamate conservation authorities into regional entities, with a transition expected to begin in 2026 and legal effectiveness targeted for 2027. As disclosed in the note, the amalgamation had not taken effect as of the date of the financial statements were authorized for issue, and the Authority continues to report its financial results on a stand-alone basis. The final structure, timing and financial implications of the amalgamation have not yet been determined, and management is currently unable to reasonably estimate its financial impact. Our opinion is not modified in respect of this matter.

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

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

AUDIT • TAX • ADVISORY

Baker Tilly SGB LLP trading as Baker Tilly is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

BAKER TILLY SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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 Authority'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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority 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.



BAKER TILLY SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
Walkerton, Ontario
September 17, 2026

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SAUGEEN VALLEY CONSERVATION AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2025	2024
	\$	\$
Financial assets		
Cash and cash equivalents (Note 2)	3,529,120	3,274,487
Accounts receivable (Note 4)	799,439	686,589
Temporary investments (Note 3)	1,485,388	1,458,261
	5,813,947	5,419,337
Liabilities		
Accounts payable and accrued liabilities	688,049	544,166
Deferred revenue (Note 5)	544,096	597,637
Long-term debt (Note 6)	143,278	-
	1,375,423	1,141,803
Net financial assets	4,438,524	4,277,534
Non-financial assets		
Tangible capital assets (Note 7)	9,857,499	9,732,573
Prepaid expenses	61,211	42,524
	9,918,710	9,775,097
Accumulated surplus (Page 9)	14,357,234	14,052,631

Approved _____ Director

_____ Director

The accompanying notes are an integral part of
these financial statements

SAUGEEN VALLEY CONSERVATION AUTHORITY

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
	(Note 10)		
Revenue (Page 7)			
Government transfers and special programs	233,400	285,352	187,673
Municipal levies	3,315,652	3,147,628	2,632,430
Authority generated	2,135,076	2,249,801	1,637,747
Other	324,700	483,563	1,665,163
	6,008,828	6,166,344	6,123,013
Expenses (Page 8)	6,775,820	5,861,741	5,654,303
Annual surplus (deficit)	(766,992)	304,603	468,710
Accumulated surplus, beginning of year		14,052,631	13,583,921
Accumulated surplus, end of the year (Page 9)		14,357,234	14,052,631

The accompanying notes are an integral part of
these financial statements

SAUGEE VALLEY CONSERVATION AUTHORITY

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
	(Note 10)		
Annual surplus (deficit)	(766,992)	304,603	468,710
Acquisition of tangible capital assets	-	(444,289)	(108,678)
Amortization of tangible capital assets	-	311,639	279,706
Gain on disposal of tangible capital assets	-	(18,036)	(4,570)
Proceeds on disposal of tangible capital assets	-	25,760	7,070
Change in prepaid expenses	-	(18,687)	12,579
Change in net financial assets	(766,992)	160,990	654,817
Net financial assets, beginning of year		4,277,534	3,622,717
Net financial assets, end of year		4,438,524	4,277,534

The accompanying notes are an integral part of
these financial statements

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE OF REVENUE FOR THE YEAR ENDED DECEMBER 31

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
	(Note 10)		
Revenues			
Government Transfers			
Program operations	81,400	81,396	81,396
Capital programs	152,000	170,823	106,277
Saugeen parks & land management (Schedule 4)	-	33,133	-
	233,400	285,352	187,673
Municipal Levies (Schedule 7)			
Cost Apportionment	2,779,164	2,785,664	2,287,472
Special levies	319,203	129,350	244,549
Category 2	106,172	121,500	-
Category 3	111,113	111,114	100,409
	3,315,652	3,147,628	2,632,430
Authority Generated			
Agricultural lands	18,000	11,659	2,900
Saugeen forestry service	288,000	420,769	152,990
Planning and regulation fees	727,676	747,966	493,894
Saugeen parks & land management (Schedule 4)	1,101,400	1,069,407	987,963
	2,135,076	2,249,801	1,637,747
Other			
Interest earned	80,000	127,263	225,895
Vehicle and equipment recoveries (Schedule 6)	184,000	136,563	137,759
Donation revenue	-	1,069	(504)
Miscellaneous operations	60,300	80,194	248,728
Gain on disposal of tangible capital assets (Schedule 6)	-	18,036	4,570
Special programs (Schedule 5)	-	119,729	1,048,715
Stream gauge maintenance contracts	400	709	-
	324,700	483,563	1,665,163
Total Revenues	6,008,828	6,166,344	6,123,013

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these financial statements

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
	(Note 10)		
Expenses			
Administration (Schedule 1)	886,960	1,101,045	835,758
Program operations (Schedule 2)	3,001,900	2,633,884	2,334,853
Repairs and maintenance (Schedule 3)	525,045	196,019	156,066
Saugeen parks & land management (Schedule 4)	2,102,650	1,377,985	1,406,832
Vehicles and equipment (Schedule 6)	242,600	117,768	125,222
Agricultural lands	16,665	2,021	3,705
Other expenses	-	6,531	4,939
	6,775,820	5,435,253	4,867,375
Amortization (Note 7)	-	311,639	279,706
	6,775,820	5,746,892	5,147,081
Total Special Program Expenses (Schedule 5)	-	114,849	507,222
Total Expenses	6,775,820	5,861,741	5,654,303

The accompanying notes are an integral part of
these financial statements

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE OF ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2025

	Opening Balance	From Operations	To Operations	Closing Balance
	\$	\$	\$	\$
Reserves				
Agricultural Lands	52,969	11,243	-	64,212
Computer Upgrades	47,505	1,439	-	48,944
Environmental Planning	(73,314)	73,314	-	-
Forest Management	521,132	215,135	-	736,267
House Repairs	48,989	1,484	-	50,473
Kincardine Maintenance	131,004	-	-	131,004
Land Management	79,670	21,623	7,267	94,026
Legal Fees	21,137	640	-	21,777
LTD/OMERS/Benefits	25,069	760	-	25,829
Office Equipment	29,926	907	-	30,833
Ortho Imagery	36,407	1,103	-	37,510
Property Acquisition	156,748	4,749	-	161,497
Resource Centre	5,682	172	-	5,854
Retiree Benefits	24,034	644	5,495	19,183
Saugeen Parks	799,763	104,583	222,007	682,339
Self Insured Damaged	32,162	974	-	33,136
Short Term Disability	36,928	1,044	29,476	8,496
Stewardship	84,062	2,547	-	86,609
Vehicle Replacement	30,426	13,000	43,426	-
Water Management	1,276,136	171,708	4,104	1,443,740
Wetland Acquisition	67,853	2,056	-	69,909
Working Capital	885,770	635,727	773,400	748,097
	4,320,058	1,264,852	1,085,175	4,499,735
Tangible Capital Assets	9,732,573	408,481	283,555	9,857,499
	14,052,631	1,673,333	1,368,730	14,357,234

The accompanying notes are an integral part of
these financial statements

SAUGEEN VALLEY CONSERVATION AUTHORITY

STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2025	2024
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	304,603	468,710
Non-cash items:		
Amortization of tangible capital assets	311,639	279,706
Gain on disposal of tangible capital assets	(18,036)	(4,570)
	598,206	743,846
Changes in non-cash working capital balances (Note 12)	(41,195)	156,292
Net change in cash from operations	557,011	900,138
Capital activities		
Acquisition of tangible capital assets	(444,289)	(108,678)
Proceeds on disposal of tangible capital assets	25,760	7,070
	(418,529)	(101,608)
Investing activities		
Long term debt issued	171,934	-
Repayment of debt	(28,656)	-
Proceeds on sale of investments	700,000	1,650,793
Acquisition of investments	(727,127)	(182,598)
	116,151	1,468,195
Net change in cash position	254,633	2,266,725
Cash and cash equivalents, beginning of year	3,274,487	1,007,762
Cash and cash equivalents, end of year	3,529,120	3,274,487

The accompanying notes are an integral part of
these financial statements

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

Nature of Operations

The Saugeen Valley Conservation Authority (the "Authority") is established under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals, for the watersheds within its area of jurisdiction. The watersheds include areas in the Municipalities of Arran-Elderslie, Brockton, Kincardine, South Bruce, Grey Highlands, Morris-Turnberry and West Grey, the Townships of Huron-Kinloss, Chatsworth, Southgate, Howick, and North Wellington, and the Towns of Saugeen Shores, Hanover, and Minto.

The Authority is a registered charity and is exempt from income taxes.

1. Summary of Significant Accounting Policies

The financial statements have been prepared by the management of the Authority in accordance with Canadian generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Authority and the changes thereto. The statement of financial position includes all of the assets and liabilities of the Authority. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Authority's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Basis of Accounting

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

(b) Revenue Recognition

Government transfers are recognized in the financial statements 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 amount can be made.

General and special municipal levies are recognized as revenue when the amounts are levied on the municipalities.

Authority generated revenue and special program revenue is recognized when the price is fixed or determinable, collectability is reasonably assured and services are provided to customers.

Other revenues are recognized on an accrual basis.

(c) Deferred Revenue

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

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

1. Summary of Significant Accounting Policies (continued)

(d) Internally Restricted Surplus

Appropriations are made from operations to reserves for future expenses and contingencies for such amounts as are deemed appropriate, and upon approval of the Authority members.

(e) 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. Cost includes overheads directly attributable to construction and development.

Amortization is reflected on a declining balance basis over the estimated useful life of the assets at the following amortization rates:

Buildings	5%
Conservation Areas	5%
Erosion and Flood Control	5%
Equipment	15%
Floodwarning Equipment	5%
Vehicles	30%
Information Technology	3 year straight-line

Contributed tangible capital assets are recognized as assets and revenue at fair value at the time they are received.

(f) Classification of Expenses

To achieve consistency of reporting by the Conservation Authorities in Ontario, expenses are reported to follow the classifications set up by the Ministry of Natural Resources and Forestry. These are as follows:

General Administration expenses include those associated with head office functions other than technical staff and associated programs.

Program Operation expenses include technical and program operations support staff, operations and maintenance of water control structures, forest management and expenses at Saugeen Parks.

Other expenses include repairs and maintenance, vehicles and equipment, agricultural land expenses, property management, special employment projects, motor pool, etc.

(g) Vehicles and Equipment

The Authority operates a motor pool of vehicles and equipment. Internal charges for the use of vehicles and equipment are made to the various projects of the Authority based on an hourly or distance travelled rate, which is designed to recover all costs of operating the pool including replacement of equipment.

These internal charges are included in the appropriate expense classifications.

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

1. Summary of Significant Accounting Policies (continued)

(h) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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. The significant estimates used in the preparation of these financial statements are the determination of the estimated useful life of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit, short-term deposits with a maturity of three months or less at acquisition and temporary bank overdrafts which form an integral part of the Authority's cash management.

(j) Pension Plan

The Authority offers a pension plan for its full-time employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Authority accounts for its participation in OMERS as a defined contribution plan and recognizes the expense related to this plan as contributions are made, even though OMERS is itself a defined benefit plan.

(k) Financial Instruments

The financial instruments of the Authority consist of cash and cash equivalents, accounts receivable, investments, account payable and long-term debt. All financial instruments are recognized at cost, amortized cost, or fair value.

Cash and cash equivalents are recognized at cost. Accounts receivable, accounts payable and long-term debt are recognized at amortized cost.

Investments include guaranteed investment certificates (GICs). Investments are subsequently recorded at cost or amortized cost unless management has elected to carry the investments at fair value. Management has elected to record all investments at cost which approximates amortized cost.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured at cost or amortized cost.

SAUGEE VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

1. Summary of Significant Accounting Policies (continued)

(k) Financial Instruments (continued)

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

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 statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

2. Cash and Cash Equivalents

	2025	2024
	\$	\$
Cash - Operating Funds	3,529,120	3,274,487

Included in the Operating Funds is an interest account which earns interest at 4% and total interest earned from operating fund accounts was \$67,408 (2024 - \$83,713).

3. Temporary Investments

	2025	2024
	\$	\$
Guaranteed Investment Certificate, interest at 2.80%, matures October 25, 2026	726,950	-
Guaranteed Investment Certificate, interest at 3.85%, matures October 25, 2025	-	700,000
Guaranteed Investment Certificate, interest at 3.9%, matures January 25, 2026	758,438	758,261
	1,485,388	1,458,261

The GICs are carried at cost which approximates the fair market value and earned interest of \$59,855 (2024 - \$142,182).

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

4. Accounts Receivable

	2025	2024
	\$	\$
Municipal Levies	156,066	261,903
Trade Accounts Receivable	643,373	424,686
	<u>799,439</u>	<u>686,589</u>

5. Deferred Revenue

	2025	2024
	\$	\$
Individual Programs	156,949	194,435
Ministry of Natural Resources and Forestry, and Municipalities	89,128	89,141
Bruce Power Funding	202,354	209,565
Other Deferred Revenue	95,665	104,496
	<u>544,096</u>	<u>597,637</u>

6. Long Term Debt

	2025	2024
	\$	\$
RBC loan payable, 0% interest, payable \$2,866 monthly, due March 2030, carrying value of trucks \$108,309	143,278	-
	<u>143,278</u>	<u>-</u>

The principal payments due within the next five years, in accordance with the terms of the loans, are as follows:

2026	\$ 34,387
2027	34,387
2028	34,387
2029	34,387
2030	5,730
	<u>143,278</u>

SAUGEE VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

7. Tangible Capital Assets

	Balance 2024	Additions	Disposals	Balance 2025
Cost	\$	\$	\$	\$
Land	5,694,957	-	-	5,694,957
Buildings	1,686,540	-	-	1,686,540
Conservation Areas	1,099,417	234,956	-	1,334,373
Erosion and Flood Control	13,437,117	-	-	13,437,117
Equipment	510,198	42,351	(13,467)	539,082
Floodwarning Equipment	254,526	12,254	-	266,780
Vehicles	530,297	154,728	(22,341)	662,684
Information Technology	200,275	-	-	200,275
	23,413,327	444,289	(35,808)	23,821,808
Accumulated Amortization	\$	\$	\$	\$
Buildings	1,084,396	30,108	-	1,114,504
Conservation Areas	667,600	31,844	-	699,444
Erosion and Flood Control	10,836,997	130,006	-	10,967,003
Equipment	346,153	29,289	(6,374)	369,068
Floodwarning Equipment	157,231	5,486	-	162,717
Vehicles	416,190	71,868	(21,710)	466,348
Information Technology	172,187	13,038	-	185,225
	13,680,754	311,639	(28,084)	13,964,309
Net Book Value	\$			\$
Land	5,694,957			5,694,957
Buildings	602,144			572,036
Conservation Areas	431,817			634,929
Erosion and Flood Control	2,600,120			2,470,114
Equipment	164,045			170,014
Floodwarning Equipment	97,295			104,063
Vehicles	114,107			196,336
Information Technology	28,088			15,050
	9,732,573			9,857,499

The Authority received no contributed assets in 2025 (2024 - NIL).

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

8. Revolving Credit Facility

The Authority has available a Royal Bank of Canada revolving credit facility with a maximum limit of \$200,000. The facility bears interest at bank prime plus 1.25% and is due on demand. As at December 31, 2025, the balance is \$NIL (2024 - \$NIL). The Authority also has a \$100,000 VISA credit limit facility available.

9. Pension Plan

The employees of the Authority participate in the Ontario Municipal Employees Retirement System Plan ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Authority cannot be identified. The Authority has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting.

The amount contributed to OMERS for 2025 was \$243,782 (2024 - \$222,948) for current service costs and is included as an expense on the statement of operations.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of this valuation disclosed total actuarial liabilities of \$151.4 (2024 - \$140.8) billion in respect of benefits accrued for service with actuarial assets at that date of \$150.0 (2024 - \$139.6) billion, indicating a going concern actuarial deficit of \$1.3 (2024 - \$2.9) billion.

10. Budget Amounts

The 2025 budget amounts for Saugeen Valley Conservation Authority were approved by the Authority members and have been restated to conform to the basis of presentation of the revenues and expenses on the statement of operations and change in net financial assets.

11. Commitments

The Authority has entered into an operating lease agreement for a Xerox copier requiring 20 quarterly payments of \$1,080 commencing January 2024. The lease expires December 2028.

The minimum annual payments on commitments for the next three years are as follows:

2026	\$4,319
2027	\$4,319
2028	\$4,319

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

12. Cash Flow Information

The net change in non-cash working capital balances consists of:

	2025	2024
	\$	\$
Accounts Receivable	(112,850)	250,563
Prepaid Expenses	(18,687)	12,578
Accounts Payable and Accrued Liabilities	143,883	(133,919)
Deferred Revenue	(53,541)	27,070
	(41,195)	156,292

13. Statement of Remeasurement Gains and Losses

A statement of remeasurement gains and losses has not been provided because there were no remeasurement gains or losses during the year.

14. Future Amalgamation of Conservation Authorities

In 2025 the Province of Ontario announced its intention to proceed with the amalgamation of 36 conservation authorities into nine regional authorities, with a transition beginning in 2026 and legal effectiveness targeted for 2027. The proposed amalgamation is part of a broader provincial initiative to streamline governance and service delivery among conservation authorities.

At the date these financial statements were authorized for issue, the amalgamation had not yet taken effect. While the Province has communicated its intent and commenced planning activities, the final structure, timing, and financial implications of the amalgamation have not been fully determined. Accordingly, the assets, liabilities, revenues, and expenses of the Authority continue to be reported on a stand-alone basis in these financial statements.

Management is currently assessing the potential impacts of the amalgamation, including matters related to governance, staffing, assets and liabilities, funding arrangements and service delivery. Based on information available at this time, management is unable to reasonably estimate the financial effect of the proposed amalgamation on the Authority.

Any adjustments resulting from the amalgamation will be reflected in the Authority's financial statements in the period in which the amalgamation is legally effective and the necessary information becomes available.

15. Contingencies

In the ordinary course of business, various claims and lawsuits are brought against the Authority. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by the Authority pursuant to claims, lawsuits or expropriations will be charged in the year of settlement.

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

16. Financial Instruments

The Authority has exposure to the following risks from its use of financial instruments: credit risk, market risk (including interest rate, foreign currency, other price risks) and liquidity risk. Directors ensure that the Authority has identified its major risks and ensures that management monitors and controls them.

(a) Credit risk:

Credit risk is the risk of financial loss to the Authority if a counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Authority consisting of cash and cash equivalents, investments, and accounts receivable. The Authority assesses these financial assets on a continuous basis for any amounts that are not collectible or realizable.

(b) Market risk:

Market risk is the risk that changes in market prices, including interest rates, will affect the Authority's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk. The Authority manages market risk by adoption of an investment policy and adherence to this policy.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

(c) Liquidity risk:

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they become due. The Authority manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

**SAUGEEN VALLEY
CONSERVATION AUTHORITY**

UNAUDITED SCHEDULES

DECEMBER 31, 2025

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 1 SCHEDULE OF ADMINISTRATION EXPENSES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
General Administration			
Wages and benefits	559,650	558,155	448,391
Board of Directors' allowances	30,000	30,387	32,970
Staff mileage and expenses	5,600	8,215	6,587
Equipment, purchases and rentals	5,000	5,282	2,136
Materials and supplies	29,000	29,106	23,307
Insurance	50,400	43,900	49,941
Property taxes	8,610	10,956	9,580
Conservation Ontario levy	33,000	32,746	30,516
Other	3,000	2,690	6,296
Administrative centre operating expenses	85,000	101,036	53,862
Consultant fees	15,000	66,842	45,738
Legal, audit fees and bank charges	23,500	56,290	35,629
Health and safety expenses	20,000	21,489	35,455
Advertising and staff development	15,200	10,287	6,578
Office repairs due to lightning	-	15,341	31,974
Bad debts	-	101,909	12,005
Resource Centre operating expenses	4,000	6,414	4,793
	886,960	1,101,045	835,758

SAUGEE VALLEY CONSERVATION AUTHORITY

SCHEDULE 2 SCHEDULE OF PROGRAM OPERATION EXPENSES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
Flood Control			
Flood control structures	462,950	372,910	344,214
Flood warning, river forecasting and operation of dams	272,800	283,059	263,373
Land Management			
Taxes on provincially significant lands	40,000	53,663	51,555
Forest management	556,250	481,625	382,616
Geographical information systems / information technology	195,800	176,462	184,238
Water Management			
Plan input and review and regulation enforcement	1,193,850	1,006,985	929,155
Water quality	136,050	126,045	117,096
Community Relations			
Conservation information	144,200	142,638	118,452
Conservation education	-	2,751	2,584
	3,001,900	2,646,138	2,393,283
Less amounts capitalized	-	(12,254)	(58,430)
Total Program Operation Expenses	3,001,900	2,633,884	2,334,853
Capital Acquisitions			
Flood warning - Equipment		12,254	32,746
Land Management - IT infrastructure		-	25,684
		12,254	58,430

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 3 SCHEDULE OF REPAIRS AND MAINTENANCE FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
Water Management Surveys, Studies and Capital Projects			
Durham Dam Safety & Repair	-	29,103	7,881
Durham Ice Works	-	437	-
Flood Hazard Mapping	-	-	93,982
Durham Upper Dam Emergency Spillway	50,000	-	-
Hanover Dam	58,000	16,181	4,689
Mount Forest Dam	208,500	48,939	3,020
Glen Elgin Dam Safety	-	20,148	-
Meux Creek Repair	2,100	-	64
Neustadt Study & Durham Upper Dam Assessment	16,100	2,863	20,160
Neustadt Weir	-	-	2,700
Paisley Dyke Slope Stability	130,000	34,375	23,570
Paisley Dyke Long-term Monitoring	36,345	24,944	-
Sulphur Spring Dam Safety	4,000	19,029	-
	505,045	196,019	156,066
Recreational Capital Projects			
Durham C.A. - winter camping	-	-	26,843
Durham C.A. - fencing & gate	-	70,509	-
Durham C.A. - hydro	-	97,557	-
Stoney Island C.A., Trail upgrades	-	66,890	-
	-	234,956	26,843
	505,045	430,975	182,909
Less amounts capitalized	-	(234,956)	(26,843)
	505,045	196,019	156,066
Capital Acquisitions			
Stoney Island, Trail Upgrades		66,890	-
Durham, Fencing & Gate		70,509	-
Durham, hydro		97,557	-
Durham, winter camping		-	26,843
		234,956	26,843

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 4 SCHEDULE OF REVENUES AND EXPENSES OF SAUGEEN PARKS & LAND MANAGEMENT FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
Revenue from Revenue Producing Conservation Areas			
Brucedale C.A.	142,800	144,678	135,157
Durham C.A.	402,900	402,309	373,358
Saugeen Bluffs C.A.	434,500	483,311	463,079
	980,200	1,030,298	971,594
Government Grant	-	33,133	-
	980,200	1,063,431	971,594
Expenses from Revenue Producing Conservation Areas			
Brucedale C.A.	253,600	117,020	86,762
Durham C.A.	637,050	447,691	402,169
Saugeen Bluffs C.A.	482,500	427,781	528,009
	1,373,150	992,492	1,016,940
Excess of Revenue Over Expenses (Expenses over Revenue) for the Year for Revenue Producing Conservation Areas	(392,950)	70,939	(45,346)
Revenue from Non-Revenue Producing Conservation Areas			
Donations	101,000	2,517	31
Miscellaneous revenues	20,200	36,592	16,338
	121,200	39,109	16,369
Expenses from Non-Revenue Producing Conservation Areas	729,500	385,493	389,892
Excess of Expenses Over Revenue for the Year for Non-Revenue Producing Conservation Areas	(608,300)	(346,384)	(373,523)

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 5 SCHEDULE OF REVENUES AND EXPENSES OF SPECIAL PROGRAMS FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Actual 2025	Actual 2024
	\$	\$
Revenue		
Bruce Power Program	6,551	-
Conservation Ontario Contract	-	70,303
NWMO Water Testing	-	965,412
Power Work Camp	14,000	13,000
Tourism Growth Grant	93,999	-
Saugeen Valley Children's Safety Village	5,179	-
	119,729	1,048,715
Expenses		
Bruce Power Program	6,551	-
Conservation Ontario Contract	-	79,697
NWMO Water Testing	4,104	425,987
Post-Employment Benefits	67,635	-
Tourism Growth repairs	32,832	-
Saugeen Valley Children's Safety Village	3,727	1,538
	114,849	507,222
Excess of Revenue Over Expenses (Expenses over Revenue) for the Year	4,880	541,493

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 6 SCHEDULE OF REVENUES AND EXPENSES OF VEHICLES AND EQUIPMENT FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
Revenue			
Vehicles	145,000	99,022	117,531
Equipment	21,000	31,328	17,774
Office equipment	8,000	6,212	2,454
Gain on disposal of vehicles and equipment	10,000	18,036	4,570
	184,000	154,598	142,329
Expenses			
Vehicles			
Operating costs	114,600	71,032	77,669
Repairs and maintenance	25,000	24,393	16,657
Equipment			
Operating costs	55,000	3,728	5,704
Repairs and maintenance	15,000	12,411	21,881
Office equipment			
Operating costs	8,000	6,204	3,311
	217,600	117,768	125,222
Excess of Revenue Over Expenses for the Year, Before Leasing of Vehicles and Equipment	(33,600)	36,830	17,107
Purchasing and Leasing of Vehicles and Equipment	25,000	197,079	23,405
	(58,600)	(160,249)	(6,298)
Less amounts capitalized	(25,000)	(197,079)	(23,405)
Excess of (Deficiency in) Revenue Over Expenses for the Year	(33,600)	36,830	17,107
Capital Acquisitions			
Kubota Zero Turn Mower		-	23,405
Pioneer Side-by-side		27,231	-
Wood Splitter		5,030	-
Snow Pusher		5,100	-
Snow Blower		4,990	-
Vehicles		154,728	-
		197,079	23,405
Capital Disposals			
Trailer		8,501	-
Yamaha Venture Lite		4,966	-
Vehicles		22,341	-
		35,808	-

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 7 SCHEDULE OF MUNICIPAL LEVIES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Modified Current Market Value in Watershed	Apportionment	2025 General Levies	2025 Category 3
	\$	%	\$	\$
Arran-Elderslie	393,571,262	2.4859	69,251	2,762
Brockton	1,363,519,807	8.6127	239,920	9,570
Chatsworth	465,226,811	2.9386	81,860	3,265
Grey Highlands	681,425,042	4.3042	119,901	4,783
Hanover	1,022,022,489	6.4556	179,831	7,173
Howick	41,803,252	0.2640	7,356	293
Huron-Kinloss	880,627,051	5.5625	154,952	6,181
Kincardine	2,732,189,692	17.2578	480,745	19,176
Minto	437,824,219	2.7655	77,038	3,073
Morris-Turnberry	29,558,069	0.1867	5,201	207
Saugeen Shores	3,376,122,427	21.3252	594,049	23,695
South Bruce	762,387,263	4.8156	134,147	5,351
Southgate	1,152,801,607	7.2817	202,843	8,091
Wellington North	620,911,096	3.9220	109,253	4,358
West Grey	1,871,585,564	11.8218	329,317	13,136
	15,831,575,651	100	2,785,664	111,114