

SOUTH NATION RIVER CONSERVATION AUTHORITY
Financial Statements
Year Ended December 31, 2025

Draft

SOUTH NATION RIVER CONSERVATION AUTHORITY
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Year Ended December 31, 2025

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of South Nation River Conservation Authority are the responsibility of management and have been approved by the Board.

The financial statements of South Nation River Conservation Authority have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. A summary of the significant accounting policies are described in Note 2 of the financial statements. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

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 in compliance with legislative and regulatory requirements, 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 of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. The Board also considers, for approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited by Baker Tilly REO LLP, independent external auditors appointed by the authority, in accordance with Canadian auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.

Chair

Johanna Barkley, Director of Finance

Finch, ON

INDEPENDENT AUDITOR'S REPORT

To the Members of South Nation River Conservation Authority

Opinion

We have audited the financial statements of South Nation River Conservation Authority (the Authority), which are comprised of the statement of financial position, statement of changes in net financial assets, statement of continuity reserves, statement of operations, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with 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.

Other Information

Management is responsible for the other information. The other information comprises of the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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Independent Auditor's Report to the Members of South Nation River Conservation Authority *(continued)*

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 PSAS , and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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:

- 1 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.
- 1 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.
- 1 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Independent Auditor's Report to the Members of South Nation River Conservation Authority (*continued*)

- | 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.

Winchester, Ontario

Chartered Professional Accountants, Licensed Public Accountants

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Financial Position
Year Ended December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash	\$ 5,443,234	\$ 4,836,738
Accounts receivable	1,442,700	1,724,766
Receivable from municipalities <i>(Note 4)</i>	124,994	185,877
	7,010,928	6,747,381
LIABILITIES		
Accounts payable and accrued liabilities	943,328	853,725
Deferred income <i>(Note 5)</i>	2,449,995	1,975,938
	3,393,323	2,829,663
NET FINANCIAL ASSETS	3,617,605	3,917,718
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 6)</i>	20,082,807	19,071,604
Tangible capital assets under construction	36,630	32,632
Prepaid expenses	89,455	119,568
	20,208,892	19,223,804
ACCUMULATED SURPLUS <i>(Note 11)</i>	\$ 23,826,497	\$ 23,141,522

ON BEHALF OF THE BOARD

_____ Chair

_____ Director of Finance

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Changes in Net Financial Assets
Year Ended December 31, 2025

	Budget 2025	Actual 2025	Actual 2024
Net surplus for the year	\$ 636,425	\$ 684,975	\$ 4,955,732
Acquisition of tangible capital assets	(725,119)	(1,254,827)	(4,702,984)
Contributed tangible capital assets	-	(173,668)	(672,500)
Proceeds on disposal of tangible capital assets	-	9,470	3,150
Change in assets under construction	-	(3,998)	147,158
Loss (gain) on disposal of tangible capital assets	-	(7,831)	36,023
Depreciation	31,540	415,652	379,389
Change in prepaid expenses	-	30,114	(31,182)
Increase (decrease) in net financial assets in the year	(57,154)	(300,113)	114,786
Net financial assets, beginning of year	3,917,718	3,917,718	3,802,932
Net financial assets, end of year	\$ 3,860,564	\$ 3,617,605	\$ 3,917,718

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Continuity of Reserves
Year Ended December 31, 2025

	Balance, beginning of year	From operations	To operations	Balance, end of year
RESERVES				
Operating	\$ 1,678,680	\$ 91,048	\$ 382,977	\$ 1,386,751
Capital projects	1,411,070	419,871	341,561	1,489,380
Stabilization	347,855	10,505	30,000	328,360
Water Control Structure	129,711	8,917	9,911	128,717
Sewage systems inspections	279,745	37,745	-	317,490
Dr. Jackson - Forestry programs	12,152	364	-	12,519
Environmental Projects	33,228	1,003	-	34,231
MNR revenue sharing (Note 7)	14,599	441	-	15,040
School programs (Note 7)	2,639	79	-	2,718
Land acquisition - forestry	53,126	1,605	54,731	-
Memorial fund (Note 7)	45,785	1,383	-	47,168
Year ended December 31, 2025	\$ 4,008,590	\$ 572,961	\$ 819,180	\$ 3,762,374
Year ended December 31, 2024	\$ 3,590,827	\$ 804,728	\$ 386,963	\$ 4,008,590

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Operations
Year Ended December 31, 2025

	Budget 2025	Actual 2025	Actual 2024
REVENUE			
Ministry of Natural Resources and Forestry	\$ 91,070	\$ 91,070	\$ 91,070
Source water protection	143,240	153,378	139,869
Municipal levies	4,636,678	4,636,678	4,439,413
Capital levies	200,000	200,001	50,000
Special levies	497,000	413,803	763,868
Federal - other funding	332,557	960,509	1,092,758
Provincial - other funding	69,900	119,219	106,324
Municipal - other funding	988,380	993,369	1,086,420
Other sources	2,064,625	2,338,906	5,989,407
TOTAL OPERATING REVENUE	9,023,450	9,906,933	13,759,129
RESOURCE MANAGEMENT (Schedule 1)			
Water response programs	521,312	504,253	144,929
Partner programs	773,000	609,247	922,998
Projects	1,546,644	1,113,335	602,591
Landowner stewardship outreach	487,426	1,036,169	856,852
	3,328,382	3,263,004	2,527,370
PROPERTY & APPROVALS (Schedule 2)			
Property	1,496,767	2,083,131	1,632,036
Approvals	1,718,916	1,680,086	2,000,733
Projects	-	-	410,728
	3,215,683	3,763,214	4,043,494
CORPORATE & COMMUNITY SERVICES (Schedule 3)			
Corporate services	1,391,956	1,257,139	1,302,795
Information management and technology	170,766	270,858	265,893
Communications and outreach	248,698	252,092	284,457
	1,811,420	1,780,088	1,853,144
TOTAL OPERATING EXPENSES	8,355,485	8,806,306	8,424,008
DEPRECIATION	31,540	415,652	379,389
TOTAL EXPENSES	8,387,025	9,221,958	8,803,397
NET SURPLUS	636,425	684,975	4,955,732
ACCUMULATED SURPLUS, BEGINNING OF YEAR	23,141,522	23,141,522	18,185,790
ACCUMULATED SURPLUS, END OF YEAR	\$ 23,777,947	\$ 23,826,497	\$ 23,141,522

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Net Surplus	\$ 684,975	\$ 4,955,732
Items not affecting cash:		
Depreciation	415,652	379,389
Contributed tangible capital assets	(173,668)	(672,500)
Loss (Gain) on disposal of tangible capital assets	(7,831)	36,023
	<u>919,128</u>	<u>4,698,644</u>
Changes in non-cash working capital:		
Accounts receivable	282,066	108,108
Receivable from municipalities	60,883	63,017
Accounts payable and accrued liabilities	89,603	(91,129)
Deferred income	474,057	(162,121)
Prepaid expenses	30,114	(31,181)
	<u>936,723</u>	<u>(113,306)</u>
Cash flow from operating activities	<u>1,855,851</u>	<u>4,585,338</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,254,827)	(4,702,984)
Purchase of tangible capital assets under construction	(3,998)	147,158
Proceeds on disposal of tangible capital assets	9,470	3,150
Cash flow used by capital activities	<u>(1,249,355)</u>	<u>(4,552,676)</u>
INCREASE IN CASH FLOW	606,496	32,662
CASH - BEGINNING OF YEAR	<u>4,836,738</u>	<u>4,804,076</u>
CASH - END OF YEAR	<u>\$ 5,443,234</u>	<u>\$ 4,836,738</u>

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2025

1. DESCRIPTION OF BUSINESS

The South Nation River Conservation Authority (the "Authority") is established under the Conservation Authorities Act - Ontario. It acts as the agent for water and land conservation and management for its member municipalities.

The Authority is a registered charity and, as such, is exempt from income tax and may issue tax receipts to donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

The financial statements of the Authority are the responsibility of and prepared by management in accordance with the Canadian public sector accounting standards (PSAS).

Revenue and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable and an expenditure is recognized when incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Basis of presentation

The financial statements of the Authority are the representations of management prepared in accordance with the Chartered Professional Accountants of Canada Public Sector Handbook, that sets out generally accepted accounting principles for public sector organizations in Canada. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

Cash and cash equivalents

Cash includes cash held in banks and cash on hand.

Deferred income

The Authority receives certain amounts from other entities, the proceeds of which may only be used in the conduct of certain programs or completion of specific work. Further, certain user charges and fees are collected but for which the related services have yet to be performed. These amounts are recognized as revenue when the related expenditures are incurred or services performed.

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SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Initial measurement

The Authority recognizes its financial instruments when the authority becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

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

Subsequent measurement

All financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs

Transaction costs are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

Impairment

All financial assets are tested annually for impairment. Management considers recent collection experience for the financial assets, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment which is not considered temporary is recorded in the statement of operations. Write-downs of financial assets at amortized costs to reflect losses in value are not reversed for subsequent increases in value.

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SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Buildings	10 to 40 years	straight-line method
Equipment	8 to 25 years	straight-line method
Furniture and fixtures	10 years	straight-line method
Vehicles	5 to 7 years	straight-line method
Computer and networking equipment	3 to 10 years	straight-line method
Computer software	3 to 5 years	straight-line method
Parking lot and other land improvements	10 to 20 years	straight-line method
Flood control structures	50 years	straight-line method

One half of the above rates are used in the year of acquisition.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Tangible capital assets received as unrestricted contributions are recorded at fair market value at the date of receipt and are also recorded as revenue.

The organization regularly reviews its tangible capital assets to eliminate obsolete items.

The organization has capitalization thresholds. For all additions of tangible capital assets, including pooled assets, the following capitalization thresholds apply: Land improvements, buildings, and flood control structures - \$10,000; all other tangible capital assets - \$5,000.

Reserves

Reserves for future expenditures and contingencies are established as required at the discretion of the members of the Board of Directors of the Authority. Increases or decreases in these reserves are made by appropriations to or from reserves.

Revenue Recognition

The Authority follows the deferral method of accounting for contributions. Government assistance is recorded as revenue when eligible claims are determined and the expenditure incurred. Levies on member municipalities are recorded after Board of Directors' approval and recorded as revenue in the year levied. When revenue from special programs is received in advance of the related expenditure, such revenue is deferred until the year in which the expenditure is incurred.

Government transfers are recognized in the 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.

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SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated materials and services

Donated materials and services are recorded at fair market value if they would otherwise have been purchased.

Contributed services

Volunteers contribute a significant amount of their time each year. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Pension Plan

The Authority accounts for its participation in the Ontario Municipal Employees Retirement Systems (OMERS) as a defined benefit pension plan.

Use of Estimates

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and assumptions. These have been made using careful judgments. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known. Areas where estimations are used include useful life of tangible capital assets, allowance for doubtful accounts, accrued liabilities and deferred revenue.

SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2025

3. FINANCIAL INSTRUMENTS

The Authority is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Authority's risk exposure and concentration as of December 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Authority is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Authority is exposed to a high concentration of credit risk as one entity represented 95% of receivable from municipalities (Note 4). The Authority has deemed all amounts receivable at year end to be collectible. There has been no significant changes to the risk exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Authority is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, contributions to the pension plan, and accounts payable. The Authority manages its liquidity risk by monitoring its operating requirements. The Authority prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

There has been no significant changes to the risk exposure from the prior year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Authority is mainly affected by interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Authority manages exposure through its normal operating and financing activities. The Authority is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

There has been no significant changes to the risk exposure from the prior year.

Unless otherwise noted, it is management's opinion that the Authority is not exposed to significant other price risks arising from these financial instruments.

SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2025

4. RECEIVABLE FROM MUNICIPALITIES

	2025	2024
Due from various municipalities for their portion of the funds used to purchase and renovate the head office in Finch. Receivable in blended payments with interest charged at 1.75% per annum, due in 2027.	\$ 124,994	\$ 185,877
	\$ 124,994	\$ 185,877

Principal repayment terms are approximately:

2026	\$ 61,952
2027	63,042
	\$ 124,994

5. DEFERRED INCOME

	Balance, beginning of year	Funds received (reallocated)	Funds earned	Balance, end of year
<u>Resource Management</u>				
Partner programs	\$ 521,731	\$ 386,867	\$ (433,588)	\$ 475,010
Projects	109,440	434,790	(334,977)	209,253
Community & outreach	72,662	16,532	(10,627)	78,567
	703,833	838,189	(779,192)	762,830
<u>Property & Approvals</u>				
Buildings & infrastructures	16,076	(4,200)	(11,876)	-
Community lands	1,049,685	1,221,401	(1,113,198)	1,157,888
Development review	610	364,219	(364,829)	-
Sewage systems review	146,492	536,409	(526,180)	156,721
Projects	59,242	-	-	59,242
	1,272,105	2,117,829	(2,016,083)	1,373,851
<u>Corporate & Community Services</u>				
Corporate services	-	313,314	-	313,314
	\$ 1,975,938	\$ 3,269,332	\$ (2,795,275)	\$ 2,449,995

SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2025

6. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	2024 Balance	Additions	Disposals	2025 Balance
Land	\$ 14,860,998	\$ 925,002	\$ -	\$ 15,786,000
Buildings	1,452,921	265,887	-	1,718,808
Equipment	926,521	25,011	131,619	819,913
Furniture and fixtures	236,462	-	-	236,462
Vehicles	552,063	73,163	73,457	551,769
Computer and networking equipment	653,076	38,264	-	691,340
Computer software	133,927	-	-	133,927
Parking lot and other land improvements	2,275,981	60,620	-	2,336,601
Flood control structures	5,044,401	40,548	-	5,084,949
	\$ 26,136,350	\$ 1,428,495	\$ 205,076	\$ 27,359,769
<u>Accumulated Amortization</u>	2024 Balance	Amortization	Accumulated Amortization on Disposals	2025 Balance
Buildings	\$ 513,832	\$ 41,216	\$ -	\$ 555,048
Equipment	583,876	73,438	129,979	527,335
Furniture and fixtures	228,686	1,414	-	230,100
Vehicles	340,426	56,383	73,457	323,352
Computer and networking equipment	634,414	14,542	-	648,956
Computer software	133,927	-	-	133,927
Parking lot and other land improvements	317,057	127,583	-	444,640
Flood control structures	4,312,527	101,076	-	4,413,603
	\$ 7,064,745	\$ 415,652	\$ 203,436	\$ 7,276,961

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SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2025

6. TANGIBLE CAPITAL ASSETS (continued)

<u>Net book value</u>	<u>2025</u>	<u>2024</u>
Land	\$ 15,786,000	\$ 14,860,998
Buildings	1,163,760	939,089
Equipment	292,578	342,644
Furniture and fixtures	6,362	7,776
Vehicles	228,417	211,637
Computer and networking equipment	42,384	18,662
Parking lot and other land improvements	1,891,961	1,958,924
Flood control structures	671,345	731,874
	<u>\$ 20,082,807</u>	<u>\$ 19,071,604</u>

7. RESERVES

a) Revenue Sharing

In accordance with the Ministry of Natural Resources and Forestry Revenue Sharing Policy, \$441 (2024 - \$677) interest received during the year has been transferred to the revenue sharing reserve.

b) School Programs and Memorial Fund

These reserves were established in 1998 to receive specified donations that are used to fund the School Programs and the Memorial Fund.

8. CONTINGENCIES

Under the Forestry Act, the Authority may be liable to the Ministry of Natural Resources and Forestry for an amount not greater than 50% of the proceeds from sale of lands for which acquisition grants were received from the Ministry of Natural Resources and Forestry. As of December 31, 2025 management is not aware of any liability in this regard.

SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2025

9. CREDIT FACILITIES - ROYAL BANK

The Authority has an authorized \$1,000,000 revolving demand facility by way of Royal Bank Prime based loans bearing interest at prime less 0.50% and Bankers' Acceptance with an acceptance fee of 0.40%.

This facility is secured by:

- a) General security agreement signed by the borrower constituting a first ranking security interest in all personal property of the borrower; and
- b) Borrowing resolution.

At year end, \$1,000,000 (2024 - \$1,000,000) was available on this facility.

10. PENSION PLAN

The Authority makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer retirement pension plan, on behalf of its eligible employees. The plan is a defined pension benefit plan, which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute equally to the plan.

As OMERS is a multi-employer defined benefit pension plan, any pension plan surpluses or deficits are a joint responsibility of all eligible organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension funding deficit of \$ 1,322,000,000 (2024 - \$2,913,000,000) as the Authority's portion of the amounts is not determinable. Contributions made by the Authority to OMERS for 2025 was \$ 334,460 (2024 - \$303,089).

11. ACCUMULATED SURPLUS

	2025	2024
Accumulated surplus consists of:		
Tangible capital assets	\$ 20,082,807	\$ 19,071,604
Tangible capital assets under construction	36,630	32,632
Reserves	3,762,374	4,008,590
Surplus - operations	(55,314)	28,696
	\$ 23,826,497	\$ 23,141,522

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

SOUTH NATION RIVER CONSERVATION AUTHORITY
Resource Management (Schedule 1)
Year Ended December 31, 2025

	2025	2024
RESOURCE MANAGEMENT		
Salaries and employee benefits	\$ 1,498,780	\$ 924,819
Tree planting material and services	639,121	269,228
Contracted and technical service	468,022	471,679
Grants	321,398	611,972
Consultants and legal fees	216,957	66,258
Supplies	40,021	106,841
Travel and training	27,837	28,025
Equipment repairs and maintenance	24,431	1,596
Advertising and promotion	19,109	35,712
Memberships	2,892	2,233
Telephone	1,991	-
Vehicle	1,640	3,440
Committee meetings	685	-
Bank charges and interest	120	5,567
	\$ 3,263,004	\$ 2,527,370

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Property & Approvals (Schedule 2)
Year Ended December 31, 2025

	2025	2024
PROPERTY & APPROVALS		
Salaries and employee benefits	\$ 2,646,448	\$ 2,910,454
Contracted and technical service	441,319	652,454
Consultants and legal fees	192,705	49,002
Supplies	116,010	81,578
Property taxes and drainage assessment	104,064	90,629
Vehicle	96,428	114,492
Utilities	44,969	42,232
Travel and training	36,596	32,605
Leases	20,336	14,549
Insurance	19,419	20,986
Tree planting material	16,654	12,314
Equipment repairs and maintenance	10,289	21,310
Memberships	6,360	5,130
Advertising and promotion	5,655	673
Telephone	5,594	8,229
Bank charges and interest	368	600
Grants	-	(13,743)
	\$ 3,763,214	\$ 4,043,494

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Corporate & Community Services (Schedule 3)
Year Ended December 31, 2025

	2025	2024
CORPORATE & COMMUNITY SERVICES		
Salaries and employee benefits	\$ 1,048,570	\$ 1,093,224
Contracted and technical service	207,930	235,046
Insurance	148,289	164,741
Consultants, legal and audit fees	62,390	48,579
Travel and training	51,600	55,888
Board and committee meetings	45,613	41,057
Conservation Ontario levy	45,010	36,494
Telephone and internet	39,882	41,198
Supplies	38,937	15,916
Advertising and promotion	33,695	38,113
Equipment, software, repairs and maintenance	24,313	45,014
Memberships	18,851	15,977
Bank charges and interest	14,268	20,086
Program support	740	1,811
	\$ 1,780,088	\$ 1,853,144

The accompanying notes are an integral part of these financial statements