

**GREY SAUBLE CONSERVATION AUTHORITY**

**FINANCIAL REPORT**

**DECEMBER 31, 2025**

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**GREY SAUBLE CONSERVATION AUTHORITY**  
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**AS AT DECEMBER 31, 2025**

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# GREY SAUBLE CONSERVATION AUTHORITY

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## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The accompanying financial statements of the Grey Sauble 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 control 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 of Directors meet 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, the 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.

*Tim Lanthier*

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Chief Administrative Officer  
May 27, 2026

*Alison Armstrong*

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Manager of Financial & HR Services  
May 27, 2026

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Grey Sauble Conservation Authority:

### **Opinion**

We have audited the financial statements of the Grey Sauble Conservation Authority ("the Authority"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, change in net financial assets, cash flow and remeasurement gains 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 its results of operations, remeasurement gains and losses, changes in its net financial assets 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 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 these 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 relating 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:

- 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*

Baker Tilly SGB LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
Collingwood, Ontario  
May 27, 2026



**GREY SAUBLE CONSERVATION AUTHORITY**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31**

	Budget 2025 \$ (Note 12)	Actual 2025 \$	Actual 2024 \$
<b>Revenues</b>			
Municipal levies	1,996,612	<b>1,996,612</b>	1,724,166
Government grants - operating	74,356	<b>109,985</b>	116,580
Other funding	34,680	<b>62,576</b>	57,943
Government grants - capital	-	<b>13,265</b>	-
Grey Sauble Forestry/Trees Ontario	189,000	<b>198,899</b>	222,192
Grey County Forest Management	259,435	<b>262,894</b>	263,466
Timber and wood sales	60,000	<b>286,791</b>	63,108
User fees	959,700	<b>981,830</b>	968,572
Sourcewater protection	228,732	<b>216,444</b>	206,927
Rental recoveries (net of \$53,348 expense; 2024 - \$68,826)	35,289	<b>46,853</b>	32,418
Donations (Note 13)	22,500	<b>25,919</b>	36,921
Risk management	50,200	<b>46,980</b>	45,180
Miscellaneous (Note 13)	117,947	<b>151,638</b>	50,159
Interest earned	26,000	<b>19,355</b>	27,196
Income on reserve accounts (Note 3)	-	<b>142,617</b>	172,922
	<b>4,054,451</b>	<b>4,562,658</b>	3,987,750
<b>Expenses</b>			
Water management	176,257	<b>179,266</b>	172,949
Environmental planning	796,330	<b>807,541</b>	822,581
Forestry			
-Operations on Authority land	160,456	<b>156,544</b>	136,519
-Grey Sauble Forestry/Trees Ontario	189,000	<b>207,303</b>	228,456
Grey County Forest Management	259,435	<b>261,735</b>	262,816
Conservation lands policy and procedure	226,536	<b>216,063</b>	220,362
Conservation lands operations	424,891	<b>437,840</b>	402,440
Conservation information	124,386	<b>115,035</b>	107,572
Education	76,257	<b>86,970</b>	98,875
Administrative support	756,040	<b>689,971</b>	720,554
Major projects	-	<b>170,772</b>	1,792
Miscellaneous (Note 3)	-	<b>11,807</b>	28,142
Source water risk management	78,864	<b>76,677</b>	77,473
Sourcewater protection	228,732	<b>216,444</b>	206,927
GIS and IT support	338,432	<b>314,460</b>	299,285
Loss (gain) on disposal of tangible capital assets	-	<b>542</b>	(1,478)
Amortization of tangible capital assets	-	<b>128,452</b>	123,490
	<b>3,835,616</b>	<b>4,077,422</b>	3,908,755
<b>Annual surplus (Note 12)</b>	218,835	<b>485,236</b>	78,995
Accumulated surplus at beginning of year	10,337,569	<b>10,337,569</b>	10,258,574
<b>Accumulated surplus at end of year (Note 10)</b>	10,556,404	<b>10,822,805</b>	10,337,569

See accompanying notes to the financial statements

**GREY SAUBLE CONSERVATION AUTHORITY**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31**

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
	(Note 12)		
Annual surplus	218,835	<b>485,236</b>	78,995
Acquisition of tangible capital assets	(3,129,000)	<b>(1,273,763)</b>	(319,451)
Amortization of tangible capital assets	-	<b>128,452</b>	123,490
Loss (gain) on disposal of tangible capital assets	-	<b>542</b>	(1,478)
Proceeds on disposal of tangible capital assets	-	<b>90</b>	1,478
Change in prepaid expenses	-	<b>(1,774)</b>	(909)
	<u>(2,910,165)</u>	<u><b>(661,217)</b></u>	<u>(117,875)</u>
Change in accumulated remeasurement gains	-	<b>54,038</b>	94,467
Change in net financial assets	(2,910,165)	<b>(607,179)</b>	(23,408)
Net financial assets at beginning of year	2,515,735	<b>2,515,735</b>	2,539,143
<b>Net financial assets at end of year</b>	<u>(394,430)</u>	<u><b>1,908,556</b></u>	<u>2,515,735</u>

See accompanying notes to the financial statements

**GREY SAUBLE CONSERVATION AUTHORITY**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED DECEMBER 31**

	2025	2024
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	485,236	78,995
Non-cash items:		
Amortization of tangible capital assets	128,452	123,490
Loss (gain) on disposal of tangible capital assets	542	(1,478)
	614,230	201,007
Changes in:		
Accounts receivable	619	(837)
Accounts payable and accrued liabilities	303,685	76,692
Other payables	1,491	(7,184)
Government remittances receivable/payable	(69,351)	13,933
Deferred revenue	46,338	30,553
Prepaid expenses	(1,774)	(909)
	895,238	313,255
Investing activities		
Increase in investment portfolio	(74,243)	(125,902)
Capital activities		
Acquisition of tangible capital assets	(1,273,763)	(319,451)
Proceeds on disposal of tangible capital assets	90	1,478
	(1,273,673)	(317,973)
Financing activities		
Long-term liabilities issued	2,100,000	-
Long-term liabilities repaid	(50,959)	-
	2,049,041	-
<b>Net change in cash position</b>	<b>1,596,363</b>	<b>(130,620)</b>
Cash at beginning of year	1,152,516	1,283,136
<b>Cash at end of year</b>	<b>2,748,879</b>	<b>1,152,516</b>
Comprised of:		
Cash - Operating fund	604,485	450,475
Cash - Reserve funds	2,144,394	702,041
	2,748,879	1,152,516

See accompanying notes to the financial statements

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**GREY SAUBLE CONSERVATION AUTHORITY**  
**STATEMENT OF REMEASUREMENT GAINS**  
**FOR THE YEAR ENDED DECEMBER 31**

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	2025	2024
	\$	\$
Accumulated remeasurement gains at beginning of year	<u>136,913</u>	42,446
Unrealized gains attributed to:		
Short-term investments	119,709	206,810
Realized gains, reclassified to the statement of operations:		
Short-term investments (Note 3)	<u>(65,671)</u>	(112,343)
Net change in remeasurement gains	<u>54,038</u>	94,467
<b>Accumulated remeasurement gains at end of year</b>	<b><u>190,951</u></b>	<b>136,913</b>

See accompanying notes to the financial statements

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**GREY SAUBLE CONSERVATION AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2025**

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**Nature of operations**

The Grey Sauble 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, Grey Highlands and Meaford, the Town of The Blue Mountains and the Town of South Bruce Peninsula, the Townships of Chatsworth and Georgian Bluffs and the City of Owen Sound.

The Authority's mission is:

"In partnership with the stakeholders of the watershed, to promote and undertake sustainable management of renewable natural resources and provide responsible leadership to enhance bio-diversity and environmental awareness."

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

**1. Summary of significant accounting policies**

The financial statements are the representation of management prepared 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. 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) Cash and cash equivalents**

Cash and cash equivalents include cash on deposit and short-term deposits with a maturity of less than three months at acquisition.

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**GREY SAUBLE CONSERVATION AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2025**

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**1. Summary of significant accounting policies (continued)**

**(c) Financial instruments**

The financial instruments of the Authority consist of cash of the operating and reserve funds, accounts receivable, investment portfolio, accounts payable, other payables and long-term liabilities. All financial instruments are recognized at cost, amortized cost or fair value.

Cash is recognized at cost. Accounts receivable, accounts payable and accrued liabilities, other payables, and long-term liabilities (excluding derivative financial instruments) are recognized at amortized cost.

Investment portfolio includes cash and equivalents, fixed income securities, preferred shares, principal at risk notes and equity securities. These investments meet the definition of portfolio investments under Public Sector Accounting Standards and are measured at fair value at each reporting date.

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.

Unrealized gains and losses from the change in fair value of these financial instruments are reflected in the statement of remeasurement gains and losses until disposition. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

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.

**(d) Revenue recognition**

Government grants 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 is recognized when the price is fixed or determinable, collectability is reasonably assured and services are provided to customers. Types of services include tree planting, site inspections, forest maintenance, property access fees, rentals and planning.

All other revenues are recognized on an accrual basis.

**(e) Deferred revenue**

Revenue restricted by legislation, regulation or agreement, and not available for general 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.

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**GREY SAUBLE CONSERVATION AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2025**

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**1. Summary of significant accounting policies (continued)**

**(f) 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 straight-line basis over the estimated useful life of the assets. The useful life of the assets is based on estimates made by management. The following rates are used:

Bridges and trails	6 - 30 years
Buildings	40 years
Dams and weirs	50 years
Equipment	15 years
Flood forecast equipment	10 - 20 years
Information technology infrastructure	3 - 15 years
Office furniture	20 years
Vehicles	10 years

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

Work in progress is not amortized until the asset is available for productive use.

**(g) Vehicles**

The Authority operates a pool of vehicles. Internal charges for the use of vehicles 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.

These internal charges are included in the appropriate expense classifications. Expenditures incurred by the motor pool for operating costs are netted against the internal charges and are reported in the statement of operations.

**(h) Pension plan**

The Authority offers a pension plan for its 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.

**(i) 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 principle estimates used in the preparation of these financial statements are the determination of estimated useful life and impairment of tangible capital assets, as well as any related asset retirement obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

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**GREY SAUBLE CONSERVATION AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2025**

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**1. Summary of significant accounting policies (continued)**

**(j) Asset retirement obligations**

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

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

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability would result in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets would be amortized in accordance with the amortization policies outlined in Note 1(f).

**2. Cash**

On December 31, 2025 the Authority had cash of \$2,748,879 (2024 - \$1,152,516) at one chartered bank. The Canada Deposit Insurance Corporation (CDIC) insures up to a maximum of \$100,000 per depositor at a CDIC member institution. Included in operating cash is \$291,824 (2024 - \$245,486) of funds restricted for the purposes as described in Note 6.

**3. Investment portfolio**

The investment portfolio includes cash and equivalents, fixed income securities, preferred shares, principal at risk notes and equity securities. The fair market value of the investments at year end was \$1,911,541 (2024 - \$1,783,260). During the year, the investment portfolio generated investment revenue of \$21,677 (2024 - \$29,096), realized capital gain of \$65,671 (2024 - \$112,343) and incurred management fees in the amount of \$11,807 (2024 - \$14,000). Income on reserve accounts, as reported on the statement of operations, includes income and gains or losses generated by the portfolio in addition to interest earned from reserve cash accounts. Management fees are included in miscellaneous expense.

**4. Pension plan**

The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. Amounts paid to OMERS for 2025 were \$228,083 (2024 - \$225,908) for current service.

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 \$151.3 (2024 - \$142.5) 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.

**5. Other payables**

The Authority holds monies collected by the Beaver River Water Initiative ("BRWI"), Friends of Hibou, Fishing Islands Phragmites group, Grey Bruce Forest Festival and the Arboretum Alliance. These funds are distributed when these organizations require payment for expenses which they have incurred. As at December 31, 2025 the Authority held \$17,869 (2024 - \$10,735) on behalf of the BRWI, \$6,067 (2024 - \$7,021) on behalf of Friends of Hibou, \$29,188 (2024 - \$26,818) on behalf of Fishing Islands Phragmites group, \$NIL (2024 - \$8,560) on behalf of Grey Bruce Forest Festival and \$20,698 (2024 - \$19,197) on behalf of the Arboretum Alliance.

**GREY SAUBLE CONSERVATION AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2025**

**6. Deferred revenue**

Deferred revenue consists of the following:

	<b>2025</b>	<b>2024</b>
	\$	\$
Forestry donation	10,000	10,000
Source water	98,545	85,052
Risk management legal contingency	93,598	88,378
Stewardship grants	23,000	20,211
Outstanding planning permits	30,629	30,000
Education grants	29,202	-
Miscellaneous other deferrals	6,850	11,845
	<b>291,824</b>	<b>245,486</b>

**7. Contingent liabilities**

In the ordinary course of operations, various actions and legal proceedings can arise involving the Authority. The amount and likelihood of loss resulting from such actions is unknown at this time. Any payment made by the Authority will be expensed in the year of settlement.

**8. Long-term liabilities**

Long-term liabilities consist of the following:

	<b>2025</b>	<b>2024</b>
	\$	\$
Loan from the City of Owen Sound for the renovation of the Administration Centre, 4.20% interest, semi-annual payments of \$95,059 principal and interest, due April 2040.	<b>2,049,041</b>	-

Payments for the next 5 years and thereafter are as follows:

	Principal	Interest	Total
	\$	\$	\$
2026	105,151	84,967	190,118
2027	109,614	80,504	190,118
2028	114,266	75,852	190,118
2029	119,115	71,003	190,118
2030	124,171	65,947	190,118
Thereafter	1,476,724	329,397	1,806,121
	<b>2,049,041</b>	<b>707,670</b>	<b>2,756,711</b>

**GREY SAUBLE CONSERVATION AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2025**

**9. Tangible capital assets**

Tangible capital assets consists of the following:

<b>Cost</b>	Balance 2024	Additions	Disposals	Balance 2025
	\$	\$	\$	\$
Land	6,351,467	-	-	<b>6,351,467</b>
Bridges and trails	467,353	9,020	-	<b>476,373</b>
Buildings	1,057,298	44,536	(19,657)	<b>1,082,177</b>
Dams and weirs	2,116,930	-	-	<b>2,116,930</b>
Equipment	319,375	-	-	<b>319,375</b>
Flood forecast equipment	66,943	37,807	-	<b>104,750</b>
Information technology infrastructure	203,438	8,916	-	<b>212,354</b>
Office furniture	60,926	-	(16,891)	<b>44,035</b>
Vehicles	315,727	-	-	<b>315,727</b>
Work in progress - admin centre renewal	224,889	1,173,484	-	<b>1,398,373</b>
	<b>11,184,346</b>	<b>1,273,763</b>	<b>(36,548)</b>	<b>12,421,561</b>
<b>Accumulated amortization</b>				
Bridges and trails	249,330	14,931	-	<b>264,261</b>
Buildings	839,130	12,709	(17,659)	<b>834,180</b>
Dams and weirs	1,529,926	41,295	-	<b>1,571,221</b>
Equipment	218,893	13,147	-	<b>232,040</b>
Flood forecast equipment	54,339	5,700	-	<b>60,039</b>
Information technology infrastructure	159,768	15,290	-	<b>175,058</b>
Office furniture	47,238	2,789	(18,257)	<b>31,770</b>
Vehicles	163,721	22,591	-	<b>186,312</b>
	<b>3,262,345</b>	<b>128,452</b>	<b>(35,916)</b>	<b>3,354,881</b>
<b>Net book value</b>				
Land	6,351,467			<b>6,351,467</b>
Bridges and trails	218,023			<b>212,112</b>
Buildings	218,168			<b>247,997</b>
Dams and weirs	587,004			<b>545,709</b>
Equipment	100,482			<b>87,335</b>
Flood forecast equipment	12,604			<b>44,711</b>
Information technology infrastructure	43,670			<b>37,296</b>
Office furniture	13,688			<b>12,265</b>
Vehicles	152,006			<b>129,415</b>
Work in progress	224,889			<b>1,398,373</b>
	<b>7,922,001</b>			<b>9,066,680</b>

**GREY SAUBLE CONSERVATION AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2025**

**10. Accumulated surplus**

Accumulated surplus consists of individual fund surplus and reserves as follows:

	<b>2025</b>	2024
	\$	\$
Invested in tangible capital assets	<b>7,882,942</b>	7,922,001
Long-term liabilities	<b>(865,303)</b>	-
Operating surplus (Note 12)	<b>86,645</b>	32,254
Reserve funds (Note 11)	<b>3,658,521</b>	2,323,314
Working capital reserve	<b>60,000</b>	60,000
	<b>10,822,805</b>	10,337,569

**11. Reserve funds set aside for specific purpose**

	<b>2025</b>	2024
	\$	\$
Lands reserve	<b>937,421</b>	823,926
Computer replacement and special projects	<b>59,982</b>	49,673
Major dam maintenance	<b>325,835</b>	321,738
Vehicle replacement	<b>218,119</b>	160,032
Risk management	<b>105,124</b>	125,977
Administration	<b>1,132,261</b>	217,944
Forest management	<b>748,545</b>	501,398
Stewardship	<b>72,167</b>	67,433
Youth	<b>59,067</b>	55,193
	<b>3,658,521</b>	2,323,314

**12. Budget**

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and changes in net financial assets for comparative purposes. The 2025 budget amounts for Grey Sauble Conservation Authority approved by the Board have been reclassified to conform to the basis of presentation of the revenues and expenses on the statements of operations and change in net financial assets. The following is a reconciliation of the budget approved by the Board:

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
Annual surplus	218,835	<b>485,236</b>	78,995
Prior year operating surplus	32,254	<b>32,254</b>	231,239
Transfers from (to) reserves	866,292	<b>(1,335,207)</b>	(82,019)
Tangible capital asset acquisitions, disposals and write-down	(3,129,000)	<b>(1,273,131)</b>	(319,451)
Proceeds from new long-term liabilities	2,000,000	<b>2,100,000</b>	-
Long-term liabilities principal repayment	-	<b>(50,959)</b>	-
Amortization	-	<b>128,452</b>	123,490
Operating surplus	<b>(11,619)</b>	<b>86,645</b>	32,254

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**GREY SAUBLE CONSERVATION AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2025**

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**13. Related party transactions**

The Grey Sauble Conservation Foundation was founded to receive, accumulate and distribute funds and/or the income received for the benefit of the Authority. The Foundation is incorporated under the Canada Business Corporations Act and is a registered charity under the Income Tax Act. The Authority has representation on the Foundation's Board of Directors. Funds are solicited by the Foundation to further the mission of the Authority. Thus, as defined in the accounting recommendations of the Chartered Professional Accountants of Canada, the Authority has an economic interest in the Foundation.

Transactions with Grey Sauble Conservation Foundation include accounts receivable of \$7,416 (2024 - \$10,152), interest revenue of \$NIL (2024 - \$Nil), donations of \$23,000 (2024 - \$20,000) and other transfers to fund Authority activities included in miscellaneous revenue of \$4,994 (2024 - \$3,000).

The Grey Sauble Conservation Foundation's Board of Directors initiated plans to wind up operations, with dissolution currently anticipated to occur in the 2026 fiscal year, subject to completion of required approvals and regulatory processes. Upon dissolution, the Foundation's remaining assets are expected to be distributed in accordance with its governing documents, which may include transfers to the Authority or other qualified donees with similar objectives.

**14. Future amalgamation of conservation authorities**

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.

**GREY SAUBLE CONSERVATION AUTHORITY**

**SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2025**

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**GREY SAUBLE CONSERVATION AUTHORITY**  
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**AS AT DECEMBER 31, 2025**

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**GREY SAUBLE CONSERVATION AUTHORITY**  
**SCHEDULE 1**  
**SCHEDULE OF REVENUE**  
**FOR THE YEAR ENDED DECEMBER 31**  
**(UNAUDITED)**

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Government grants			
Provincial and federal - programming			
Flood control and warning	37,056	<b>43,716</b>	37,056
Stewardship program	37,000	<b>54,229</b>	75,464
Provincial and Federal - Other	-	<b>12,040</b>	-
Other	300	-	4,060
	<u>74,356</u>	<u><b>109,985</b></u>	<u>116,580</u>
Special capital - current funding	-	<b>13,265</b>	-
	<u>74,356</u>	<u><b>123,250</b></u>	<u>116,580</u>
Grey Sauble Forestry/Trees Ontario			
Trees and landscape stock	89,000	<b>134,531</b>	115,776
Trees Ontario	100,000	<b>64,368</b>	106,416
	<u>189,000</u>	<u><b>198,899</b></u>	<u>222,192</u>
User fees			
Parking fees and season passes	286,561	<b>390,565</b>	330,013
Planning fees	578,639	<b>499,687</b>	497,628
Property leases and rentals	94,500	<b>91,578</b>	90,658
The great outdoors day camp	-	-	50,273
	<u>959,700</u>	<u><b>981,830</b></u>	<u>968,572</u>

**GREY SAUBLE CONSERVATION AUTHORITY**  
**SCHEDULE 2**  
**SCHEDULE OF RENTAL RECOVERIES AND EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31**  
**(UNAUDITED)**

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Recoveries			
Vehicle			
Flood control and warning	7,400	<b>11,521</b>	11,445
Operating conservation property	37,200	<b>31,955</b>	33,004
Forest management	30,300	<b>34,982</b>	33,334
Grey Sauble Forestry/Trees Ontario	8,000	<b>5,154</b>	7,292
Erosion control	300	<b>205</b>	41
Land use planning and regulation	14,860	<b>11,071</b>	11,164
Information and education	2,600	<b>916</b>	925
Administrative support	3,800	<b>2,838</b>	3,059
Special programs	5,000	<b>1,558</b>	980
	<u>109,460</u>	<u><b>100,200</b></u>	<u>101,244</u>
Expenditures			
Vehicle			
Fuel	34,000	<b>21,959</b>	27,116
Repairs	8,171	<b>13,131</b>	16,009
Licenses and insurance	32,000	<b>7,712</b>	7,077
Salaries and benefits	-	<b>6,418</b>	7,203
Equipment			
Fuel	-	<b>1,813</b>	1,651
Repairs	-	<b>2,314</b>	9,770
	<u>74,171</u>	<u><b>53,347</b></u>	<u>68,826</u>
Excess of recoveries over expenditures	<u>35,289</u>	<u><b>46,853</b></u>	<u>32,418</u>

**GREY SAUBLE CONSERVATION AUTHORITY**  
**SCHEDULE 3**  
**SCHEDULE OF WATER MANAGEMENT EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31**  
**(UNAUDITED)**

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Flood forecast and warning			
Salaries and benefits	127,324	<b>129,549</b>	135,242
Service contracts	5,900	<b>2,224</b>	5,322
Vehicle and equipment rentals	5,000	<b>9,691</b>	8,023
Materials and supplies	3,800	<b>883</b>	298
Training	1,000	<b>1,099</b>	-
	<u>143,024</u>	<u><b>143,446</b></u>	<u>148,885</u>
Flood control structures			
Clendenan dam (including log replacement)	10,884	<b>16,159</b>	7,449
Taylor Street retention pond	-	<b>149</b>	15
	<u>10,884</u>	<u><b>16,308</b></u>	<u>7,464</u>
Dams			
Salaries and benefits	16,999	<b>15,952</b>	12,280
Vehicle and equipment rentals	2,000	<b>1,292</b>	2,664
Materials and supplies	1,500	<b>860</b>	1,216
	<u>20,499</u>	<u><b>18,104</b></u>	<u>16,160</u>
Erosion control			
Salaries and benefits	800	<b>1,203</b>	327
Vehicle and equipment rentals	300	<b>205</b>	41
Materials and supplies	750	-	72
	<u>1,850</u>	<u><b>1,408</b></u>	<u>440</u>
	<u>176,257</u>	<u><b>179,266</b></u>	<u>172,949</u>

**GREY SAUBLE CONSERVATION AUTHORITY**  
**SCHEDULE 4**  
**SCHEDULE OF ENVIRONMENTAL PLANNING EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31**  
**(UNAUDITED)**

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Engineering services			
Salaries and benefits	134,188	<b>135,503</b>	125,189
Vehicle and equipment rentals	1,360	<b>301</b>	80
Materials and supplies	550	<b>355</b>	247
Services, rents and utilities	-	<b>462</b>	-
	<u>136,098</u>	<u><b>136,621</b></u>	<u>125,516</u>
Stewardship			
Salaries and benefits	74,451	<b>74,939</b>	74,123
Vehicle and equipment rentals	1,500	<b>816</b>	815
Materials and supplies	1,000	<b>20,105</b>	38,470
Services, rents and utilities	-	<b>495</b>	-
	<u>76,951</u>	<u><b>96,355</b></u>	<u>113,408</u>
Watershed management			
Salaries and benefits	22,668	<b>31,536</b>	19,570
Vehicle and equipment rentals	5,000	<b>5,639</b>	5,967
Materials and supplies	400	<b>(556)</b>	30
Watershed monitoring	17,000	<b>18,433</b>	17,884
	<u>45,068</u>	<u><b>55,052</b></u>	<u>43,451</u>
Land use planning and regulation			
Salaries and benefits	516,113	<b>494,870</b>	518,724
Service contracts	7,500	<b>16,916</b>	10,651
Vehicle and equipment rentals	7,000	<b>4,316</b>	4,302
Materials and supplies	7,600	<b>3,411</b>	6,529
	<u>538,213</u>	<u><b>519,513</b></u>	<u>540,206</u>
	<u>796,330</u>	<u><b>807,541</b></u>	<u>822,581</u>

**GREY SAUBLE CONSERVATION AUTHORITY**  
**SCHEDULE 5**  
**SCHEDULE OF FORESTRY EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31**  
**(UNAUDITED)**

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Forestry on Authority lands			
Salaries and benefits	138,206	<b>141,923</b>	128,537
Service contracts	8,950	<b>868</b>	680
Vehicle and equipment rentals	6,500	<b>7,325</b>	5,431
Materials and supplies	4,300	<b>6,428</b>	1,871
Training	2,500	-	-
	<u>160,456</u>	<u><b>156,544</b></u>	<u>136,519</u>
Grey Sauble Forestry/Trees Ontario			
Purchases and Trees Ontario expenses	77,000	<b>107,727</b>	116,405
Salaries and benefits	111,500	<b>89,415</b>	101,543
Other	500	<b>10,161</b>	10,508
	<u>189,000</u>	<u><b>207,303</b></u>	<u>228,456</u>

**GREY SAUBLE CONSERVATION AUTHORITY**  
**SCHEDULE 6**  
**SCHEDULE OF CONSERVATION AND ADMINISTRATIVE EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31**  
**(UNAUDITED)**

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Conservation lands operations			
Salaries and benefits	335,941	<b>355,197</b>	322,786
Vehicle and equipment rentals	36,000	<b>29,845</b>	30,431
Materials and supplies	17,500	<b>32,476</b>	29,267
Services, rents and utilities	35,450	<b>20,322</b>	19,956
	<u>424,891</u>	<u><b>437,840</b></u>	<u>402,440</u>
Conservation lands policy and procedure			
Salaries and benefits	144,856	<b>140,884</b>	143,184
Service contracts	6,200	<b>7,519</b>	8,502
Vehicle and equipment rentals	1,200	<b>2,110</b>	2,574
Property taxes	73,500	<b>64,594</b>	62,607
Materials and supplies	780	<b>956</b>	3,495
	<u>226,536</u>	<u><b>216,063</b></u>	<u>220,362</u>
Grey County forest management			
Salaries and benefits	235,635	<b>229,301</b>	223,478
Vehicle and equipment rentals	23,800	<b>27,657</b>	31,779
Supplies	-	<b>4,777</b>	7,559
	<u>259,435</u>	<u><b>261,735</b></u>	<u>262,816</u>
Conservation information			
Salaries and benefits	102,936	<b>104,677</b>	98,143
Contracts and services	16,350	<b>9,805</b>	4,346
Vehicle and equipment rentals	600	<b>12</b>	651
Materials and supplies	3,800	<b>541</b>	4,432
Advertising contracts	700	-	-
	<u>124,386</u>	<u><b>115,035</b></u>	<u>107,572</u>
Education			
Salaries and benefits	70,757	<b>74,058</b>	88,238
Contracts and services	2,000	<b>5,919</b>	5,229
Vehicle and equipment rentals	2,000	<b>904</b>	274
Materials and supplies	1,500	<b>5,690</b>	4,910
Training	-	<b>398</b>	224
	<u>76,257</u>	<u><b>86,969</b></u>	<u>98,875</u>
Administrative support			
Salaries and benefits	481,820	<b>485,903</b>	473,966
Board members' allowances	-	<b>1,552</b>	1,500
Vehicle and equipment rentals	3,000	<b>2,305</b>	2,561
Materials and supplies	13,120	<b>7,862</b>	11,786
Services, rents and utilities	258,100	<b>192,349</b>	230,741
	<u>756,040</u>	<u><b>689,971</b></u>	<u>720,554</u>
GIS and IT support			
Salaries and benefits	309,427	<b>276,599</b>	275,738
Service contracts	21,905	<b>33,220</b>	14,933
Vehicle and equipment rentals	800	<b>532</b>	498
Materials and supplies	6,300	<b>4,109</b>	3,202
Hardware and software	-	-	4,914
	<u>338,432</u>	<u><b>314,460</b></u>	<u>299,285</u>

**GREY SAUBLE CONSERVATION AUTHORITY**  
**SCHEDULE 7**  
**SCHEDULE OF PROGRAMMING EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31**  
**(UNAUDITED)**

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
Sourcewater management			
Salaries and benefits	65,864	<b>66,932</b>	67,490
Vehicle and equipment rentals	1,000	<b>472</b>	244
Materials and supplies	2,000	<b>9,273</b>	9,739
Services, rents and utilities	10,000	-	-
	<u>78,864</u>	<u><b>76,677</b></u>	<u>77,473</u>
Sourcewater protection			
Salaries and benefits	183,732	<b>187,799</b>	179,686
Committee members' allowance	-	<b>3,844</b>	4,244
Vehicle and equipment rentals	4,000	<b>1,086</b>	941
Materials and supplies	3,000	<b>13,296</b>	11,334
Services, rents and utilities	38,000	<b>10,419</b>	10,722
	<u>228,732</u>	<u><b>216,444</b></u>	<u>206,927</u>

**GREY SAUBLE CONSERVATION AUTHORITY**  
**SCHEDULE 8**  
**SCHEDULE OF OPERATING SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31**  
**(UNAUDITED)**

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
<b>Revenue</b>			
Municipal levies	1,996,612	<b>1,996,612</b>	1,724,166
Government grants	74,356	<b>123,250</b>	116,580
Other funding	34,680	<b>62,576</b>	57,943
Grey Sauble Forestry/Trees Ontario	189,000	<b>198,899</b>	222,192
Grey County forest management	259,435	<b>262,894</b>	263,466
Timber and wood sales	60,000	<b>286,791</b>	63,108
User fees	959,700	<b>981,830</b>	968,572
Sourcewater protection	228,732	<b>216,444</b>	206,927
Net rental recoveries	35,289	<b>46,853</b>	32,418
Donations	22,500	<b>25,919</b>	36,921
Risk management	50,200	<b>46,980</b>	45,180
Miscellaneous	117,947	<b>151,638</b>	50,159
Interest earned	26,000	<b>19,355</b>	27,196
Proceeds on disposal of tangible capital assets	-	<b>90</b>	1,478
	<u>4,054,451</u>	<u><b>4,420,131</b></u>	<u>3,816,306</u>
<b>Expenditures</b>			
Water management	176,257	<b>179,266</b>	172,949
Environmental planning	796,330	<b>807,541</b>	822,581
Forestry			
-Operations on Authority land	160,456	<b>156,544</b>	136,519
-Grey Bruce Forestry/Trees Ontario	189,000	<b>207,303</b>	228,456
-Grey County forest management	259,435	<b>261,735</b>	262,816
Conservation lands policy and procedures	226,536	<b>216,063</b>	220,362
Conservation lands operations	424,891	<b>437,840</b>	402,440
Conservation information	124,386	<b>115,035</b>	107,572
Education	76,257	<b>86,970</b>	98,875
Administrative support	756,040	<b>689,971</b>	720,554
Miscellaneous	-	<b>11,807</b>	28,142
Risk management	78,864	<b>76,677</b>	77,473
Sourcewater protection	228,732	<b>216,444</b>	206,927
GIS/IT department	338,432	<b>314,460</b>	299,285
Major projects (Schedule 9)	3,129,000	<b>1,444,535</b>	321,244
	<u>6,964,616</u>	<u><b>5,222,191</b></u>	<u>4,106,195</u>
Net expenditures	<u>(2,910,165)</u>	<u><b>(802,060)</b></u>	<u>(289,889)</u>
<b>Appropriations</b>			
From (to) reserve funds	(1,133,708)	<b>(1,192,590)</b>	90,904
Proceeds from new long-term liabilities	2,000,000	<b>2,100,000</b>	-
Long-term liabilities principal repayment	-	<b>(50,959)</b>	-
<b>Net deficit for the year</b>	<u>(2,043,873)</u>	<u><b>54,391</b></u>	<u>(198,985)</u>
Operating surplus at beginning of year	32,254	<b>32,254</b>	231,239
<b>Operating (deficit) surplus at end of year</b>	<u>(2,011,619)</u>	<u><b>86,645</b></u>	<u>32,254</u>

**GREY SAUBLE CONSERVATION AUTHORITY**  
**SCHEDULE 9**  
**SCHEDULE OF MAJOR PROJECTS**  
**FOR THE YEAR ENDED DECEMBER 31**  
**(UNAUDITED)**

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
IT equipment	18,500	<b>13,663</b>	13,972
Vehicle replacement	-	-	73,567
Admin centre - renewal	3,000,000	<b>1,308,254</b>	189,853
Other equipment	-	-	17,350
Parking signs	6,000	<b>2,977</b>	-
Stone repointing	7,000	<b>3,420</b>	-
Water monitoring stations	15,000	<b>38,445</b>	-
Picnic areas	3,000	-	-
Inglis Falls - washroom upgrades	65,000	<b>54,502</b>	-
Dam repairs	-	<b>916</b>	-
Privy demolition	4,500	<b>1,161</b>	-
Trout Hollow - barn removal	-	<b>13,697</b>	-
Eugenia Falls - pavilion demolition	10,000	<b>7,500</b>	-
Water management	-	-	26,502
	<b>3,129,000</b>	<b>1,444,535</b>	<b>321,244</b>