

The Otonabee Region Conservation Authority
Financial Statements
For the year ended December 31, 2025

The Otonabee Region Conservation Authority
Financial Statements
For the year ended December 31, 2025

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Otonabee Region Conservation Authority (the "Authority") are the responsibility of the Authority's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are 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 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.

Members meet with Management and the external auditors 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 BDO Canada LLP, independent external auditors 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.



[Michael Metcalf \(Jun 18, 2026 12:29:53 EDT\)](#)

Chair
Michael Metcalf
June 8, 2026



[Kevin M. Duguay \(Jun 19, 2026 08:48:24 EDT\)](#)

Vice Chair
Kevin Duguay
June 8, 2026



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Independent Auditor's Report

To the Members of The Otonabee Region Conservation Authority

Opinion

We have audited the financial statements of The Otonabee Region Conservation Authority, (the "Authority") which comprise the statement of financial position as at December 31, 2025, and the statements of operations and accumulated surplus, change in net financial assets and 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, changes in net financial assets, and 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.

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.

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 Authorities 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 Authorities 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 Authorities 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
June 8, 2026

The Otonabee Region Conservation Authority
Statement of Financial Position

December 31	2025	2024
Financial assets		
Cash	\$ 869,400	\$ 393,620
Investments (Note 3)	420,387	405,590
Accounts receivable (Note 4)	176,610	147,713
	1,466,397	946,923
Financial liabilities		
Accounts payable and accrued liabilities (Note 5)	522,453	473,953
Deferred revenue (Note 6)	24,645	3,900
	547,098	477,853
Net financial assets	919,299	469,070
Non-financial assets		
Tangible capital assets (Note 7)	10,060,984	10,269,599
Prepaid expenses	95,099	90,474
	10,156,083	10,360,073
Accumulated surplus (Note 9)	\$ 11,075,382	\$ 10,829,143

Approved by Board

_____ Chair

_____ Vice Chair

The Otonabee Region Conservation Authority
Statement of Operations and Accumulated Surplus

For the year ended December 31	Budget 2025 (Note 2)	2025	2024
Revenue			
Government funding			
Municipal:			
General levy	\$ 1,537,757	\$ 1,537,757	\$ 1,427,318
Fees for services	175,500	185,950	217,164
Provincial	100,249	95,715	119,501
Federal	10,000	15,009	5,009
Authority generated			
User fees	1,250,000	1,211,040	1,247,308
Sales, rentals and other	134,890	340,770	221,394
Grants and partnerships	98,500	72,449	99,346
Donations	40,000	84,049	54,521
Services	-	-	1,073
Transfer to reserve	28,000	-	-
	3,374,896	3,542,739	3,392,634
Expenses			
Natural Hazard Program (Schedule A)	1,017,655	910,757	1,024,207
Conservation Lands Program (Schedule B)	1,048,576	1,267,997	1,267,116
Watershed Management Program (Schedule C)	436,496	302,731	359,508
Corporate services (Schedule D)	777,811	815,015	839,502
	3,280,538	3,296,500	3,490,333
Annual surplus (deficit)	94,358	246,239	(97,699)
Accumulated surplus, beginning of year	10,829,143	10,829,143	10,926,842
Accumulated surplus, end of year	\$ 10,923,501	\$ 11,075,382	\$ 10,829,143

The Otonabee Region Conservation Authority
Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2025 (Note 2)	2025	2024
Annual surplus (deficit)	\$ 94,358	\$ 246,239	\$ (97,699)
Acquisition of tangible capital assets	-	(4,182)	(42,056)
Amortization of tangible capital assets	-	199,560	217,453
Loss on disposal of tangible capital assets	-	13,237	-
	94,358	454,854	77,698
Change in prepaid expenses	-	(4,625)	(33,358)
Change in net financial assets	94,358	450,229	44,340
Net financial assets, beginning of year	469,070	469,070	424,730
Net financial assets, end of year	\$ 563,428	\$ 919,299	\$ 469,070

The Otonabee Region Conservation Authority
Statement of Cash Flows

For the year ended December 31	2025	2024
Operating Transactions		
Annual surplus (deficit)	\$ 246,239	\$ (97,699)
Non-cash changes to operations:		
Amortization of tangible capital assets	199,560	217,453
Loss on disposal of tangible capital assets	13,237	-
Changes in non-cash operating items:		
Accounts receivable	(28,897)	37,286
Prepaid expenses	(4,625)	(33,358)
Accounts payable and accrued liabilities	48,500	(280,364)
Deferred revenue	20,745	(7,638)
Total Operating Transactions	494,759	(164,320)
Capital Transactions		
Acquisition of tangible capital assets	(4,182)	(42,056)
Investing transactions		
Purchase of temporary investments	(14,797)	(405,590)
Increase (decrease) in cash	475,780	(611,966)
Cash, beginning of year	393,620	1,005,586
Cash, end of year	\$ 869,400	\$ 393,620

The Otonabee Region Conservation Authority

Notes to the Financial Statements

December 31, 2025

1. Summary of Significant Accounting Policies

Nature of the Authority

The Otonabee Region Conservation Authority (the "Authority") was established in 1959, in accordance with Section 3(1) of the Conservation Authorities Act of Ontario. The watershed includes area in the Municipalities of Asphodel-Norwood, Cavan Monaghan, Douro-Dummer, Otonabees-South Monaghan, Selwyn and Trent Hills and the Cities of Peterborough and Kawartha Lakes. The Authority is classified as a registered charity under the Income Tax Act (Canada) and as such, is not subject to income taxes provided certain disbursement requirements are met. The objective of the Authority, as stated by the Conservation Authorities Act R.S.O. 1990 is "to provide for the organization and delivery of programs and services that further the conservation, restoration, development and management of natural resources in watersheds in Ontario".

Management's Responsibility

The financial statements of the Authority are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of The Chartered Professional Accountants of Canada.

Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting whereby they are reflected in the accounts in the year in which they have been earned and incurred, respectively, whether or not such transactions have been settled by the receipt or payment of money.

Various revenue and expense items flow through the statement of financial activities based on their general nature in relation to operating activities. To the extent that these revenue and expense items relate to specific reserve balances, these items are reflected on Schedule E - Continuity of Reserves.

The Otonabee Region Conservation Authority
Notes to the Financial Statements

December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Non-Financial Assets, Tangible Capital Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations.

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost, less accumulated amortization. Cost includes all amounts directly attributable to acquisition, construction, development or betterment of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset using the following rates:

Building and building improvements	40 years
Land improvements	40 years
Infrastructure - Dams	80 years
Infrastructure - Other	40 years
Machinery and equipment	7 years
Vehicles	7 years
Furniture and fixtures	5 years
Computers	3 years

Assets under construction are not amortized until the asset is available for productive use, at which time, they are capitalized.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the organization's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

(ii) Contributed Tangible Capital Assets

Contributed tangible capital assets are recorded at their fair value on the date of contribution, except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

Reserves

Reserves are established under approval of The Otonabee Regional Conservation Authority Board of Directors. The recommendation of reserves and appropriations fall under the authority of the CAO and the Director of Corporate Services. Increases or decreases in these reserves are made by appropriations to or from operations. Any use of funds from a reserve shall be authorized by the Board of Directors as outlined in procedure.

The Otonabee Region Conservation Authority

Notes to the Financial Statements

December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Government transfers

Government transfers and municipal levies are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Government transfers and municipal levies are recognized as deferred revenue when transfer stipulations give rise to a liability. Government transfers and municipal levies are recognized in the statement of operations as the stipulation liabilities are settled.

Restricted Revenue

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the purpose specified. Contributions relating to capital assets are deferred and amortized over the useful life of the related asset.

Other Revenue

Revenue from transactions with performance obligations is recognized when (at a point in time) or as (over a period of time) the organization satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Other grants, donations and contributions, investment income and authority-generated revenue including permit fees are recognized when the related services are performed.

Pension Plan

The Authority is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The Authority has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Authority records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

Use of Estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements include accounts receivable, estimated provisions for accrued liabilities, the estimated useful lives of tangible capital assets and valuation of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

The Otonabee Region Conservation Authority

Notes to the Financial Statements

December 31, 2025

1. Summary of Significant Accounting Policies (continued)

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Authority's financial assets comprise of cash and cash equivalents including investments which are recorded at fair value; and accounts receivable which are recorded at amortized cost. The Authority's financial liabilities comprise of accounts payable and accrued liabilities which are recorded at amortized cost.

Asset Retirement Obligation

A liability for an asset retirement obligation is recognized when 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 recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed. The Authority has determined that its asset retirement obligations are not material and as such have not recorded a liability related to these costs.

The Otonabee Region Conservation Authority
Notes to the Financial Statements

December 31, 2025

2. Budget Figures

The Budget for 2025 was adopted by the Board of Directors on December 19, 2024. The budget was prepared on a cash basis (based on expected cash inflows and outflows), while Canadian public sector accounting standards now require the reporting of actual results on the financial statements to be prepared on a full accrual basis. The budget figures presented in the statements of operations and change in net financial assets represent the 2025 budget adopted by the Board.

	Revenue	Expense	Net
Board approved budget:			
Operating	\$ 3,374,896	\$ 3,374,896	\$ -
Less: Budgeted capital expenses	-	94,358	(94,358)
Adjusted budget per the statement of operations	\$ 3,374,896	\$ 3,280,538	\$ 94,358

The budgeted numbers are unaudited.

3. Investments

	2025	2024
Guaranteed Investment Certificate, interest at 3.65%, maturing November 1, 2025	\$ -	\$ 405,590
Guaranteed Investment Certificate, interest at 3.00%, maturing November 1, 2026	420,387	-
	\$ 420,387	\$ 405,590

4. Accounts Receivable

	2025	2024
Federal	\$ 6,224	\$ 44
Provincial	-	20,736
HST receivable	34,222	28,179
Authority generated	136,164	98,754
	\$ 176,610	\$ 147,713

The Otonabee Region Conservation Authority
Notes to the Financial Statements

December 31, 2025

5. Accounts Payable

	2025	2024
Accounts payable and accrued liabilities	\$ 135,705	\$ 117,016
Salaries and benefits payable	79,252	49,441
Employee future benefits	307,496	307,496
	\$ 522,453	\$ 473,953

6. Deferred Revenue and Government Transfers

Revenue received but not earned at year end is as follows:

	Balance, December 31, 2024	2025 Receipts	2025 Revenue	Balance, December 31, 2025
Capital projects levy	\$ -	\$ 1,537,758	\$ 1,537,757	\$ 1
Source water protection	-	-	-	-
Water and Erosion Control Infrastructure	-	20,644	-	20,644
Other grants (less than \$15,000)	3,900	4,000	3,900	4,000
	\$ 3,900	\$ 1,562,402	\$ 1,541,657	\$ 24,645

	Balance, December 31, 2023	2024 Receipts	2024 Revenue	Balance, December 31, 2024
Capital projects levy	-	-	-	-
Special levy	-	-	-	-
Water and Erosion Control Infrastructure	5,238	1,886	7,124	-
Other grants (less than \$15,000)	6,300	3,900	6,300	3,900
	11,538	5,786	13,424	3,900

These amounts are recognized as revenue as directly related expenses are incurred.

The Otonabee Region Conservation Authority
Notes to the Financial Statements

December 31, 2025

7. Tangible Capital Assets

	2025									
	Land	Land Improvements	Building and Building Improvements	Infrastructure	Machinery and Equipment	Vehicles	Furniture and Fixtures	Computers	Work in Progress	Total
Cost										
Balance, beginning of year	\$ 3,086,616	\$ 624,804	\$ 2,012,911	\$ 6,150,730	\$ 293,029	\$ 225,376	\$ 72,423	\$ 100,520	\$ 10,175	\$ 12,576,584
Add: Additions during the year	-	-	-	-	2,244	-	1,938	-	-	4,182
Less: Disposals during the year	-	-	-	-	(4,672)	(23,100)	-	-	-	(27,772)
Balance, end of year	3,086,616	624,804	2,012,911	6,150,730	290,601	202,276	74,361	100,520	10,175	12,552,994
Accumulated amortization										
Balance, beginning of year	-	46,165	541,817	1,164,001	215,485	184,060	63,104	92,353	-	2,306,985
Add: Amortization during the year	-	15,620	50,323	87,313	23,101	9,998	6,760	6,445	-	199,560
Less: Amortization on disposals	-	-	-	-	(1,335)	(13,200)	-	-	-	(14,535)
Balance, end of year	-	61,785	592,140	1,251,314	237,251	180,858	69,864	98,798	-	2,492,010
Net book value of tangible capital assets	\$ 3,086,616	\$ 563,019	\$ 1,420,771	\$ 4,899,416	\$ 53,350	\$ 21,418	\$ 4,497	\$ 1,722	\$ 10,175	\$ 10,060,984

The Otonabee Region Conservation Authority
Notes to the Financial Statements

December 31, 2025

7. Tangible Capital Assets (continued)

	2024									
	Land	Land Improvements	Building and Building Improvements	Infrastructure	Machinery and Equipment	Vehicles	Furniture and Fixtures	Computers	Work in Progress	Total
Cost										
Balance, beginning of year	\$ 3,086,616	\$ 611,617	\$ 2,012,911	\$ 6,150,730	\$ 290,032	\$ 225,376	\$ 72,423	\$ 95,352	\$ 10,175	\$ 12,555,232
Add: Additions during the year		13,187	-	-	23,701	-	-	5,168	-	42,056
Less: Disposals during the year	-	-	-	-	(20,704)	-	-	-	-	(20,704)
Balance, end of year	<u>3,086,616</u>	<u>624,804</u>	<u>2,012,911</u>	<u>6,150,730</u>	<u>293,029</u>	<u>225,376</u>	<u>72,423</u>	<u>100,520</u>	<u>10,175</u>	<u>12,576,584</u>
Accumulated amortization										
Balance, beginning of year	-	30,545	491,494	1,076,688	208,445	166,223	53,961	82,880	-	2,110,236
Add: Amortization during the year	-	15,620	50,323	87,313	27,744	17,837	9,143	9,473	-	217,453
Less: Amortization on disposals	-	-	-	-	(20,704)	-	-	-	-	(20,704)
Balance, end of year	<u>-</u>	<u>46,165</u>	<u>541,817</u>	<u>1,164,001</u>	<u>215,485</u>	<u>184,060</u>	<u>63,104</u>	<u>92,353</u>	<u>-</u>	<u>2,306,985</u>
Net book value of tangible capital assets	<u>\$ 3,086,616</u>	<u>\$ 578,639</u>	<u>\$ 1,471,094</u>	<u>\$ 4,986,729</u>	<u>\$ 77,544</u>	<u>\$ 41,316</u>	<u>\$ 9,319</u>	<u>\$ 8,167</u>	<u>\$ 10,175</u>	<u>\$ 10,269,599</u>

The Otonabee Region Conservation Authority
Notes to the Financial Statements

December 31, 2025

8. Related Party Transactions

Board members are paid a per diem and the Chair and Vice-Chair receive a nominal honorarium.

9. Accumulated Surplus

Accumulated surplus consists of the following:

	2025	2024
Surpluses		
Internal 'current' and 'capital' funds	\$ 596,636	\$ 141,782
Invested in tangible capital assets	10,060,984	10,269,599
Reserves	417,762	417,762
Accumulated surplus	\$ 11,075,382	\$ 10,829,143

10. Expenses by Object

Salaries, wages and employee benefits	\$ 1,998,918	\$ 2,124,274
Utilities, communications, property taxes and insurance	204,343	216,095
Maintenance, service and supplies	412,418	374,157
Professional services	187,374	161,331
Travel and staff expenses	28,843	25,347
Other	236,663	343,095
Vehicle costs	28,381	28,581
Amortization of tangible capital assets	199,560	217,453
	\$ 3,296,500	\$ 3,490,333

11. Pension Plan

The Authority makes contributions to the Ontario Municipal Employees' Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all full-time members of its staff. The plan is a defined benefit plan, which specifies that amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including the investment of assets and administration of benefits. OMERS provides pension services to more than 665,000 active and retired members and approximately 1,000 employees.

Each year an independent actuary determines the status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2025. The results of this valuation disclosed total actuarial liabilities of \$151.40 billion in respect of benefits accrued for service with actuarial assets at that date of \$150 billion indicating an actuarial deficit of \$1.3 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Authority to OMERS for 2025 were \$128,002 (2024 - \$134,881).

The Otonabee Region Conservation Authority
Notes to the Financial Statements

December 31, 2025

12. Financial Instruments Risks

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Authority's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Authority's receivables are from government resources.

There has been no change to this risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Authority will not have sufficient funds to settle a transaction on the due date. The Authority is exposed to this risk mainly in respect of its accounts payable. The Authority mitigates this risk by ensuring that it always has sufficient cash to allow it to meet its liabilities when they become due.

There has been no change to this risk from the prior year.

13. Proposed Legislative Change

In November 2025, the Province of Ontario announced proposed legislative changes to the structure and governance of conservation authorities, including the consolidation of existing authorities into a smaller number of regional entities. The legislation received Royal Assent on April 24, 2026. At the date of authorization of these financial statements, the timing and nature of any resulting impacts on the Authority, including potential effects on governance, operations, funding, assets, or liabilities, cannot be reasonably determined. Accordingly, no adjustments have been made to the amounts recognized in these financial statements. Any impacts arising from the implementation of the legislative changes will be recognized in the period in which they occur or become measurable.

The Otonabee Region Conservation Authority Notes to the Financial Statements

December 31, 2025

14. Program Information

Certain allocation methodologies are employed in the preparation of program financial information. Government grants, user charges, transfers from other funds, and other revenue are allocated to the specific program or service they relate to. Expense allocations are both internal and external. Activity based costing is used to allocate internal support costs to departments. These costs include the net expenditures for departments, such as human resources, information systems, finance and others, commonly referred to as overhead. The Authority allocated its activities into four main program areas which are reported in the accompanying supplementary schedules to the financial statements.

Natural Hazard Program

This program includes activities related to permitting responsibilities, review of applications under the Planning Act, flood plain mapping, flood forecasting, monitoring watershed conditions, delivery of water safety and natural hazard related education programs, operate, maintain and ensure the safe working order of water and ice control structures.

Conservation Lands Program

Conservation lands program includes activities related to the operation and maintenance of Authority owned land for natural heritage protection and recreation purposes and to undertake resource development on the land.

Watershed Management Program

Watershed management program includes activities related to the development of watershed-based resource management strategy for water resources, implementation of provincial water quality and groundwater quality monitoring programs. Implementation of the policies of the Trent Source Protection Plan and compliance with the assigned requirements of the Clean Water Act, including support to the Municipalities.

This program also works with landowners to undertake land restoration and stewardship activities on their lands that enhances the natural environment.

It also provides technical reviews and expertise on natural heritage matters to assist the Municipalities in making environmentally sound decisions on Planning Act applications.

Corporate Services

Corporate Services supports each of the departments and the organization as a whole by providing administrative support, coordination, policy development and implementation, program direction and development, strategic and business planning and Board support including agendas and minutes. Corporate Services is responsible for Finance, Human Resources, Health & Safety, Asset Management, Information Technology, Records Management and Corporate Communications.

The Otonabee Region Conservation Authority
Natural Hazard Program
Schedule A

For the year ended December 31, 2025 with comparative information for 2024

	2025 Budget (Note 2)	2025 Actual	2024 Actual
Revenue:			
Municipal funding	-	-	-
General levy	\$ 527,406	\$ 527,406	\$ 533,969
Fees for service	-	17,838	57,398
	527,406	545,244	591,367
Provincial funding	100,249	95,715	119,501
Total government funding	627,655	640,959	710,868
User fees	390,000	301,287	333,970
Sales, rentals and other	-	5,000	12,118
Grants and partnerships	-	-	2,500
Donations	-	-	2,500
Total authority generated revenue	390,000	306,287	351,088
Total Revenue	1,017,655	947,246	1,061,956
Expenses:			
Salaries, wages and employee benefits	860,830	668,727	744,351
Utilities, communications, property taxes and insurance	38,905	37,235	41,308
Maintenance, service and supplies	33,700	21,639	27,538
Professional services	72,120	79,477	82,620
Travel and staff expenses	4,600	11,163	8,228
Other expenses	7,500	4,839	28,388
Amortization of tangible capital assets	-	87,677	91,774
Total Expenses	1,017,655	910,757	1,024,207
Net Surplus for the Year	\$ -	\$ 36,489	\$ 37,749

The Otonabee Region Conservation Authority
Conservation Lands Program
Schedule B

For the year ended December 31, 2025 with comparative information for 2024

	2025 Budget (Note 2)	2025 Actual	2024 Actual
Revenue:			
Municipal funding			
General levy	\$ 179,286	\$ 179,286	\$ 96,673
Federal funding	10,000	10,193	5,009
Total government funding	189,286	189,479	101,682
User fees	860,000	909,753	913,338
Sales, rentals and other	75,300	194,899	129,194
Grants and partnerships	2,500	14,000	4,400
Donations	-	325	11,021
Total authority generated revenue	937,800	1,118,977	1,057,953
Services	-	-	1,073
Transfer from reserves	28,000	-	-
Total Revenue	1,155,086	1,308,456	1,160,708
Expenses:			
Salaries, wages and employee benefits	641,441	647,453	625,694
Utilities, communications, property taxes and insurance	133,720	120,491	121,699
Maintenance, service and supplies	109,791	234,438	172,714
Professional services	-	(507)	310
Travel and staff expenses	11,599	6,126	7,190
Other expenses	152,025	184,173	257,887
Vehicle costs	-	1,039	201
Amortization of tangible capital assets	-	74,784	81,421
Total Expenses	1,048,576	1,267,997	1,267,116
Net Surplus (Deficit) for the Year	\$ 106,510	\$ 40,459	\$ (106,408)

The Otonabee Region Conservation Authority
Watershed Management Program
Schedule C

For the year ended December 31, 2025 with comparative information for 2024

	2025 Budget (Note 2)	2025 Actual	2024 Actual
Revenue:			
Municipal funding			
General levy	\$ 86,769	\$ 86,769	\$ 66,102
Fees for service	175,500	168,112	159,766
	262,269	254,881	225,868
Federal funding	-	4,816	-
Total government funding	262,269	259,697	225,868
Sales, rentals and other	39,590	19,007	29,369
Grants and partnerships	96,000	58,449	92,446
Donations	20,000	21,000	21,000
Total authority generated revenue	155,590	98,456	142,815
Total Revenue	417,859	358,153	368,683
Expenses:			
Salaries, wages and employee benefits	335,848	258,356	297,837
Utilities, communications, property taxes and insurance	14,898	10,734	12,667
Maintenance, service and supplies	30,700	17,995	23,478
Professional services	3,300	515	1,620
Travel and staff expenses	2,000	5,531	7,155
Other expenses	49,750	8,917	16,068
Amortization of tangible capital assets	-	683	683
Total Expenses	436,496	302,731	359,508
Net Surplus (Deficit) for the Year	\$ (18,637)	\$ 55,422	\$ 9,175

The Otonabee Region Conservation Authority
Corporate Services
Schedule D

For the year ended December 31, 2025 with comparative information for 2024

	2025 Budget (Note 2)	2025 Actual	2024 Actual
Revenue:			
Municipal funding			
General levy	\$ 744,296	\$ 744,296	\$ 730,574
Sales, rentals and other	20,000	121,864	50,713
Donations	20,000	62,724	20,000
Total authority generated revenue	40,000	184,588	70,713
Total Revenue	784,296	928,884	801,287
Expenses:			
Salaries, wages and employee benefits	451,996	424,382	456,392
Utilities, communications, property taxes and insurance	46,200	35,883	40,421
Maintenance, service and supplies	127,014	138,346	150,427
Professional services	77,000	107,889	76,781
Travel and staff expenses	6,001	6,023	2,774
Other expenses	43,600	38,734	40,752
Vehicle costs	26,000	27,342	28,380
Amortization of tangible capital assets	-	36,416	43,575
Total Expenses	777,811	815,015	839,502
Net Surplus (Deficit) for the Year	\$ 6,485	\$ 113,869	\$ (38,215)

The Otonabee Region Conservation Authority
Continuity of Reserves
Schedule E

For the year ended December 31, 2025 with comparative information for 2024

2025	Balance, December 31, 2024	Appropriation (to) from Operations	Additions	Balance, December 31, 2025
Unrestricted				
Capital Reserve	\$ 1,361	\$ -	\$ -	\$ 1,361
Harold Town Reserve	-	-	-	-
General Reserve	286,349	-	-	286,349
Externally Restricted				
Gravel Pit Rehabilitation Reserve	28,223	-	-	28,223
Proceeds from Disposition of Lands Reserve	101,829	-	-	101,829
	<u>\$ 417,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,762</u>

2024	Balance, December 31, 2023	Appropriation (to) from Operations	Additions	Balance, December 31, 2024
Unrestricted				
Capital Reserve	\$ 1,361	\$ -	\$ -	\$ 1,361
Jackson Creek Trail Revitalization Reserve	-	-	-	-
Harold Town Reserve	18,010	(18,010)	-	-
General Reserve	286,349	-	-	286,349
Externally Restricted				
Gravel Pit Rehabilitation Reserve	28,223	-	-	28,223
Proceeds from Disposition of Lands Reserve	101,829	-	-	101,829
	<u>\$ 435,772</u>	<u>\$ (18,010)</u>	<u>\$ -</u>	<u>\$ 417,762</u>

Otonabee Region Conservation - Client Copy - Financial Statement - Dec2025

Final Audit Report

2026-06-19

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