

Financial Statements of

**GRAND RIVER CONSERVATION  
FOUNDATION**

And Independent Auditor's Report thereon

Year ended December 31, 2025



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Grand River Conservation Foundation

### ***Opinion***

We have audited the financial statements of Grand River Conservation Foundation (the Foundation), which comprise:

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

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

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

We are independent of the Foundation 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 accounting standards for not-for-profit organizations, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 the 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 Foundation's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

June 18, 2026

# GRAND RIVER CONSERVATION FOUNDATION

## Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
<b>Assets</b>		
Current assets:		
Cash	\$ 794,585	\$ 2,097,966
Short-term investments (note 2)	223,000	130,050
Accounts receivable (note 3)	15,675	5,354
Interest receivable	19,151	23,042
	<u>1,052,411</u>	<u>2,256,412</u>
Long-term investments (note 2)	1,144,948	1,064,633
	<u>\$ 2,197,359</u>	<u>\$ 3,321,045</u>

## Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (notes 4 and 8)	\$ 162,339	\$ 1,306,416
Fund balances:		
Unrestricted:		
Undesignated Fund	193,846	124,617
Restricted:		
Recreation Fund	780,985	734,759
Restoration Fund	165,394	129,744
Environmental Education Fund	274,371	395,435
Scholarship Fund	21,533	27,316
Land Acquisition and Stewardship Fund	491	491
Community volunteer funds	41,636	38,327
Partner Fund	87,638	123,769
Endowed Fund	469,126	440,171
	<u>2,035,020</u>	<u>2,014,629</u>
	<u>\$ 2,197,359</u>	<u>\$ 3,321,045</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Chair

\_\_\_\_\_ Secretary-Treasurer

# GRAND RIVER CONSERVATION FOUNDATION

## Statement of Operations and Changes in Fund Balances

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

	General Fund	Recreation Fund	Environmental Restoration Fund	Environmental Education Fund	Scholarship Fund	Land Acquisition and Stewardship Fund	Community Volunteer Fund	Undesignated Fund	Partner Fund	Endowed Fund	Total 2025	Total 2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue:</b>												
Donations	14,018	52,126	45,414	270,989	4,600	–	–	57,117	28,772	–	473,036	245,556
Life insurance	615	–	–	–	–	–	–	–	–	–	615	615
Investment income (note 5)	–	64,733	12,145	38,256	2,117	–	3,309	13,177	10,455	37,755	181,947	280,253
Other income	–	–	–	–	–	–	–	–	–	2,200	2,200	2,200
<b>Total revenue</b>	<b>14,633</b>	<b>116,859</b>	<b>57,559</b>	<b>309,245</b>	<b>6,717</b>	<b>–</b>	<b>3,309</b>	<b>70,294</b>	<b>39,227</b>	<b>39,955</b>	<b>657,798</b>	<b>528,624</b>
<b>Expenses:</b>												
Staff support	4,943	–	–	–	–	–	–	–	–	–	4,943	53,465
Fundraising expenses	51,531	–	–	–	–	–	–	–	–	–	51,531	2,887
Life insurance	615	–	–	–	–	–	–	–	–	–	615	615
General expenses	21,780	–	–	–	–	–	–	–	–	–	21,780	17,421
Other	14,018	–	–	–	–	–	–	–	–	–	14,018	–
Disbursements to												
Authority projects	–	62,028	13,636	376,112	12,500	–	–	–	69,244	11,000	544,520	1,590,929
<b>Total expenses</b>	<b>92,887</b>	<b>62,028</b>	<b>13,636</b>	<b>376,112</b>	<b>12,500</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>69,244</b>	<b>11,000</b>	<b>637,407</b>	<b>1,665,317</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(78,254)</b>	<b>54,831</b>	<b>43,923</b>	<b>(66,867)</b>	<b>(5,783)</b>	<b>–</b>	<b>3,309</b>	<b>70,294</b>	<b>(30,017)</b>	<b>28,955</b>	<b>20,391</b>	<b>(1,136,693)</b>
Fund balances, beginning of year	–	734,759	129,744	395,435	27,316	491	38,327	124,617	123,769	440,171	2,014,629	3,151,322
Interfund transfers (note 6)	78,254	(8,605)	(8,273)	(54,197)	–	–	–	(1,065)	(6,114)	–	–	–
<b>Fund balances, end of year</b>	<b>–</b>	<b>780,985</b>	<b>165,394</b>	<b>274,371</b>	<b>21,533</b>	<b>491</b>	<b>41,636</b>	<b>193,846</b>	<b>87,638</b>	<b>469,126</b>	<b>2,035,020</b>	<b>2,014,629</b>

See accompanying notes to financial statements.

# GRAND RIVER CONSERVATION FOUNDATION

## Statement of Cash Flows

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

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 20,391	\$ (1,136,693)
Item not involving cash:		
Change in fair value of investments	(118,787)	(137,911)
Changes in non-cash operating working capital:		
Accounts receivable	(10,321)	22,638
Interest receivable	3,891	13,114
Accounts payable and accrued liabilities	(1,144,077)	1,179,322
	(1,248,903)	(59,530)
Financing activities:		
Purchase of investments	(238,051)	(370,365)
Sale of investments	183,573	1,118,224
	(54,478)	747,859
Increase (decrease) in cash	(1,303,381)	688,329
Cash, beginning of year	2,097,966	1,409,637
Cash, end of year	\$ 794,585	\$ 2,097,966

See accompanying notes to financial statements.

# GRAND RIVER CONSERVATION FOUNDATION

## Notes to Financial Statements

Year ended December 31, 2025

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The Grand River Conservation Foundation (the “Foundation”) is incorporated under Ontario Not-for-Profit Corporations Act, 2010. The Foundation is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes under section 149 (1)(e) of the Income Tax Act. The purpose of the Foundation is to raise money for the purpose of funding projects, related to the conservation of natural and historic resources within the watershed of the Grand River; specifically, projects that are approved by, but beyond the scope of, the statutory resources of the Grand River Conservation Authority.

### 1. Significant accounting policies:

These financial statements have been prepared in accordance with Chartered Professional Accountants of Canada Handbook - Part III Canadian accounting standards for not-for-profit organizations. The significant policies are described below:

#### (a) Fund accounting:

The Foundation follows the restricted fund method of accounting for contributions using the following funds:

- (i) Unrestricted contributions related to general operations are recognized as revenue in the General fund or the undesignated fund.
- (ii) Restricted funds include amounts externally restricted in accordance with the objectives as specified by the donors.
  - Recreation Fund
  - Restoration Fund
  - Environmental Education Fund
  - Scholarship Fund
  - Land Acquisition and Stewardship Fund
  - Community Volunteer Fund
  - Partner Fund
- (iii) Endowed funds are resources that are required to be maintained by the Foundation on a permanent basis. Revenue of the Endowed Fund is limited to amounts that have been restricted for endowment purposes by the external contributor.

# GRAND RIVER CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

Endowment contributions are recognized as revenue in the Endowed Fund when received. Other donor-restricted contributions are recognized as revenue in the related restricted fund when received. Unrestricted contributions are recognized as revenue in the General Fund or Undesignated Fund when received.

Pledges to donate funds to the Foundation are not recorded in the accounts until such time as funds are received.

Investment income is recognized as revenue when earned.

### (c) Donated materials:

Donated materials contributed to the Foundation are recorded at fair value when provided.

### (d) Investment income:

Investment income is allocated using a weighted average of fund balances throughout the fiscal year to determine the proportional interest allocation. Investment income is assessed to ensure Endowed Funds and Scholarship Funds can facilitate Community Conservation Grants and Scholarships for the upcoming year. Investment income allocation is subject to Board approval.

### (e) Life insurance policies:

The owner of the policy pays the premium which is recorded as a donation and an expense. As the realizable amount under the policies is not certain, the Foundation will record the benefits when the proceeds are received. The cash surrender value of the insurance policies have not been recognized in the statement of financial position and statement of operations.

### (f) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of revenue and expenses and provisions for impairment of accounts receivable. Actual results could differ from those estimates.

### (g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry fixed income investments at fair value.

# GRAND RIVER CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 1. Significant accounting policies (continued):

### (g) Financial instruments (continued):

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

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

## 2. Investments:

	2025	2024
Canadian fixed income matured between April 2025 and September 2025, with interest rates between 3.31% and 4.60%	\$ -	\$ 74,050
GICs maturing between February 2026 to December 2026 (2024 – May 2025 to September 2025), with interest rates between 3.31% and 5.17% (2024 – 5.05% and 5.32%)	223,000	56,000
<b>Total short-term investments</b>	<b>\$ 223,000</b>	<b>\$ 130,050</b>

	2025	2024
Canadian fixed income maturing between January 2027 and June 2028 (2024 – January 2027 and November 2028), with interest rates of 2.33% and 5.22% (2024 – 2.33% and variable)	\$ 92,203	\$ 98,564
GICs maturing between April 2027 and September 2028 (2024 – March 2026 and October 2027), with interest rates between 3.58% and 4.70% (2024 – 3.85% and 5.17%)	204,000	262,000
Canadian equities	346,621	267,411
Global equities	502,124	436,658
<b>Total long-term investments</b>	<b>\$ 1,144,948</b>	<b>\$ 1,064,633</b>

# GRAND RIVER CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

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### 3. Accounts receivable:

No allowance for impairment of accounts receivable has been recorded at December 31, 2025 (2024 - \$nil).

### 4. Accounts payable and accrued liabilities:

No government remittance is payable as at December 31, 2025 (2024 - \$nil).

### 5. Investment income:

	2025	2024
Interest income	\$ 45,250	\$ 126,913
Dividends	17,910	15,429
Change in fair value of investments	118,787	137,911
<b>Total investment income</b>	<b>\$ 181,947</b>	<b>\$ 280,253</b>

### 6. Interfund transfers:

The interfund transfers represent the allocation of expenses to specific funds. The expenses are allocated based on the percentage of the total amount of donations received for a fund each month. The percentage is set by the Board of Directors at 20% (2024 - 20%).

### 7. Life insurance policies:

The Foundation is named as a beneficiary for insurance policies with a face value of approximately \$62,093 (2024 - \$61,711). The cash surrender value of the insurance policies are \$30,063 (2024 - \$24,500).

### 8. Related entity:

The Foundation raises funds to finance operations and capital expenses, as directed by the Foundation's donors and the Board of Directors, for the Grand River Conservation Authority (the "Authority"), which is an independent organization. Although the Authority is a separate entity and disburses funds at the discretion of its own Board of Directors, the Chair of the Authority is an ex-officio member of the Foundation Board. The accounts of the Grand River Conservation Authority are not included in these financial statements.

# GRAND RIVER CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## 8. Related entity (continued):

During 2025, the Foundation contributed \$521,020 (2024 - \$1,568,931) to fund projects carried out by the Authority and is recorded in the statement of operations under disbursements to Authority projects. As at December 31, 2025, the net amount due from the Foundation to the Authority is \$145,987 (2024 - \$1,292,643), which is included in accounts payable and accrued liabilities.

## 9. Community Foundations funds:

In 2011, the Foundation made a decision to establish the Grand River Conservation Funds (“GRC Funds”) with various Community Foundations in the Grand River Watershed. Community Foundations are charitable organizations that can hold and manage funds for other charities and can help make connections between needs and donors. The Foundation has an agreement with the three Community Foundations to manage the GRC Funds. Some funds are revocable, where ownership of the funds is with the Community Foundation on an interim basis. Donors can also contribute to the GRC Funds by making charitable donations directly to the Community Foundations. Grants can be made back to the Foundation from the GRC Funds, out of investment income earned or flow-through donations.

The details of the funds are as follows:

		2025		2024
Funds held by the Community Foundations at fair value	\$	78,736	\$	75,851
Grants received from the Community Foundations during the year		2,200		2,200

## 10. Financial risks:

The Foundation manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by The Board. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Foundation believes that it is not exposed to significant market, credit or cash flow risk arising from its financial instruments.

Additionally, the Foundation believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments. The fixed income securities yield interest between 2.33% and 5.22% and have maturities ranging from February 2026 to September 2028.

Investments that trade in foreign markets are exposed to currency risk as the price in local terms on the foreign stock exchange is converted to Canadian dollars to determine fair value. The Foundation’s overall foreign currency positions are not significant.

# GRAND RIVER CONSERVATION FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## **11. Change in comparative information:**

Certain comparative information in the statement of operations, statement of cashflows and investment income note has been reclassified to conform with the financial statement presentation adopted in the current year.