

Financial Statements of

**NOTTAWASAGA VALLEY
CONSERVATION AUTHORITY**

And Independent Auditor's Report thereon

Year ended December 31, 2023



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of Nottawasaga Valley Conservation Authority

Opinion

We have audited the accompanying financial statements of Nottawasaga Valley Conservation Authority (the Authority), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes and schedule 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 Authority as at December 31, 2023, and its results of operations and accumulated surplus, its changes in 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.



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 Responsibility 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 Authority'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 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 represents 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'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

April 26, 2024

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Financial Assets		
Cash	\$ 2,132,223	\$ 2,494,435
Accounts receivable (note 3)	457,714	511,934
Investments (note 4)	2,143,800	2,040,932
	<u>4,733,737</u>	<u>5,047,301</u>
Financial Liabilities		
Accounts payable and accrued liabilities	602,345	547,155
Deferred revenue (note 6)	1,938,887	1,904,304
	<u>2,541,232</u>	<u>2,451,459</u>
Net financial assets	2,192,505	2,595,842
Non-Financial Assets		
Tangible capital assets (note 5)	8,581,748	8,682,506
Prepaid expenses	61,814	61,403
	<u>8,643,562</u>	<u>8,743,909</u>
Contingent liabilities (note 9)		
Commitments (note 15)		
Accumulated surplus (note 7)	\$ 10,836,067	\$ 11,339,751

See accompanying notes to financial statements.

On behalf of the Board:


_____ Chair


_____ CAO/Secretary - Treasurer

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget (note 13)	2023 Actual	2022 Actual
Revenue:			
Municipal levies			
- general matching	\$ 97,307	\$ 97,307	\$ 97,307
- general non-matching	2,774,749	2,767,749	2,646,427
- special	25,000	3,000	3,000
Municipal grants	78,800	161,275	142,110
Total municipal funding	2,975,856	3,029,331	2,888,844
Government - provincial grants (schedule)	324,807	507,278	404,096
- federal grants (schedule)	104,000	196,770	233,893
User fees (schedule)	1,675,040	1,750,935	1,596,885
Contributions and donations	643,500	678,740	815,983
Interest income	50,000	176,784	74,479
Miscellaneous	-	1,259	77,624
(Loss) gain on disposition of capital assets	-	(715)	10,903
	5,773,203	6,340,382	6,102,707
Expenses: (note 11)			
Planning services	1,578,111	1,543,951	1,452,004
Administrative support	567,638	696,783	603,123
Healthy waters	696,086	769,807	843,888
Reforestation	421,469	347,000	398,407
Flood forecast and warning	324,930	371,738	297,693
Tiffin Centre infrastructure maintenance	415,881	400,616	357,023
Corporate governance	345,067	345,067	326,332
Watershed science	479,614	434,402	487,089
Environmental education	233,778	342,817	250,193
GIS technical support	382,350	383,232	294,492
Conservation lands	215,265	278,284	276,774
Workshop vehicles and equipment	-	13,987	-
Engineering and technical services	27,800	175,503	128,847
	5,687,989	6,103,187	5,715,865
Earnings before the undernoted item	85,214	237,195	386,842
One time recovery:			
CEWS repayable	-	740,879	-
Annual surplus (deficit)	85,214	(503,684)	386,842
Accumulated surplus, beginning of year	11,339,751	11,339,751	10,952,909
Accumulated surplus, end of year	\$ 11,424,965	\$ 10,836,067	\$ 11,339,751

See accompanying notes to financial statements.

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Statement of Changes in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget (note 13)	2023 Actual	2022 Actual
Annual surplus (deficit)	\$ 85,214	\$ (503,684)	\$ 386,842
Acquisition of tangible capital assets	(273,300)	(133,223)	(197,333)
Amortization of tangible capital assets	120,000	233,266	224,026
Proceeds on disposition of tangible capital assets	-	-	14,249
Loss (gain) on disposition of tangible capital assets	-	715	(10,903)
	(68,086)	(402,926)	416,881
Acquisition of prepaid expenses	-	(61,814)	(61,403)
Use of prepaid expenses	-	61,403	47,690
	-	(411)	(13,713)
Change in net financial assets	(68,086)	(403,337)	403,168
Net financial assets, beginning of year	2,595,842	2,595,842	2,192,674
Net financial assets, end of year	\$ 2,527,756	\$ 2,192,505	\$ 2,595,842

See accompanying notes to financial statements.

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash flows from operating activities:		
Annual surplus (deficit)	\$ (503,684)	\$ 386,842
Items not involving cash:		
Amortization of tangible capital assets	233,266	224,026
Loss (gain) on disposition of capital assets	715	(10,903)
	(269,703)	599,965
Changes in non-cash working capital:		
Accounts receivable	54,220	(247,961)
Prepaid expenses	(411)	(13,713)
Accounts payable and accrued liabilities	55,190	46,827
Deferred revenue	34,583	407,899
	(126,121)	793,017
Investing activities:		
Purchase of investments	(102,868)	(2,040,932)
	(102,868)	(2,040,932)
Capital activities:		
Purchase of tangible capital assets	(133,223)	(197,333)
Proceeds on disposition of tangible capital assets	-	14,249
	(133,223)	(183,084)
Decrease in cash	(362,212)	(1,430,999)
Cash, beginning of year	2,494,435	3,925,434
Cash, end of year	\$ 2,132,223	\$ 2,494,435

See accompanying notes to financial statements.

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements

Year ended December 31, 2023

Nottawasaga Valley Conservation Authority (the "Authority") is a land and water management agency established under the provisions of the Conservation Authorities Act of Ontario. The Authority is a registered charitable organization and is exempt from income taxes under the Canadian Income Tax Act.

1. Significant accounting policies:

The financial statements for the Authority are the responsibility of and prepared by management in accordance with the Chartered Professional Accountants of Canada Public Sector Accounting Handbook, that sets out generally accepted accounting principles for government not-for-profit organizations in Canada. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS), excluding Sections PS4200 and PS4270, with the following significant accounting policies:

(a) Basis of accounting:

The financial statements are prepared using an accrual basis of accounting which recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent. Accrual accounting recognizes an asset until the future economic benefit underlying the asset is partly or wholly used or lost.

(b) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, designed and engineering fees, legal fees and site preparation costs. Contributed capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. Amortization is being recorded at the following rates and methods commencing once the asset is available for productive use as follows:

Asset	Basis	Rate
Small equipment	Declining-balance	20%
Equipment and vehicles	Declining-balance	25%
Computer equipment	Straight-line	5 years
Furniture and fixtures	Straight-line	10 years
Site utilities	Straight-line	15 years
Buildings	Straight-line	50 years
Dam and structures	Straight-line	50 years

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(b) Tangible capital assets (continued):

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

(c) Cash:

Cash consists of cash on hand.

(d) Deferred revenue:

Funds received for specific purposes which are for future services are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which services are provided.

(e) 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 the past employee service.

(f) Reserves:

The Authority internally allocates its accumulated surplus to capital reserves to finance the cost of tangible capital assets, purchases, maintenance and related expenditures and operating reserves in order to ensure funds are available for financial relief in the event of a significant loss of revenues or other financial emergency for which no other source of funding is available. These reserve allocations are directed by the Board of Directors of the Authority.

(g) Revenue recognition:

Provincial, federal and municipal grant funding revenues are recognized in the year to which the program relates and when the related expenses are incurred. Amounts unused at year end are deferred to subsequent years. Municipal levies are recognized in the year they are levied to member municipalities. User fees are recognized as revenue over the period the services are performed. Other revenues are recognized when they are received or receivable and collectability is reasonably assured.

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(h) Government assistance:

Government assistance such as federal COVID-19 pandemic funding related to current year expenses is included in revenue in the period that it is earned

(i) Use of estimates:

The preparation of the financial statements in conformity 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 revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of tangible capital assets, the allowance for doubtful accounts and deferred revenue. Actual results could differ from those estimates.

2. Change in accounting policies:

The Authority adopted the following standards concurrently beginning January 1, 2022 prospectively: *PS 1201 Financial Statement Presentation*, *PS 2601 Foreign Currency Translation*, *PS 3041 Portfolio Investments* and *PS 3450 Financial Instruments*.

PS 1201 Financial Statement Presentation replaces *PS 1200 Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in *PS 2601 Foreign Currency Translation*, *PS 3450 Financial Instruments*, and *PS 3041 Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 Foreign Currency Translation replaces *PS 2600 Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses. *PS 3041 Portfolio Investments* replaces *PS 3040 Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to *PS 3450 Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, *PS 3030 Temporary Investments* no longer applies.

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Change in accounting policies (continued):

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date.

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

On January 1, 2022, the Authority adopted Public Accounting Standard *PS 3280 Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. An asset retirement obligation has not been recorded by the Authority, as it does not possess tangible capital assets that meet the recognition criteria.

3. Accounts receivable:

	2023	2022
HST recoverable	\$ 23,478	\$ 18,201
Fees for services and other	327,581	399,791
Government grants	120,205	107,492
Allowance for doubtful accounts	(13,550)	(13,550)
	\$ 457,714	\$ 511,934

4. Investments:

Investments are comprised of Level 1 fixed rate GICs with interest rates ranging from 5.2% to 5.5% per annum and are recorded at cost adjusted for amortization of discounts and premiums maturing on July 24, 2024.

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements

Year ended December 31, 2023

5. Tangible capital assets:

Cost	Balance at December 31, 2022	Additions and Transfers	Disposals and Write-offs	Balance at December 31, 2023
Land	\$ 6,499,787	\$ 16,570	\$ -	\$ 6,516,357
Buildings	1,978,239	-	-	1,978,239
Dams and structures	3,063,418	(13,155)	-	3,050,263
Site utilities	642,149	-	-	642,149
Equipment and vehicles	483,362	13,155	-	496,517
Small equipment	338,218	66,479	-	404,697
Computer equipment	252,868	47,488	56,811	243,545
Furniture and fixtures	267,016	2,686	-	269,702
Total	\$ 13,525,057	\$ 133,223	\$ 56,811	\$ 13,601,469

Accumulated Amortization	Balance at December 31, 2022	Disposals and Write-offs	Amortization Expense	Balance at December 31, 2023
Land	\$ -	\$ -	\$ -	\$ -
Buildings	923,908	-	39,107	963,015
Dams and structures	2,348,717	-	51,750	2,400,467
Site utilities	573,499	-	15,031	588,530
Equipment and vehicles	381,975	-	38,086	420,061
Small equipment	208,580	(11,721)	41,568	238,427
Computer equipment	165,939	(44,375)	39,946	161,510
Furniture and fixtures	239,933	-	7,778	247,711
Total	\$ 4,842,551	\$ (56,096)	\$ 233,266	\$ 5,019,721

	Net book value, December 31, 2022	Net book value, December 31, 2023
Land	\$ 6,499,787	\$ 6,516,357
Buildings	1,054,331	1,015,224
Dams and structures	714,701	649,796
Site utilities	68,650	53,619
Equipment and vehicles	101,387	76,456
Small equipment	129,638	166,270
Computer equipment	86,929	82,035
Furniture and fixtures	27,083	21,991
Total	\$ 8,682,506	\$ 8,581,748

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Deferred revenue:

Revenue from the following sources received that were unexpended for the year have been deferred:

	2023	2022
Unearned project revenue	\$ 86,932	\$ 63,930
Forestry – follow-up tending	22,631	38,744
Water and Erosion Control Infrastructure	–	35,886
Canada Healthy Communities	10,563	89,668
Health Waters Project Levy	76,551	69,551
Subdivision and condominium fees	519,639	539,275
Site planning	149,494	137,971
H John McDonald Foundation	60,091	78,280
Other	74,360	76,268
Department of Fisheries and Oceans	1,365	–
Compensation Funds	840,114	638,336
Forests Ontario	75,835	98,372
WWF	21,312	24,153
TD Friends of the Environment	–	13,870
	<u>\$ 1,938,887</u>	<u>\$ 1,904,304</u>

7. Accumulated surplus:

	2023	2022
Internally restricted reserves (note 9)	\$ 2,257,066	\$ 2,681,864
Investments in tangible capital assets	8,579,001	8,657,887
	<u>\$ 10,836,067</u>	<u>\$ 11,339,751</u>

8. Credit facilities:

The Authority has a demand loan facility with Scotiabank. This credit facility has an authorized credit limit of \$500,000 (2022 - \$500,000) and bears interest at the bank's prime rate less 0.5%. There is no balance outstanding on the demand loan facility as at December 31, 2023 (2022 - \$Nil).

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2023

9. Contingent liabilities:

Legal actions and claims:

The Authority has received statements of claim as defendant under various legal actions resulting from its involvement in land purchases, fatalities, personal injuries and flooding on or adjacent to its properties. The Authority maintains insurance coverage against such risks and has notified its insurers of the legal actions and claims. It is not possible at this time to determine the outcome of these claims and, therefore, no provision has been made in these financial statements.

10. Internally restricted reserve funds:

Appropriations are made from accumulated surplus to various reserve funds upon approval of the Authority of Directors.

Operational Reserve:

The Operational Reserve was established to provide funds to purchase equipment as required.

Forestry Reserve:

The Forestry Reserve was established to provide funds to support the Forestry Program.

Watershed Science

The Watershed Science Reserve was established to provide funds to the Watershed Science Program.

Environmental Education Reserve:

The Environmental Education Reserve was established to cover future environmental equipment and material purchases.

Human Resources Reserve:

The Human Resources Reserve was established to provide funds to cover human resource issues.

New Lowell Reserve Fund:

The New Lowell Reserve Fund was established to cover future capital expenses for the New Lowell campground.

Capital Repair and Replacement Reserve:

The Capital Repair and Replacement Reserve was established to cover future capital expenses.

Healthy Waters Reserve:

The Healthy Waters Reserve was established to cover future expenses for the Healthy Waters program.

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Internally restricted reserve funds (continued):

Land Management Acquisition Reserve:

The Land Management Acquisition Reserve was established to assist with acquisitions of significant or environmentally sensitive lands. The reserve would compliment the ongoing acquisition program and partnership arrangements with Nature Conservancy Canada and the Ministry of Natural Resources for Minesing Swamp and Niagara Escarpment lands.

Planning Reserve:

The Site Planning Reserve was established to cover legal activities and unexpected variations in planning revenue.

The internally restricted reserve funds consist of the following:

	2023	2022
Operational reserve fund	\$ 404,199	\$ 721,136
Forestry reserve fund	31,967	26,046
Watershed reserve fund	117,424	36,208
Environmental education fund	27,616	27,616
Human resources reserve fund	387,301	699,931
New Lowell reserve fund	40,757	33,268
Capital repair and replacement reserve fund	806,797	915,472
Capital repair and replacement reserve fund (2/3)	131,339	–
Healthy waters reserve fund	78,152	78,152
Land management acquisition reserve fund	39,702	39,701
Site planning reserve fund	191,812	104,334
Total internally restricted reserve funds	\$ 2,257,066	\$ 2,681,864

11. Expenses by object:

	2023	2022
Wages and benefits	\$ 4,505,302	\$ 4,067,401
Purchased supplies	758,629	928,992
Professional and consulting fees	163,796	108,844
Amortization of tangible capital assets	233,266	224,026
Occupancy costs	226,048	219,298
Travel and vehicle	68,464	37,617
Office supplies and expenses	32,425	27,520
Education and training	23,662	16,867
Licenses, memberships and dues	41,602	38,877
Advertising	14,328	11,710
Interest and bank	35,665	34,713
	\$ 6,103,187	\$ 5,715,865

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2023

12. Pension plan:

OMERS provides pension services to more than 600,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding 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, 2023. The results of this valuation disclosed total going concern actuarial liabilities of \$136,185 million (2022 - \$130,306 million) in respect of benefits accrued for service with total going concern actuarial net assets at that date of \$131,983 million (2022 - \$123,628 million) indicating a going concern actuarial deficit of \$4,202 million (2022 - \$6,678 million). As OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees and the Authority's share is not determinable. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit.

The amount contributed to OMERS for 2023 was \$333,042 (2022 - \$285,290) and is included as an expense in the statement of operations and accumulated surplus.

13. Budget information:

The budget adopted by the Authority on September 23, 2022 includes the annual budget for capital additions and reserve transfers which are not reflected in the 2023 actual figures within the statement of operations. As a result, the budget figures presented in the statement of operations and accumulated surplus and change in net financial assets represent the financial plan adopted by the Authority with adjustment as follows:

Annual Surplus per budget approved by the Authority	\$	–
Less: Contributions to reserves		(188,086)
Add: Capital additions		273,300
Surplus per financial statements	\$	85,214

14. Segmented reporting:

The Chartered Professional Accountants of Canada Public Sector Accounting Handbook Section *PS2700, Segment Disclosures*, establishes standards on defining and disclosing segments in a government's financial statements. Government organizations that apply these standards are encouraged to provide disclosures established by this section when their operations are diverse enough to warrant such disclosures.

The presentation of the items on the statement of operations and included within note 9 are considered sufficient to meet the requirements of *PS2700, Segment Disclosures*.

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2023

15. Commitments:

Lease obligations:

The Authority is presently leasing equipment with a quarterly rental payment of \$2,485 which matures in 2026. The minimum lease payments required over the next five years are as follows:

2024	\$	9,940
2025		9,940
2026		4,971
	\$	24,851

Rental arrangements:

The Authority leases five pieces of property to three local municipalities and two not-for-profit organizations for no financial consideration. Under the terms of the agreements the municipalities and the not-for-profit organizations are responsible for all costs associated with their respective properties. The leases may be terminated by either party with written notice. The agreement with one local municipality extends to 2025 and the remaining two agreements with the local municipalities each extend to 2028. The agreements with the two not-for-profit organizations extend to 2026 and 2026 respectively.

The Authority leases the New Lowell Campground and Conservation Park to two individuals who manage the park. Under the terms of the agreement which extends to April 14, 2028, the managers will pay the Authority a lease amount equal to \$21,812 plus HST per year with an additional 3% increase every year. The lease has a five year renewal option with the understanding that one year's notice must be given by either party to terminate the lease. The Authority is responsible for property taxes and property insurance while the managers are responsible for operational costs. Capital projects are paid for by the managers and become the property of the Authority.

The Authority leases various agricultural lands to farmers for minimal financial consideration under the terms of two agreements which extend to 2025 and 2027 respectively. The minimum future rental income to be received related to these leases varies depending on the tenant.

16. Comparative information:

Certain 2023 comparative information has been reclassified where necessary to conform to the current year presentation.

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2023

17. Financial risks and concentration of risks:

Transaction in financial instruments may result in an entity assuming or transferring financial risks to or from another party. The Authority is exposed to the following risks associated with financial instruments and transactions it is a party to:

(a) Credit risk:

Credit risk is the risk that one party to a financial transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority is exposed to this risk relating to its cash and accounts receivable.

The Authority holds its cash accounts with large reputable financial institutions, from which management believes the risk of loss due to credit risk to be remote. Receivables consist of balances due from government agencies and the risk of loss is minimal.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

(b) Liquidity risk:

Liquidity risk is the risk that the Authority cannot repay its obligations when they become due to its creditors. The Authority is exposed to this risk relating to its accounts payable and accrued liabilities.

The Authority reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through extensive budgeting and maintaining enough cash to repay trade creditors as payables become due.

There have been no significant changes from the previous year in the exposure risk or policies, procedures and methods used to measure the risk.

NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Schedule of Revenue

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Provincial government grants:		
Source Water Protection Planning	\$ 247,595	\$ 234,479
Ministry of Natural Resources - Flood operations	97,307	97,307
Ministry of Natural Resources - FHIMP	65,547	-
Ministry of Agriculture, Food and Rural Affairs	50,700	-
COA	37,375	12,625
Other	5,941	1,821
Water and Erosion Control Infrastructure	2,813	50,364
Nottawasaga Watershed Improvement Program	-	7,500
Total provincial funding	\$ 507,278	\$ 404,096
Federal government grants	\$ 196,770	\$ 233,893
User fees:		
Planning	\$ 1,146,742	\$ 1,028,619
Environmental education	290,290	219,580
Tiffin outreach	168,694	156,710
Conservation lands	84,738	83,045
GIS Technical Support	28,761	22,124
Stewardship services	28,367	85,007
Watershed science	2,930	1,800
Office and occupancy	413	-
	\$ 1,750,935	\$ 1,596,885