

Financial Statements of

**NOTTAWASAGA VALLEY  
CONSERVATION AUTHORITY**

And Independent Auditor's Report thereon

Year ended December 31, 2024



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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, 2024
- 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, 2024, 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 25, 2025

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

## Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
<b>Financial Assets</b>		
Cash	\$ 2,257,918	\$ 2,132,223
Accounts receivable (note 3)	342,364	457,714
Investments (note 4)	2,251,241	2,143,800
	<u>4,851,523</u>	<u>4,733,737</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	846,699	602,345
Deferred revenue (note 6)	2,144,943	1,938,887
	<u>2,991,642</u>	<u>2,541,232</u>
Net financial assets	1,859,881	2,192,505
<b>Non-Financial Assets</b>		
Tangible capital assets (note 5)	8,536,226	8,581,748
Prepaid expenses	60,668	61,814
	<u>8,596,894</u>	<u>8,643,562</u>
Contingent liabilities (note 9)		
Commitments (note 15)		
Accumulated surplus (note 7)	\$ 10,456,775	\$ 10,836,067

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, 2024, with comparative information for 2023

	2024 Budget (note 13)	2024 Actual	2023 Actual
<b>Revenue:</b>			
Municipal levies			
- general matching	\$ 97,307	\$ 97,307	\$ 97,307
- general non-matching	3,239,193	3,205,904	2,767,749
- special	25,000	3,000	3,000
Municipal grants	80,050	113,632	161,275
<b>Total municipal funding</b>	<b>3,441,550</b>	<b>3,419,843</b>	<b>3,029,331</b>
Government - provincial grants (schedule)	294,807	561,076	507,278
- federal grants (schedule)	140,000	124,129	196,770
User fees (schedule)	1,867,040	1,724,337	1,750,935
Contributions and donations	757,280	783,801	678,740
Interest income	100,000	181,440	176,784
Miscellaneous	-	1,667	1,259
Loss on disposition of capital assets	-	(158)	(715)
	<b>6,600,677</b>	<b>6,796,135</b>	<b>6,340,382</b>
<b>Expenses: (note 11)</b>			
Planning services	1,948,680	1,966,339	1,543,951
Administrative support	700,292	1,040,035	696,783
Stewardship services	780,655	876,953	769,807
Reforestation	426,929	343,335	347,000
Flood forecast and warning	332,079	458,167	371,738
Tiffin Centre infrastructure maintenance	373,798	369,921	400,616
Corporate governance	368,069	368,069	345,067
Watershed science	490,064	497,350	434,402
Environmental education	319,296	399,228	342,817
GIS technical support	416,203	419,190	383,232
Conservation lands	260,812	337,910	278,284
Workshop vehicles and equipment	-	123	13,987
Engineering and technical services	27,800	98,807	175,503
	<b>6,444,677</b>	<b>7,175,427</b>	<b>6,103,187</b>
Surplus (deficit) before the undernoted item	156,000	(379,292)	237,195
<b>One time recovery:</b>			
CEWS repayable	-	-	740,879
Annual surplus (deficit)	156,000	(379,292)	(503,684)
Accumulated surplus, beginning of year	10,836,067	10,836,067	11,339,751
Accumulated surplus, end of year	\$ 10,992,067	\$ 10,456,775	\$ 10,836,067

See accompanying notes to financial statements.

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

## Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 13)	2024 Actual	2023 Actual
Annual surplus (deficit)	\$ 156,000	\$ (379,292)	\$ (503,684)
Acquisition of tangible capital assets	-	(153,310)	(133,223)
Amortization of tangible capital assets	-	198,674	233,266
Loss on disposition of tangible capital assets	-	158	715
	156,000	(333,770)	(402,926)
Acquisition of prepaid expenses	-	(60,668)	(61,814)
Use of prepaid expenses	-	61,814	61,403
	-	1,146	(411)
Change in net financial assets	156,000	(332,624)	(403,337)
Net financial assets, beginning of year	2,192,505	2,192,505	2,595,842
Net financial assets, end of year	\$ 2,348,505	\$ 1,859,881	\$ 2,192,505

See accompanying notes to financial statements.

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

## Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash flows from operating activities:		
Annual deficit	\$ (379,292)	\$ (503,684)
Items not involving cash:		
Amortization of tangible capital assets	198,674	233,266
Loss on disposition of capital assets	158	715
	(180,460)	(269,703)
Changes in non-cash working capital:		
Accounts receivable	115,350	54,220
Prepaid expenses	1,146	(411)
Accounts payable and accrued liabilities	244,354	55,190
Deferred revenue	206,056	34,583
	386,446	(126,121)
Investing activities:		
Purchase of investments	(107,441)	(102,868)
	(107,441)	(102,868)
Capital activities:		
Purchase of tangible capital assets	(153,310)	(133,223)
Increase (decrease) in cash	125,695	(362,212)
Cash, beginning of year	2,132,223	2,494,435
Cash, end of year	\$ 2,257,918	\$ 2,132,223

See accompanying notes to financial statements.

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

## Notes to Financial Statements

Year ended December 31, 2024

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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), 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

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# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 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) Government transfers:

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. If government transfers contain stipulations, which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 1. Significant accounting policies (continued):

### (h) Financial instruments:

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument:

Financial instrument	Measurement method
Cash and cash equivalents	Cost
Investments	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

#### Amortized cost

Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

#### Cost

Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

#### Fair value

The Authority manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment.

At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from 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, 2024

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## 1. Significant accounting policies (continued):

### (h) Financial instruments (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. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

#### 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.

### (i) Deferred revenue:

The Authority receives amounts pursuant to legislation, regulation or agreement that may only be used for certain programs or in the delivery of specific services, performance obligations and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

### (j) Prepaid expenses:

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 1. Significant accounting policies (continued):

### (k) Other revenues:

Other revenues from transactions with performance obligations, for example, fees or royalties from the sale of goods or rendering of services, are recognized as the Authority satisfies a performance obligation by providing the promised goods or services to the payor. Other revenue from transactions with no performance obligations, for example, fines and penalties, are recognized when the Authority has the authority to claim or retain an inflow of economic resources and when a past transaction or event is an asset. Amounts received prior to the end of the year that will be recognized in subsequent fiscal year are deferred and reported as a liability.

### (l) Investment income:

Investment income is reported as revenue in the period earned.

### (m) Budget information:

Budget information has been provided for comparison purposes and have been derived from the budget approved by the Board of Directors.

The budget information presented has been adjusted to reflect the same accounting policies that were used to prepare the financial statements. The budget information is unaudited.

The Board approves its budget annually. The approved operating budget for December 31, 2024 year end is reflected on the Statement of Operations and Accumulated Surplus, the budget was approved on December 8, 2023.

### (n) 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.

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 2. Change in accounting policies:

The Authority adopted the following standards concurrently beginning January 1, 2024 retroactively: PS 3160 *Public Private Partnerships*, PS 3400 *Revenue* and adopted PSG-8 *Purchased Intangibles* prospectively.

PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

PSG-8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 *Public Private Partnerships* (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

## 3. Accounts receivable:

	2024	2023
HST recoverable	\$ 23,778	\$ 23,478
Fees for services and other	257,487	327,581
Government grants	74,649	120,205
Allowance for doubtful accounts	(13,550)	(13,550)
	<u>\$ 342,364</u>	<u>\$ 457,714</u>

## 4. Investments:

Investments are comprised of Level 1 fixed rate GICs with interest rates of 3.7% and 4.8% per annum and are recorded at cost adjusted for amortization of discounts and premiums maturing on January 23 and January 27, 2025, respectively.

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements

Year ended December 31, 2024

## 5. Tangible capital assets:

Cost	Balance at December 31, 2023	Additions and Transfers	Disposals and Write-offs	Balance at December 31, 2024
Land	\$ 6,516,357	\$ 30,900	\$ -	\$ 6,547,257
Buildings	1,978,239	-	22,805	1,955,434
Dams and structures	3,050,263	-	-	3,050,263
Site utilities	642,149	-	-	642,149
Equipment and vehicles	496,517	72,049	8,516	560,050
Small equipment	404,697	3,125	-	407,822
Computer equipment	244,677	42,557	43,704	243,530
Furniture and fixtures	269,702	4,679	-	274,381
<b>Total</b>	<b>\$ 13,602,601</b>	<b>\$ 153,310</b>	<b>\$ 75,025</b>	<b>\$ 13,680,886</b>

  

Accumulated Amortization	Balance at December 31, 2023	Disposals and Write-offs	Amortization Expense	Balance at December 31, 2024
Land	\$ -	\$ -	\$ -	\$ -
Buildings	963,015	(22,695)	38,464	978,784
Dams and structures	2,400,467	-	32,974	2,433,441
Site utilities	588,530	-	9,150	597,680
Equipment and vehicles	420,061	(8,468)	37,114	448,707
Small equipment	238,427	-	33,879	272,306
Computer equipment	162,642	(43,704)	40,682	159,620
Furniture and fixtures	247,711	-	6,411	254,122
<b>Total</b>	<b>\$ 5,020,853</b>	<b>\$ (74,867)</b>	<b>\$ 198,674</b>	<b>\$ 5,144,660</b>

  

	Net book value, December 31, 2023	Net book value, December 31, 2024
Land	\$ 6,516,357	\$ 6,547,257
Buildings	1,015,224	976,650
Dams and structures	649,796	616,822
Site utilities	53,619	44,469
Equipment and vehicles	76,456	111,343
Small equipment	166,270	135,516
Computer equipment	82,035	83,910
Furniture and fixtures	21,991	20,259
<b>Total</b>	<b>\$ 8,581,748</b>	<b>\$ 8,536,226</b>

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 6. Deferred revenue:

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

	2024	2023
Unearned project revenue	\$ 126,433	\$ 86,932
Forestry – follow-up tending	22,631	22,631
Water and Erosion Control Infrastructure	10,000	–
Canada Healthy Communities	131	10,563
Health Waters Project Levy	85,551	76,551
Subdivision and condominium fees	535,327	519,639
Site planning	216,484	149,494
Eco Action	27,335	–
Midhurst Landowners Group	33,463	–
Planning Permits	64,140	–
H John McDonald Foundation	35,327	60,091
Other	88,721	74,360
Department of Fisheries and Oceans	19,573	1,365
Compensation Funds	807,743	840,114
Forests Ontario	65,990	75,835
WWF	6,094	21,312
	\$ 2,144,943	\$ 1,938,887

## 7. Accumulated surplus:

	2024	2023
Internally restricted reserves (note 10)	\$ 1,923,293	\$ 2,257,066
Investments in tangible capital assets	8,533,482	8,579,001
	\$ 10,456,775	\$ 10,836,067

## 8. Credit facilities:

The Authority has a demand loan facility with Scotiabank. This credit facility has an authorized credit limit of \$500,000 (2023 - \$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, 2024 (2023 - \$Nil).

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 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, 2024

## 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:

	2024	2023
Operational reserve fund	\$ 383,503	\$ 404,199
Forestry reserve fund	21,698	31,967
Watershed reserve fund	133,661	117,424
Environmental education fund	32,164	27,616
Human resources reserve fund	178,562	387,301
New Lowell reserve fund	42,311	40,757
Capital repair and replacement reserve fund	800,111	806,797
Capital repair and replacement reserve fund (2/3)	154,204	131,339
Healthy waters reserve fund	112,143	78,152
Land management acquisition reserve fund	39,702	39,702
Site planning reserve fund	–	191,812
Conservation lands	25,234	–
<b>Total internally restricted reserve funds</b>	<b>\$ 1,923,293</b>	<b>\$ 2,257,066</b>

## 11. Expenses by object:

	2024	2023
Wages and benefits	\$ 5,496,049	\$ 4,505,302
Purchased supplies	947,164	758,629
Professional and consulting fees	87,814	163,796
Amortization of tangible capital assets	198,674	233,266
Occupancy costs	255,557	226,048
Travel and vehicle	38,436	68,464
Office supplies and expenses	34,277	32,425
Education and training	26,754	23,662
Licenses, memberships and dues	43,516	41,602
Advertising	12,679	14,328
Interest and bank	34,507	35,665
	<b>\$ 7,175,427</b>	<b>\$ 6,103,187</b>

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 12. Pension plan:

OMERS provides pension services to more than 640,000 active and retired members and over 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, 2024. The results of this valuation disclosed total going concern actuarial liabilities of \$142,489 million (2023 - \$136,185 million) in respect of benefits accrued for service with total going concern actuarial net assets at that date of \$139,576 million (2023 - \$131,983 million) indicating a going concern actuarial deficit of \$2,913 million (2023 - \$4,202 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 2024 was \$405,102 (2023 - \$333,042) and is included as an expense in the Statement of Operations and Accumulated Surplus.

## 13. Budget information:

The budget adopted by the Authority on December 8, 2023 includes the annual budget for capital additions and reserve transfers which are not reflected in the 2024 actual figures within the statement of operations. As a result, the budget information 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:

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Annual Surplus per budget approved by the Authority	\$	-
Less: Contributions to reserves		(316,670)
Add: Capital additions		472,670
<hr/>		
Surplus per financial statements	\$	156,000

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## 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 Accumulated Surplus 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, 2024

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## 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 three years are as follows:

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2025	\$	9,940
2026		4,971
2027		–
	\$	14,911

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### *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 Bernard and Katherine Mayer to use for agricultural purposes only – West half of lot 10 Concession 8 in the Township of Springwater and consisting of approx. 9 acres. Under the terms of the agreement which extends to December 31, 2027, the tenant will pay the Authority Annual rent of \$60/acre plus HST due January 1<sup>st</sup> of each year (\$540+HST) and interest on unpaid amounts are subject to 8% interest per annum from due date until paid. The lease can be terminated for sale of property with 120 days' notice to the tenant. Also, the lease can be terminated if the terms are not followed with 60days notice to the tenant.

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.

# NOTTAWASAGA VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2024

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## 16. Comparative information:

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

## 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, 2024, with comparative information for 2023

	2024	2023
Provincial government grants:		
Source Water Protection Planning	\$ 224,699	\$ 247,595
Ministry of Natural Resources - Flood operations	97,307	97,307
Ministry of Natural Resources - FHIMP	6,374	65,547
Ministry of Agriculture, Food and Rural Affairs	9,800	50,700
COA	-	37,375
Other	3,763	5,941
MECP - Wetland and Erosion Control Infrastructure	82,708	2,813
Watershed conservation partner program	125,000	-
Lake Huron Community Action	11,425	-
<b>Total provincial funding</b>	<b>\$ 561,076</b>	<b>\$ 507,278</b>
<b>Federal government grants</b>	<b>\$ 124,129</b>	<b>\$ 196,770</b>
User fees:		
Planning	\$ 1,018,035	\$ 1,146,742
Environmental education	372,738	290,290
Tiffin outreach	184,503	168,694
Conservation lands	86,775	84,738
GIS technical support	15,487	28,761
Reforestation	34,682	28,367
Watershed science	9,655	2,930
Office and occupancy	398	413
Stewardship service	2,064	-
	<b>\$ 1,724,337</b>	<b>\$ 1,750,935</b>