

SOUTH NATION RIVER CONSERVATION AUTHORITY
Financial Statements
Year Ended December 31, 2023

SOUTH NATION RIVER CONSERVATION AUTHORITY
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Year Ended December 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

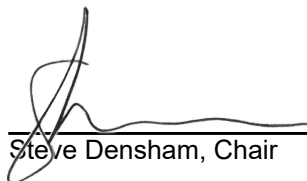
The financial statements of South Nation River Conservation Authority are the responsibility of management and have been approved by the Board.

The financial statements of South Nation River Conservation Authority have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. A summary of the significant accounting policies are described in Note 2 of the financial statements. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

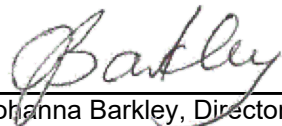
The Authority's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. The Board also considers, for approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited by Baker Tilly REO LLP, independent external auditors appointed by the authority, in accordance with Canadian auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.



Steve Densham, Chair



Johanna Barkley, Director of Finance

Finch, ON
March 21, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of South Nation River Conservation Authority

Opinion

We have audited the financial statements of South Nation River Conservation Authority (the Authority), which are comprised of the statement of financial position, statement of changes in net financial assets, statement of continuity of reserves, statement of operations, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies .

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 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 PSAS, 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.

(continues)

Independent Auditor's Report to the Members of South Nation River Conservation Authority *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly REO LLP

Winchester, Ontario
March 21, 2024

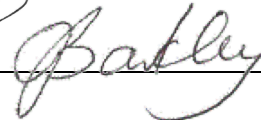
Chartered Professional Accountants, Licensed Public Accountants

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Financial Position
Year Ended December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash	\$ 4,804,076	\$ 5,287,390
Accounts receivable	1,832,874	1,635,465
Receivable from municipalities (Note 4)	248,894	308,453
	6,885,844	7,231,308
LIABILITIES		
Accounts payable and accrued liabilities	944,855	930,928
Deferred income (Note 5)	2,138,057	2,763,985
	3,082,912	3,694,913
NET FINANCIAL ASSETS	3,802,932	3,536,395
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	14,114,683	11,465,563
Tangible capital assets under construction	179,790	100,907
Prepaid expenses	88,385	76,065
	14,382,858	11,642,535
ACCUMULATED SURPLUS (Note 11)	\$ 18,185,790	\$ 15,178,930

ON BEHALF OF THE BOARD


 _____ Chair


 _____ Director of Finance

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Changes in Net Financial Assets
Year Ended December 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Net surplus for the year	\$ 1,330,333	\$ 3,006,860	\$ 1,214,567
Acquisition of tangible capital assets	(1,863,300)	(2,166,648)	(877,361)
Contributed tangible capital assets	-	(835,000)	(47,333)
Proceeds on disposal of tangible capital assets	-	19,925	1,950
Change in assets under construction	-	(78,883)	(92,735)
Gain on disposal of tangible capital assets	-	(336)	(1,950)
Depreciation	309,317	332,942	308,641
Change in prepaid expenses	-	(12,323)	(25,530)
Increase (decrease) in net financial assets in the year	(223,650)	266,537	480,249
Net financial assets, beginning of year	3,536,395	3,536,395	3,056,146
Net financial assets, end of year	\$ 3,312,745	\$ 3,802,932	\$ 3,536,395

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Continuity of Reserves
Year Ended December 31, 2023

	Balance, beginning of year	From operations	To operations	Balance, end of year
RESERVES				
Operating	\$ 1,104,028	\$ 336,278	\$ 6,410	\$ 1,433,896
Capital projects	1,127,263	56,294	32,937	1,150,620
Stabilization	193,198	167,138	-	360,336
Water Control Structure	147,633	54,738	41,077	161,294
Sewage systems inspections	227,435	74,204	-	301,639
Dr. Jackson - Forestry programs	11,037	552	-	11,589
Findlay Creek	254,950	12,732	250,000	17,682
Environmental Projects	30,180	1,507	-	31,687
MNR revenue sharing (Note 7)	13,260	662	-	13,922
School programs (Note 7)	2,397	119	-	2,516
Land acquisition - forestry	48,254	2,409	-	50,663
Memorial fund (Note 7)	58,860	2,907	6,784	54,983
Year ended December 31, 2023	\$ 3,218,495	\$ 709,540	\$ 337,208	\$ 3,590,827
Year ended December 31, 2022	\$ 3,106,682	\$ 146,936	\$ 35,121	\$ 3,218,495

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY

Statement of Operations

Year Ended December 31, 2023

	Budget 2023	Actual 2023	Actual 2022
REVENUE			
Ministry of Natural Resources and Forestry	\$ 91,070	\$ 91,070	\$ 91,070
Source water protection	118,456	131,754	129,614
Municipal levies	3,920,525	3,920,525	3,768,377
Special levies	906,000	540,478	535,745
Federal - other funding	744,680	1,052,389	443,647
Provincial - other funding	47,350	80,393	18,619
Municipal - other funding	628,161	1,497,540	501,049
Other sources	2,643,562	3,707,223	2,726,860
TOTAL OPERATING REVENUE	9,099,804	11,021,372	8,214,981
RESOURCE MANAGEMENT (Schedule 1)			
Water response programs	527,110	122,161	184,830
Partner programs	851,180	874,657	451,370
Projects	765,543	279,497	343,533
Landowner stewardship outreach	435,880	448,587	530,841
	2,579,713	1,724,902	1,510,574
PROPERTY & APPROVALS (Schedule 2)			
Property	1,133,167	1,365,112	1,257,445
Approvals	1,621,249	1,742,660	1,602,678
Projects	452,215	1,268,841	831,785
	3,206,631	4,376,613	3,691,908
CORPORATE & COMMUNITY SERVICES (Schedule 3)			
Corporate services	1,193,327	1,096,343	1,113,576
Information management and technology	179,420	141,596	104,716
Communications and outreach	301,063	342,116	270,999
	1,673,810	1,580,055	1,489,291
TOTAL OPERATING EXPENSES	7,460,154	7,681,570	6,691,773
DEPRECIATION	309,317	332,942	308,641
TOTAL EXPENSES	7,769,471	8,014,512	7,000,414
NET SURPLUS	1,330,333	3,006,860	1,214,567
ACCUMULATED SURPLUS, BEGINNING OF YEAR	15,178,930	15,178,930	13,964,363
ACCUMULATED SURPLUS, END OF YEAR	\$ 16,509,263	\$ 18,185,790	\$ 15,178,930

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY

Statement of Cash Flows

Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Net Surplus	\$ 3,006,860	\$ 1,214,567
Items not affecting cash:		
Depreciation	332,942	308,641
Contributed tangible capital assets	(835,000)	(47,333)
Gain on disposal of tangible capital assets	(338)	(1,950)
	<u>2,504,464</u>	<u>1,473,925</u>
Changes in non-cash working capital:		
Accounts receivable	(197,409)	(284,241)
Receivable from municipalities	59,559	58,532
Accounts payable and accrued liabilities	13,927	278,761
Deferred income	(625,926)	1,046,922
Prepaid expenses	(12,323)	(25,530)
	<u>(762,172)</u>	<u>1,074,444</u>
Cash flow from operating activities	<u>1,742,292</u>	<u>2,548,369</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,166,648)	(877,361)
Purchase of tangible capital assets under construction	(78,883)	(92,735)
Proceeds on disposal of tangible capital assets	19,925	1,950
Cash flow used by capital activities	<u>(2,225,606)</u>	<u>(968,146)</u>
INCREASE (DECREASE) IN CASH FLOW	(483,314)	1,580,223
CASH - BEGINNING OF YEAR	<u>5,287,390</u>	<u>3,707,167</u>
CASH - END OF YEAR	<u>\$ 4,804,076</u>	<u>\$ 5,287,390</u>

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY

Notes to Financial Statements

Year Ended December 31, 2023

1. DESCRIPTION OF BUSINESS

The South Nation River Conservation Authority (the "Authority") is established under the Conservation Authorities Act - Ontario. It acts as the agent for water and land conservation and management for its member municipalities.

The Authority is a registered charity and, as such, is exempt from income tax and may issue tax receipts to donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

The financial statements of the Authority are the responsibility of and prepared by management in accordance with the Canadian public sector accounting standards (PSAS).

Revenue and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable and an expenditure is recognized when incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Basis of presentation

The financial statements of the Authority are the representations of management prepared in accordance with the Chartered Professional Accountants of Canada Public Sector Handbook, that sets out generally accepted accounting principles for public sector organizations in Canada. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

Cash and cash equivalents

Cash includes cash held in banks and cash on hand.

Deferred income

The Authority receives certain amounts from other entities, the proceeds of which may only be used in the conduct of certain programs or completion of specific work. Further, certain user charges and fees are collected but for which the related services have yet to be performed. These amounts are recognized as revenue when the related expenditures are incurred or services performed.

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SOUTH NATION RIVER CONSERVATION AUTHORITY

Notes to Financial Statements

Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Initial measurement

The Authority recognizes its financial instruments when the authority becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

Subsequent measurement

All financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs

Transaction costs are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

Impairment

All financial assets are tested annually for impairment. Management considers recent collection experience for the financial assets, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment which is not considered temporary is recorded in the statement of operations. Write-downs of financial assets at amortized costs to reflect losses in value are not reversed for subsequent increases in value.

(continues)

SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Buildings	10 to 40 years	straight-line method
Equipment	5 to 25 years	straight-line method
Furniture and fixtures	10 years	straight-line method
Vehicles	5 to 7 years	straight-line method
Computer and networking equipment	3 to 5 years	straight-line method
Computer software	3 to 5 years	straight-line method
Parking lot and other land improvements	10 to 20 years	straight-line method
Flood control structures	50 years	straight-line method

One half of the above rates are used in the year of acquisition.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Tangible capital assets received as unrestricted contributions are recorded at fair market value at the date of receipt and are also recorded as revenue.

The organization regularly reviews its tangible capital assets to eliminate obsolete items.

The organization has capitalization thresholds. For all additions of tangible capital assets, including pooled assets, the following capitalization thresholds apply: Land improvements, buildings, and flood control structures - \$10,000; all other tangible capital assets - \$5,000.

Reserves

Reserves for future expenditures and contingencies are established as required at the discretion of the members of the Board of Directors of the Authority. Increases or decreases in these reserves are made by appropriations to or from reserves.

Revenue Recognition

The Authority follows the deferral method of accounting for contributions. Government assistance is recorded as revenue when eligible claims are determined and the expenditure incurred. Levies on member municipalities are recorded after Board of Directors' approval and recorded as revenue in the year levied. When revenue from special programs is received in advance of the related expenditure, such revenue is deferred until the year in which the expenditure is incurred.

Government transfers are recognized in the financial statements as revenues 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 amounts can be made.

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SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Donated materials and services

Donated materials and services are recorded at fair market value if they would otherwise have been purchased.

Contributed services

Volunteers contribute a significant amount of their time each year. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Pension Plan

The Authority accounts for its participation in the Ontario Municipal Employees Retirement Systems (OMERS) as a defined benefit pension plan.

Use of Estimates

Since precise determination of many assets and liabilities is dependant upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and assumptions. These have been made using careful judgments. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known. Areas where estimations are used include accrued liabilities, deferred revenue, useful life of tangible capital assets and allowance for doubtful accounts.

SOUTH NATION RIVER CONSERVATION AUTHORITY

Notes to Financial Statements

Year Ended December 31, 2023

3. FINANCIAL INSTRUMENTS

The Authority is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Authority's risk exposure and concentration as of December 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Authority is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Authority is exposed to a high concentration of credit risk as one entity represents 34% of accounts receivable and one entity represents 93% of receivable from municipalities (Note 4). The Authority has deemed all amounts receivable at year end to be collectible. There has been no change to the risk exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Authority is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, contributions to the pension plan, and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Authority is mainly affected by interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Authority manages exposure through its normal operating and financing activities. The Authority is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Authority is not exposed to significant other price risks arising from these financial instruments.

SOUTH NATION RIVER CONSERVATION AUTHORITY

Notes to Financial Statements

Year Ended December 31, 2023

4. RECEIVABLE FROM MUNICIPALITIES

	2023	2022
Due from various municipalities for their portion of the funds used to purchase and renovate the head office in Finch. Receivable in blended payments with interest charged at 1.75% per annum, due in 2027.	\$ 248,894	\$ 308,453
	\$ 248,894	\$ 308,453

Principal repayment terms are approximately:

2024	\$ 63,017
2025	60,882
2026	61,952
2027	63,043
	\$ 248,894

5. DEFERRED INCOME

	Balance, beginning of year	Funds received	Funds earned	2023
<u>Resource Management</u>				
Partner programs	\$ 516,385	\$ 858,332	\$ (724,002)	\$ 650,715
Projects	312,541	-	(197,928)	114,613
	828,926	858,332	(921,930)	765,328
<u>Property & Approvals</u>				
Buildings & infrastructures	17,188	46,000	(35,822)	27,366
Community lands	1,325,623	6,371,899	(6,666,574)	1,030,948
Development review	6,541	411,255	(400,544)	17,252
Sewage systems review	173,254	634,607	(661,793)	146,068
Projects	85,938	583,995	(598,549)	71,384
	1,608,544	8,047,756	(8,363,282)	1,293,018
<u>Corporate & Community Services</u>				
Corporate services	246,805	-	(246,805)	-
Communications & outreach	79,710	21,956	(21,955)	79,711
	326,515	21,956	(268,760)	79,711
	\$ 2,763,985	\$ 8,928,044	\$ (9,553,972)	\$ 2,138,057

SOUTH NATION RIVER CONSERVATION AUTHORITY

Notes to Financial Statements

Year Ended December 31, 2023

6. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	2022 Balance	Additions	Disposals	2023 Balance
Land	\$ 9,033,664	\$ 1,835,150	\$ -	\$ 10,868,814
Buildings	1,264,466	-	-	1,264,466
Equipment	1,007,400	36,657	27,596	1,016,461
Furniture and fixtures	236,462	-	-	236,462
Vehicles	424,939	91,718	-	516,657
Computer and networking equipment	655,666	15,246	7,115	663,797
Computer software	133,927	-	-	133,927
Parking lot and other land improvements	372,059	1,022,877	-	1,394,936
Flood control structures	4,814,000	-	-	4,814,000
	<u>\$ 17,942,583</u>	<u>\$ 3,001,648</u>	<u>\$ 34,711</u>	<u>\$ 20,909,520</u>

<u>Accumulated Amortization</u>	2022 Balance	Amortization	Accumulated Amortization on Disposals	2023 Balance
Buildings	\$ 443,674	\$ 35,003	\$ -	\$ 478,677
Equipment	542,519	81,427	8,010	615,936
Furniture and fixtures	224,605	2,431	-	227,036
Vehicles	278,364	49,366	-	327,730
Computer and networking equipment	601,080	33,420	7,115	627,385
Computer software	133,440	487	-	133,927
Parking lot and other land improvements	233,917	46,568	-	280,485
Flood control structures	4,019,420	84,240	-	4,103,660
	<u>\$ 6,477,019</u>	<u>\$ 332,942</u>	<u>\$ 15,125</u>	<u>\$ 6,794,836</u>

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SOUTH NATION RIVER CONSERVATION AUTHORITY

Notes to Financial Statements

Year Ended December 31, 2023

6. TANGIBLE CAPITAL ASSETS (continued)

<u>Net book value</u>	<u>2023</u>	<u>2022</u>
Land	\$ 10,868,814	\$ 9,033,664
Buildings	785,789	820,792
Equipment	400,525	464,880
Furniture and fixtures	9,426	11,857
Vehicles	188,927	146,575
Computer and networking equipment	36,412	54,586
Computer software	-	487
Parking lot and other land improvements	1,114,451	138,142
Flood control structures	710,339	794,580
	<u>\$ 14,114,683</u>	<u>\$ 11,465,563</u>

7. RESERVES

a) Revenue Sharing

In accordance with the Ministry of Natural Resources and Forestry Revenue Sharing Policy, \$662 (2022 - \$310) interest received during the year has been transferred to the revenue sharing reserve.

b) School Programs and Memorial Fund

These reserves were established in 1998 to receive specified donations that are used to fund the School Programs and the Memorial Fund.

8. CONTINGENCIES

Under the Forestry Act, the Authority may be liable to the Ministry of Natural Resources and Forestry for an amount not greater than 50% of the proceeds from sale of lands for which acquisition grants were received from the Ministry of Natural Resources and Forestry. As of December 31, 2023 management is not aware of any liability in this regard.

SOUTH NATION RIVER CONSERVATION AUTHORITY

Notes to Financial Statements

Year Ended December 31, 2023

9. CREDIT FACILITIES - ROYAL BANK

The Authority has an authorized \$1,000,000 revolving demand facility by way of Royal Bank Prime based loans bearing interest at prime less 0.50% and Bankers' Acceptance with an acceptance fee of 0.40%.

This facility is secured by:

- a) General security agreement signed by the borrower constituting a first ranking security interest in all personal property of the borrower; and
- b) Borrowing resolution.

At year end, \$1,000,000 (2022 - \$1,000,000) was available on this facility.

10. PENSION PLAN

The Authority makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer retirement pension plan, on behalf of its eligible employees. The plan is a defined pension benefit plan, which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute equally to the plan.

As OMERS is a multi-employer defined benefit pension plan, any pension plan surpluses or deficits are a joint responsibility of all eligible organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension funding deficit of \$4,202,000 (2022 - \$6,678,000) as the Authority's portion of the amounts is not determinable. Contributions made by the Authority to OMERS for 2023 was \$281,932 (2022 - \$255,425).

11. ACCUMULATED SURPLUS

	<u>2023</u>	<u>2022</u>
Accumulated surplus consists of:		
Tangible capital assets	\$ 14,114,683	\$ 11,465,563
Tangible capital assets under construction	179,790	100,907
Reserves	3,590,827	3,218,495
Surplus - operations	300,490	393,965
	<u>\$ 18,185,790</u>	<u>\$ 15,178,930</u>

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

SOUTH NATION RIVER CONSERVATION AUTHORITY
Resource Management (Schedule 1)
Year Ended December 31, 2023

	2023	2022
RESOURCE MANAGEMENT		
Grants	\$ 451,891	\$ 343,306
Salaries and employee benefits	439,390	589,540
Contracted and technical service	429,170	133,101
Tree planting material and services	283,812	296,115
Advertising and promotion	30,847	3,269
Supplies	29,972	81,420
Travel and training	23,123	13,504
Consultants and legal fees	19,684	32,236
Equipment repairs and maintenance	10,301	13,162
Vehicle	4,130	2,884
Committee meetings	1,768	450
Memberships	772	1,535
Bank charges and interest	42	52
	\$ 1,724,902	\$ 1,510,574

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Property & Approvals (Schedule 2)
Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
PROPERTY & APPROVALS		
Salaries and employee benefits	\$ 3,325,724	\$ 2,765,633
Contracted and technical service	509,872	432,318
Supplies	115,801	98,397
Consultants and legal fees	113,029	72,610
Vehicle	110,045	103,661
Property taxes and drainage assessment	86,619	71,319
Utilities	46,824	40,570
Travel and training	32,329	15,611
Tree planting material	26,261	3,742
Insurance	20,319	19,594
Equipment repairs and maintenance	18,907	41,863
Leases	14,405	13,980
Telephone	7,435	4,637
Memberships	2,933	5,544
Bank charges and interest	367	429
Grants	<u>(54,257)</u>	<u>2,000</u>
	\$ 4,376,613	\$ 3,691,908

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Corporate & Community Services (Schedule 3)
Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
CORPORATE & COMMUNITY SERVICES		
Salaries and employee benefits	\$ 939,779	\$ 912,744
Insurance	155,696	139,842
Contracted and technical service	108,166	98,982
Board and committee meetings	54,651	34,135
Consultants, legal and audit fees	45,734	96,616
Advertising and promotion	43,957	34,165
Equipment, software, repairs and maintenance	43,784	33,690
Telephone and internet	42,479	31,762
Travel and training	40,440	20,831
Conservation Ontario levy	35,592	34,482
Supplies	29,828	8,358
Bank charges and interest	19,602	16,901
Memberships	15,597	21,037
Program support	4,750	5,746
	\$ 1,580,055	\$ 1,489,291

The accompanying notes are an integral part of these financial statements