

SOUTH NATION RIVER CONSERVATION AUTHORITY
Financial Statements
Year Ended December 31, 2024

SOUTH NATION RIVER CONSERVATION AUTHORITY
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Year Ended December 31, 2024

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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 20, 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, 2024, 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.

Other Information

Management is responsible for the other information. The other information comprises of the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

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.

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

- 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 20, 2025

Chartered Professional Accountants, Licensed Public Accountants

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Financial Position
Year Ended December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 4,836,738	\$ 4,804,076
Accounts receivable	1,724,766	1,832,874
Receivable from municipalities (Note 4)	185,877	248,894
	6,747,381	6,885,844
LIABILITIES		
Accounts payable and accrued liabilities	853,725	944,855
Deferred income (Note 5)	1,975,938	2,138,057
	2,829,663	3,082,912
NET FINANCIAL ASSETS	3,917,718	3,802,932
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	19,071,604	14,114,683
Tangible capital assets under construction	32,632	179,790
Prepaid expenses	119,568	88,385
	19,223,804	14,382,858
ACCUMULATED SURPLUS (Note 11)	\$ 23,141,522	\$ 18,185,790

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, 2024

	Budget 2024	Actual 2024	Actual 2023
Net surplus for the year	\$ 728,494	\$ 4,955,732	\$ 3,006,860
Acquisition of tangible capital assets	(792,096)	(4,702,984)	(2,166,648)
Contributed tangible capital assets	-	(672,500)	(835,000)
Proceeds on disposal of tangible capital assets	-	3,150	19,925
Change in assets under construction	-	147,158	(78,883)
Loss (gain) on disposal of tangible capital assets	-	36,023	(336)
Depreciation	-	379,389	332,942
Change in prepaid expenses	-	(31,182)	(12,323)
Increase (decrease) in net financial assets in the year	(63,602)	114,786	266,537
Net financial assets, beginning of year	3,802,932	3,802,932	3,536,395
Net financial assets, end of year	\$ 3,739,330	\$ 3,917,718	\$ 3,802,932

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, 2024

	Balance, beginning of year	From operations	To operations	Balance, end of year
RESERVES				
Operating	\$ 1,433,896	\$ 447,681	\$ 202,897	\$ 1,678,680
Capital projects	1,150,620	305,179	44,729	1,411,070
Stabilization	360,336	17,520	30,001	347,855
Water Control Structure	161,294	10,782	42,363	129,711
Sewage systems inspections	301,639	14,666	36,560	279,745
Dr. Jackson - Forestry programs	11,589	563	-	12,152
Findlay Creek	17,682	860	18,542	-
Environmental Projects	31,687	1,541	-	33,228
MNR revenue sharing (Note 7)	13,922	677	-	14,599
School programs (Note 7)	2,516	123	-	2,639
Land acquisition - forestry	50,663	2,463	-	53,126
Memorial fund (Note 7)	54,983	2,673	11,871	45,785
Year ended December 31, 2024	\$ 3,590,827	\$ 804,728	\$ 386,963	\$ 4,008,590
Year ended December 31, 2023	\$ 3,218,495	\$ 709,540	\$ 337,208	\$ 3,590,827

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Operations
Year Ended December 31, 2024

	Budget 2024	Actual 2024	Actual 2023
REVENUE			
Ministry of Natural Resources and Forestry	\$ 91,070	\$ 91,070	\$ 91,070
Source water protection	137,925	139,869	131,754
Municipal levies	4,439,413	4,439,413	3,920,525
Capital levies	50,000	50,000	-
Special levies	518,150	763,868	540,478
Federal - other funding	249,483	1,092,758	1,052,389
Provincial - other funding	122,400	106,324	80,393
Municipal - other funding	1,385,299	1,086,420	1,497,540
Other sources	2,304,833	5,989,407	3,707,223
TOTAL OPERATING REVENUE	9,298,573	13,759,129	11,021,372
RESOURCE MANAGEMENT (Schedule 1)			
Water response programs	418,074	144,929	122,161
Partner programs	1,000,150	922,998	874,657
Projects	1,631,913	47,522	279,497
Landowner stewardship outreach	497,430	856,852	448,587
	3,547,567	1,972,301	1,724,902
PROPERTY & APPROVALS (Schedule 2)			
Property	1,473,581	1,632,036	1,365,112
Approvals	1,708,483	2,000,733	1,742,660
Projects	-	965,797	1,268,841
	3,182,064	4,598,563	4,376,613
CORPORATE & COMMUNITY SERVICES (Schedule 3)			
Corporate services	1,533,493	1,302,795	1,096,343
Information management and technology	-	265,893	141,596
Communications and outreach	275,415	284,457	342,116
	1,808,908	1,853,144	1,580,055
TOTAL OPERATING EXPENSES	8,538,539	8,424,008	7,681,570
DEPRECIATION	31,540	379,389	332,942
TOTAL EXPENSES	8,570,079	8,803,397	8,014,512
NET SURPLUS	728,494	4,955,732	3,006,860
ACCUMULATED SURPLUS, BEGINNING OF YEAR	18,185,790	18,185,790	15,178,930
ACCUMULATED SURPLUS, END OF YEAR	\$ 18,914,284	\$ 23,141,522	\$ 18,185,790

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Statement of Cash Flows
Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Net Surplus	\$ 4,955,732	\$ 3,006,860
Items not affecting cash:		
Depreciation	379,389	332,942
Contributed tangible capital assets	(672,500)	(835,000)
Loss (Gain) on disposal of tangible capital assets	36,023	(338)
	4,698,644	2,504,464
Changes in non-cash working capital:		
Accounts receivable	108,108	(197,409)
Receivable from municipalities	63,017	59,559
Accounts payable and accrued liabilities	(91,129)	13,927
Deferred income	(162,121)	(625,926)
Prepaid expenses	(31,181)	(12,323)
	(113,306)	(762,172)
Cash flow from operating activities	4,585,338	1,742,292
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(4,702,984)	(2,166,648)
Purchase of tangible capital assets under construction	147,158	(78,883)
Proceeds on disposal of tangible capital assets	3,150	19,925
Cash flow used by capital activities	(4,552,676)	(2,225,606)
INCREASE (DECREASE) IN CASH FLOW	32,662	(483,314)
CASH - BEGINNING OF YEAR	4,804,076	5,287,390
CASH - END OF YEAR	\$ 4,836,738	\$ 4,804,076

The accompanying notes are an integral part of these financial statements

SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2024

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, 2024

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.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities

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.

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SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2024

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, 2024

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 dependent 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 useful life of tangible capital assets, allowance for doubtful accounts, accrued liabilities and deferred revenue.

SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2024

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, 2024.

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 represented 95% of receivable from municipalities (Note 4). The Authority has deemed all amounts receivable at year end to be collectible. There has been no significant changes 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. The Authority manages its liquidity risk by monitoring its operating requirements. The Authority prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

There has been no significant changes to the risk exposure from the prior year.

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.

There has been no significant changes to the risk exposure from the prior year.

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, 2024

4. RECEIVABLE FROM MUNICIPALITIES

	2024	2023
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.	\$ 185,877	\$ 248,894
	\$ 185,877	\$ 248,894

Principal repayment terms are approximately:

2025	\$ 60,882
2026	61,952
2027	63,043
	\$ 185,877

5. DEFERRED INCOME

	Balance, beginning of year	Funds received (reallocated)	Funds earned	2024
<u>Resource Management</u>				
Partner programs	\$ 650,715	\$ 1,569,509	\$ (1,698,493)	\$ 521,731
Projects	114,613	263,867	(269,040)	109,440
Community & Outreach	-	80,400	(7,738)	72,662
	765,328	1,913,776	(1,975,271)	703,833
<u>Property & Approvals</u>				
Buildings & infrastructures	27,366	87,865	(99,155)	16,076
Community lands	1,030,948	4,527,948	(4,509,211)	1,049,685
Development review	17,252	104,967	(121,609)	610
Sewage systems review	146,068	524,675	(524,251)	146,492
Projects	71,384	223,380	(235,522)	59,242
	1,293,018	5,468,835	(5,489,748)	1,272,105
<u>Corporate & Community Services</u>				
Communications & outreach	79,711	(71,480)	(8,231)	-
	\$ 2,138,057	\$ 7,311,131	\$ (7,473,250)	\$ 1,975,938

SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2024

6. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	2023 Balance	Additions	Disposals	2024 Balance
Land	\$ 10,868,814	\$ 3,992,184	\$ -	\$ 14,860,998
Buildings	1,264,466	188,455	-	1,452,921
Equipment	1,016,461	131,303	-	1,147,764
Furniture and fixtures	236,462	-	-	236,462
Vehicles	516,657	77,896	42,490	552,063
Computer and networking equipment	663,797	3,270	13,991	653,076
Computer software	133,927	-	-	133,927
Parking lot and other land improvements	1,394,936	982,376	92,173	2,285,139
Flood control structures	4,814,000	-	-	4,814,000
	\$ 20,909,520	\$ 5,375,484	\$ 148,654	\$ 26,136,350

<u>Accumulated Amortization</u>	2023 Balance	Amortization	Accumulated Amortization on Disposals	2024 Balance
Buildings	\$ 478,677	\$ 35,155	\$ -	\$ 513,832
Equipment	615,936	85,950	-	701,886
Furniture and fixtures	227,036	1,650	-	228,686
Vehicles	327,730	55,185	42,489	340,426
Computer and networking equipment	627,385	21,021	13,992	634,414
Computer software	133,927	-	-	133,927
Parking lot and other land improvements	280,485	96,188	52,999	323,674
Flood control structures	4,103,660	84,240	-	4,187,900
	\$ 6,794,836	\$ 379,389	\$ 109,480	\$ 7,064,745

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SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2024

6. TANGIBLE CAPITAL ASSETS (continued)

<u>Net book value</u>	<u>2024</u>	<u>2023</u>
Land	\$ 14,860,998	\$ 10,868,814
Buildings	939,089	785,789
Equipment	445,878	400,524
Furniture and fixtures	7,776	9,426
Vehicles	211,637	188,927
Computer and networking equipment	18,662	36,412
Parking lot and other land improvements	1,961,465	1,114,451
Flood control structures	626,099	710,340
	<u>\$ 19,071,604</u>	<u>\$ 14,114,683</u>

7. RESERVES

a) Revenue Sharing

In accordance with the Ministry of Natural Resources and Forestry Revenue Sharing Policy, \$677 (2023 - \$662) 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, 2024 management is not aware of any liability in this regard.

SOUTH NATION RIVER CONSERVATION AUTHORITY

**Notes to Financial Statements
Year Ended December 31, 2024**

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 (2023 - \$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 \$2,913,000,000 (2023 - \$4,202,000,000) as the Authority's portion of the amounts is not determinable. Contributions made by the Authority to OMERS for 2024 was \$303,089 (2023 - \$281,932).

11. ACCUMULATED SURPLUS

	<u>2024</u>	<u>2023</u>
Accumulated surplus consists of:		
Tangible capital assets	\$ 19,071,604	\$ 14,114,683
Tangible capital assets under construction	32,632	179,790
Reserves	4,008,590	3,590,827
Surplus - operations	28,696	300,490
	<u>\$ 23,141,522</u>	<u>\$ 18,185,790</u>

SOUTH NATION RIVER CONSERVATION AUTHORITY
Notes to Financial Statements
Year Ended December 31, 2024

12. CHANGE IN ACCOUNTING POLICY

In the prior fiscal year, South Nation Conservation Authority adopted PS 3280 Asset Retirement Obligations which came into effect on April 1, 2022 in accordance with Public Sector Accounting Standards (PSAS). This standards required a change in accounting policy related to 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.

While the financial statements for the prior year were prepared in compliance with the new standard and no adjustments to financial figures were required, the disclosure of the accounting policy change was omitted from the notes to the financial statements.

The adoption of PS 3280 did not have a material impact on the financial position or results of operations of the Authority.

SOUTH NATION RIVER CONSERVATION AUTHORITY
Resource Management (Schedule 1)
Year Ended December 31, 2024

	2024	2023
RESOURCE MANAGEMENT		
Grants	\$ 636,972	\$ 451,891
Salaries and employee benefits	499,444	439,390
Contracted and technical service	372,007	429,170
Tree planting material and services	269,228	283,812
Supplies	106,416	29,972
Advertising and promotion	35,712	30,847
Travel and training	28,025	23,123
Consultants and legal fees	11,661	19,684
Bank charges and interest	5,567	42
Vehicle	3,440	4,130
Memberships	2,233	772
Equipment repairs and maintenance	1,596	10,301
Committee meetings	-	1,768
	\$ 1,972,301	\$ 1,724,902

SOUTH NATION RIVER CONSERVATION AUTHORITY
Property & Approvals (Schedule 2)
Year Ended December 31, 2024

	2024	2023
PROPERTY & APPROVALS		
Salaries and employee benefits	\$ 3,335,829	\$ 3,325,724
Contracted and technical service	752,125	509,872
Vehicle	114,492	110,045
Consultants and legal fees	103,599	113,029
Property taxes and drainage assessment	90,629	86,619
Supplies	82,003	115,801
Utilities	42,232	46,824
Travel and training	32,605	32,329
Equipment repairs and maintenance	21,310	18,907
Insurance	20,986	20,319
Leases	14,549	14,405
Tree planting material	12,314	26,261
Telephone	8,229	7,435
Memberships	5,130	2,933
Advertising and promotion	673	-
Bank charges and interest	601	367
Grants	(38,743)	(54,257)
	\$ 4,598,563	\$ 4,376,613

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, 2024

	2024	2023
CORPORATE & COMMUNITY SERVICES		
Salaries and employee benefits	\$ 1,093,224	\$ 939,779
Contracted and technical service	235,046	108,166
Insurance	164,741	155,696
Travel and training	55,888	40,440
Consultants, legal and audit fees	48,579	45,734
Equipment, software, repairs and maintenance	45,014	43,784
Telephone and internet	41,198	42,479
Board and committee meetings	41,057	54,651
Advertising and promotion	38,113	43,957
Conservation Ontario levy	36,494	35,592
Bank charges and interest	20,086	19,602
Memberships	15,977	15,597
Supplies	15,916	29,828
Program support	1,811	4,750
	\$ 1,853,144	\$ 1,580,055

The accompanying notes are an integral part of these financial statements