

**SAUGEEN VALLEY  
CONSERVATION AUTHORITY**

**FINANCIAL REPORT**

**DECEMBER 31, 2023**

# SAUGEEN VALLEY CONSERVATION AUTHORITY

DECEMBER 31, 2023

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# SAUGEEN VALLEY CONSERVATION AUTHORITY

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The accompanying financial statements of the Saugeen Valley Conservation Authority (the "Authority") are the responsibility of the Authority's management and have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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 accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada), 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 meets with management and the external auditor to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Baker Tilly SGB LLP, independent external auditor appointed by the Authority. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.

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**General Manager/Secretary-Treasurer**  
May 16, 2024

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**Corporate Services Manager**  
May 16, 2024

**BAKER TILLY SGB LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Saugeen Valley Conservation Authority**:

**Opinion**

We have audited the financial statements of Saugeen Valley Conservation Authority (the Authority), which comprise the statement of financial position as at December 31, 2023 and the statements of operations and changes in net assets and cash flow 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 results of its operations 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.

AUDIT • TAX • ADVISORY

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**BAKER TILLY SGB LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

**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 SGB LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
**LICENSED PUBLIC ACCOUNTANTS**

Walkerton, Ontario  
May 16, 2024

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# SAUGEE VALLEY CONSERVATION AUTHORITY

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2023	2022
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	1,007,762	944,985
Accounts receivable (Note 5)	937,151	986,276
Temporary investments (Note 4)	2,926,457	2,814,288
	<b>4,871,370</b>	4,745,549
<b>Liabilities</b>		
Accounts payable and accrued liabilities	678,086	572,966
Deferred revenue (Note 6)	570,567	638,988
	<b>1,248,653</b>	1,211,954
Net financial assets	<b>3,622,717</b>	3,533,595
<b>Non-financial assets</b>		
Tangible capital assets (Note 7)	9,906,102	10,106,783
Prepaid expenses	55,102	37,006
	<b>9,961,204</b>	10,143,789
<b>Accumulated surplus</b> (Page 9)	<b>13,583,921</b>	13,677,384

Approved \_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying notes are an integral part of  
these financial statements

# SAUGEE VALLEY CONSERVATION AUTHORITY

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
	(Note 10)		
<b>Revenue (Page 7)</b>			
Government transfers and special programs	336,400	<b>407,563</b>	136,015
Municipal levies	2,524,840	<b>2,559,766</b>	1,967,096
Authority generated	2,074,200	<b>1,857,124</b>	1,960,135
Other	498,700	<b>1,337,610</b>	2,910,493
	5,434,140	<b>6,162,063</b>	6,973,739
<b>Expenses (Page 8)</b>	6,067,780	<b>6,255,526</b>	5,134,100
<b>Annual surplus (deficit)</b>	(633,640)	<b>(93,463)</b>	1,839,639
<b>Accumulated surplus, beginning of year</b>		<b>13,677,384</b>	11,837,745
<b>Accumulated surplus, end of the year (Page 9)</b>		<b>13,583,921</b>	13,677,384

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# SAUGEE VALLEY CONSERVATION AUTHORITY

## STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
	(Note 10)		
<b>Annual surplus (deficit)</b>	(633,640)	<b>(93,463)</b>	1,839,639
Acquisition of tangible capital assets	-	<b>(104,847)</b>	(173,635)
Amortization of tangible capital assets	-	<b>305,526</b>	313,730
Loss/(Gain) on disposal of tangible capital assets	-	-	1,848
Proceeds on disposal of tangible capital assets	-	-	-
Contributed tangible capital assets (Note 7)	-	-	(1,750,000)
Change in prepaid expenses	-	<b>(18,094)</b>	16,861
Change in net financial assets	(633,640)	<b>89,122</b>	248,443
Net financial assets, beginning of year		<b>3,533,595</b>	3,285,152
<b>Net financial assets, end of year</b>		<b>3,622,717</b>	3,533,595

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# SAUGEEN VALLEY CONSERVATION AUTHORITY

## SCHEDULE OF REVENUE FOR THE YEAR ENDED DECEMBER 31

	Budget 2023 \$ (Note 10)	Actual 2023 \$	Actual 2022 \$
<b>Revenues</b>			
<b>Government Transfers</b>			
Program operations	81,400	<b>88,379</b>	81,396
Capital programs	255,000	<b>319,184</b>	1,468
Saugeen parks & land management (Schedule 4)	-	-	53,151
	<b>336,400</b>	<b>407,563</b>	136,015
<b>Municipal Levies (Schedule 7)</b>			
General levies	2,071,216	<b>2,071,216</b>	1,867,766
Special levies	453,624	<b>488,550</b>	99,330
	<b>2,524,840</b>	<b>2,559,766</b>	1,967,096
<b>Authority Generated</b>			
Agricultural lands	17,700	<b>16,799</b>	16,148
Education program fees	39,900	<b>31,446</b>	38,928
Saugeen forestry service	371,000	<b>320,618</b>	423,780
Planning and regulation fees	703,000	<b>589,776</b>	597,557
Saugeen parks & land management (Schedule 4)	942,600	<b>898,485</b>	883,722
	<b>2,074,200</b>	<b>1,857,124</b>	1,960,135
<b>Other</b>			
Interest earned	130,000	<b>204,022</b>	105,422
Vehicle and equipment recoveries (Schedule 6)	150,000	<b>156,956</b>	157,587
Donation revenue	7,000	<b>2,500</b>	576
Miscellaneous operations	133,600	<b>178,839</b>	115,146
Gain/(Loss) on disposal of tangible capital assets (Schedule 6)	-	-	(1,848)
Administration overhead	77,700	<b>119,121</b>	112,317
Special programs (Schedule 5)	-	<b>676,172</b>	670,888
Stream gauge maintenance contracts	400	-	405
Contributed tangible capital assets (Note 7)	-	-	1,750,000
	<b>498,700</b>	<b>1,337,610</b>	2,910,493
<b>Total Revenues</b>	<b>5,434,140</b>	<b>6,162,063</b>	<b>6,973,739</b>

The accompanying notes are an integral part of  
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# SAUGEEN VALLEY CONSERVATION AUTHORITY

## SCHEDULE OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
	(Note 10)		
<b>Expenses</b>			
Administration (Schedule 1)	786,200	<b>773,657</b>	737,098
Program operations (Schedule 2)	2,771,900	<b>2,534,696</b>	2,373,526
Repairs and maintenance (Schedule 3)	670,000	<b>705,485</b>	81,258
Saugeen parks & land management (Schedule 4)	1,650,380	<b>1,432,226</b>	1,080,402
Vehicles and equipment (Schedule 6)	181,000	<b>141,789</b>	129,946
Agricultural lands	8,300	<b>1,713</b>	3,958
Other expenses	-	<b>6,565</b>	8,006
	6,067,780	<b>5,596,131</b>	4,414,194
Amortization (Note 7)	-	<b>305,526</b>	313,730
	6,067,780	<b>5,901,657</b>	4,727,924
Total Special Program Expenses (Schedule 5)	-	<b>353,869</b>	406,176
<b>Total Expenses</b>	<b>6,067,780</b>	<b>6,255,526</b>	<b>5,134,100</b>

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# SAUGEEN VALLEY CONSERVATION AUTHORITY

## SCHEDULE OF ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2023

	Opening Balance	From Operations	To Operations	Closing Balance
	\$	\$	\$	\$
<b>Reserves</b>				
Agricultural Lands	54,924	17,158	21,420	50,662
Computer Upgrades	42,148	2,608	-	44,756
Environmental Planning	53,260	3,225	3,422	53,063
Forest Management	363,207	100,922	-	464,129
House Repairs	43,465	2,689	-	46,154
Kincardine Maintenance	145,809	-	1,088	144,721
Land Management	105,009	20,252	50,201	75,060
Legal Fees	39,593	1,926	21,605	19,914
LTD/OMERS/Benefits	22,243	1,375	-	23,618
Office Equipment	26,552	1,642	-	28,194
Ortho Imagery	24,861	5,671	-	30,532
Property Acquisition	139,075	8,603	-	147,678
Resource Centre	5,041	312	-	5,353
Retiree Benefits	28,428	1,678	2,632	27,474
Saugeen Parks	891,205	151,015	220,725	821,495
Self Insured Damaged	28,536	1,765	-	30,301
Short Term Disability	32,764	2,027	-	34,791
Stewardship	102,810	5,388	29,000	79,198
Vehicle Replacement	65,017	14,614	47,388	32,243
Water Management	397,693	338,103	50,479	685,317
Wetland Acquisition	60,203	3,724	-	63,927
Working Capital	898,758	90,623	220,142	769,239
	<b>3,570,601</b>	<b>775,320</b>	<b>668,102</b>	<b>3,677,819</b>
Tangible Capital Assets	10,106,783	104,845	305,526	9,906,102
	<b>13,677,384</b>	<b>880,165</b>	<b>973,628</b>	<b>13,583,921</b>

The accompanying notes are an integral part of  
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# SAUGEE VALLEY CONSERVATION AUTHORITY

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2023	2022
	\$	\$
<b>Cash flows from (for):</b>		
<b>Operating activities</b>		
Annual (deficit) surplus	(93,463)	1,839,639
Non-cash items:		
Amortization of tangible capital assets	305,526	313,730
Loss/(Gain) on disposal of tangible capital assets	-	1,848
Contributed tangible capital assets (Note 7)	-	(1,750,000)
	<b>212,063</b>	405,217
Changes in non-cash working capital balances (Note 13)	<b>67,730</b>	(438,774)
<b>Net change in cash from operations</b>	<b>279,793</b>	(33,557)
<b>Capital activities</b>		
Acquisition of tangible capital assets	(104,847)	(173,635)
<b>Investing activities</b>		
Acquisition of investments	(112,169)	(61,830)
<b>Net change in cash position</b>	<b>62,777</b>	(269,022)
<b>Cash and cash equivalents, beginning of year</b>	<b>944,985</b>	1,214,007
<b>Cash and cash equivalents, end of year</b>	<b>1,007,762</b>	944,985

The accompanying notes are an integral part of  
these financial statements

# SAUGEEN VALLEY CONSERVATION AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

### Nature of Operations

The Saugeen Valley Conservation Authority (the "Authority") is established under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals, for the watersheds within its area of jurisdiction. The watersheds include areas in the Municipalities of Arran-Elderslie, Brockton, Kincardine, South Bruce, Grey Highlands, Morris-Turnberry and West Grey, the Townships of Huron-Kinloss, Chatsworth, Southgate, Howick, and North Wellington, and the Towns of Saugeen Shores, Hanover, and Minto.

The Authority is a registered charity and is exempt from income taxes.

### 1. Summary of Significant Accounting Policies

The financial statements have been prepared by the management of the Authority in accordance with Canadian generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Authority and the changes thereto. The statement of financial position includes all of the assets and liabilities of the Authority. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Authority's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Authority are as follows:

#### (a) Basis of Accounting

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### (b) Revenue Recognition

Government transfers 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.

General and special municipal levies are recognized as revenue when the amounts are levied on the municipalities.

Authority generated revenue and special program revenue is recognized when the price is fixed or determinable, collectability is reasonably assured and services are provided to customers.

Other revenues are recognized on an accrual basis.

#### (c) Deferred Revenue

Revenue restricted by legislation, regulation, or agreement and not available for Authority purposes is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations in the year in which it is used for the specified purpose.

# SAUGEEN VALLEY CONSERVATION AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

### 1. Summary of Significant Accounting Policies (continued)

(d) Internally Restricted Surplus

Appropriations are made from operations to reserves for future expenses and contingencies for such amounts as are deemed appropriate, and upon approval of the Authority members.

(e) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Cost includes overheads directly attributable to construction and development.

Amortization is reflected on a declining balance basis over the estimated useful life of the assets at the following amortization rates:

Buildings	5%
Conservation Areas	5%
Erosion and Flood Control	5%
Equipment	15%
Floodwarning Equipment	5%
Vehicles	30%
Information Technology	3 year straight-line

Contributed tangible capital assets are recognized as assets and revenue at fair value at the time they are received.

(f) Classification of Expenses

To achieve consistency of reporting by the Conservation Authorities in Ontario, expenses are reported to follow the classifications set up by the Ministry of Natural Resources and Forestry. These are as follows:

General Administration expenses include those associated with head office functions other than technical staff and associated programs.

Program Operation expenses include technical and program operations support staff, operations and maintenance of water control structures, forest management and expenses at Saugeen Parks.

Other expenses include repairs and maintenance, vehicles and equipment, agricultural land expenses, property management, special employment projects, motor pool, etc.

(g) Vehicles and Equipment

The Authority operates a motor pool of vehicles and equipment. Internal charges for the use of vehicles and equipment are made to the various projects of the Authority based on an hourly or distance travelled rate, which is designed to recover all costs of operating the pool including replacement of equipment.

These internal charges are included in the appropriate expense classifications.

# SAUGEEN VALLEY CONSERVATION AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

### 1. Summary of Significant Accounting Policies (continued)

#### (h) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principle estimates used in the preparation of these financial statements are the determination of the estimated useful life of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### (i) Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit, short-term deposits with a maturity of three months or less at acquisition and temporary bank overdrafts which form an integral part of the Authority's cash management.

#### (j) Pension Plan

The Authority offers a pension plan for its full-time employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Authority accounts for its participation in OMERS as a defined contribution plan and recognizes the expense related to this plan as contributions are made, even though OMERS is itself a defined benefit plan.

#### (k) Financial Instruments

The financial instruments of the Authority consist of cash and cash equivalents, accounts receivable, investments, and accounts payable. All financial instruments are recognized at cost, amortized cost, or fair value.

Cash and cash equivalents are recognized at cost. Accounts receivable, accounts payable and deferred revenue are recognized at amortized cost.

Investments include guaranteed investment certificates (GICs). Investments are subsequently recorded at cost or amortized cost unless management has elected to carry the investments at fair value. Management has elected to record all investments at cost which approximates amortized cost.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured at cost or amortized cost.

Unrealized gains and losses from the change in fair value of these financial instruments are reflected in the statement of remeasurement gains and losses until disposition. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

# SAUGEE VALLEY CONSERVATION AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

### 1. Summary of Significant Accounting Policies (continued)

#### (k) Financial Instruments (continued)

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.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

### 2. Changes in Accounting Policies

#### (a) *PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation*

On January 1, 2023, the Authority adopted Public Accounting Standards *PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation*. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and Authority's accounting policy choices (see Note 1).

The Authority undertook a process to identify any and all adjustments required as a result of the adoption of this standard. This process did not yield identification of any such adjustments.

#### (b) *PS 3280 – Asset Retirement Obligations*

On January 1, 2022, the Authority also adopted Public Accounting Standard *PS 3280 – Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings owned by public sector entities.

The Authority undertook a process to identify any and all adjustments required as a result of the adoption of this standard. This process did not yield identification of any such adjustments.



# SAUGEEEN VALLEY CONSERVATION AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

### 3. Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash - Operating Funds	<b>1,007,762</b>	944,985

Included in the Operating Funds is an interest account which earns interest at 4% and total interest earned from operating fund accounts was \$67,640 (2022 - \$28,184).

### 4. Temporary Investments

	2023	2022
	\$	\$
Guaranteed Investment Certificate, interest at 5.15%, matures September 2, 2024	1,362,250	1,320,281
Guaranteed Investment Certificate, interest at 5.45%, matures November 14, 2024	1,564,207	1,494,007
	<b>2,926,457</b>	2,814,288

The GICs are carried at cost which approximates the fair market value and earned interest of \$136,382 (2022 - \$77,238).

### 5. Accounts Receivable

	2023	2022
	\$	\$
Municipal Levies	257,581	99,615
Trade Accounts Receivable	679,570	886,661
	<b>937,151</b>	986,276

### 6. Deferred Revenue

	2023	2022
	\$	\$
Individual Programs	131,611	135,181
Ministry of Natural Resources and Forestry, and Municipalities	128,989	119,030
Bruce Power Funding	206,928	237,512
Other Deferred Revenue	103,039	147,265
	<b>570,567</b>	638,988

# SAUGEE VALLEY CONSERVATION AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

### 7. Tangible Capital Assets

	Balance 2022	Additions	Disposals	Balance 2023
<b>Cost</b>	\$	\$	\$	\$
Land	5,694,957	-	-	5,694,957
Buildings	1,686,540	-	-	1,686,540
Conservation Areas	1,072,575	-	-	1,072,575
Erosion and Flood Control	13,419,193	-	-	13,419,193
Equipment	469,863	28,860	-	498,723
Floodwarning Equipment	239,706	-	-	239,706
Vehicles	523,194	62,555	-	585,749
Information Technology	171,773	13,431	(10,612)	174,592
	23,277,801	104,846	(10,612)	23,372,035
<b>Accumulated Amortization</b>	\$	\$	\$	\$
Buildings	1,019,345	33,360	-	1,052,705
Conservation Areas	625,591	20,855	-	646,446
Erosion and Flood Control	10,557,041	143,107	-	10,700,148
Equipment	300,899	28,629	-	329,528
Floodwarning Equipment	147,427	4,674	-	152,101
Vehicles	381,272	52,242	-	433,514
Information Technology	139,443	22,660	(10,612)	151,491
	13,171,018	305,527	(10,612)	13,465,933
<b>Net Book Value</b>	\$			\$
Land	5,694,957			5,694,957
Buildings	667,195			633,835
Conservation Areas	446,984			426,129
Erosion and Flood Control	2,862,152			2,719,045
Equipment	168,964			169,195
Floodwarning Equipment	92,279			87,605
Vehicles	141,922			152,235
Information Technology	32,330			23,101
	10,106,783			9,906,102

The Authority received no contributed asset in 2023. In 2022, two parcels of land was donated. This land contribution was recorded and recognized at fair market value at \$1,750,000.

# SAUGEEN VALLEY CONSERVATION AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

### 8. Revolving Credit Facility

The Authority has available a Royal Bank of Canada revolving credit facility with a maximum limit of \$200,000. The facility bears interest at bank prime plus 1.25% and is due on demand. As at December 31, 2023, the balance is \$NIL (2022 - \$NIL). The Authority also has a \$100,000 VISA credit limit facility available.

### 9. Pension Plan

The employees of the Authority participate in the Ontario Municipal Employees Retirement Saving Plan ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Authority cannot be identified. The Authority has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting.

The amount contributed to OMERS for 2023 was \$226,075 (2022 - \$184,030) for current service costs and is included as an expense on the statement of operations.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of this valuation disclosed total actuarial liabilities of \$136.2 (2022 - \$130.3) billion in respect of benefits accrued for service with actuarial assets at that date of \$132.0 (2022 - \$123.6) billion, indicating a going concern actuarial deficit of \$4.2 (2022 - \$6.7) billion.

### 10. Budget Amounts

The 2023 budget amounts for Saugeen Valley Conservation Authority were approved by the Authority members and have been restated to conform to the basis of presentation of the revenues and expenses on the statement of operations and change in net financial assets. The budget numbers have not been audited.

### 11. Commitments

The Authority has entered into an operating lease agreement for a Xerox copier requiring 20 quarterly payments of \$1080 commencing January 2024. The lease expires December 2028.

The Authority has entered into an agreement for the operation of a phone system requiring monthly payments of \$425 commencing September 2021. The agreement is for 3 years, expiring September 2024.

The Authority has entered into an agreement for removal of hazardous trees, which was started in 2023 and is to be completed in 2024. \$143,725 remains to be expensed.

The minimum annual payments on commitments for the next five years are as follows:

2024	\$151,869
2025	\$4,319
2026	\$4,319
2027	\$4,319
2028	\$4,319

# SAUGEE VALLEY CONSERVATION AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

### 12. Cash Flow Information

The net change in non-cash working capital balances consists of:

	2023	2022
	\$	\$
Accounts Receivable	49,124	(560,020)
Prepaid Expenses	(18,094)	16,861
Accounts Payable and Accrued Liabilities	105,121	319,311
Deferred Revenue	(68,421)	(122,843)
Post Employment Benefits	-	(92,083)
	<u>67,730</u>	<u>(438,774)</u>

### 13. Statement of Remeasurement Gains and Losses

A statement of remeasurement gains and losses has not been provided because there were no remeasurement gains or losses during the year.

### 14. Subsequent Event

Subsequent to the year end, a litigation has commenced against the Authority. The financial effect cannot be estimated at this time.

# SAUGEEN VALLEY CONSERVATION AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

### 15. Financial Instruments

The Authority has exposure to the following risks from its use of financial instruments: credit risk, market risk (including interest rate, foreign currency, other price risks) and liquidity risk. Directors ensures that the Authority has identified its major risks and ensures that management monitors and controls them.

(a) Credit risk:

Credit risk is the risk of financial loss to the Authority if a counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Authority consisting of cash and cash equivalents, investments, and accounts receivable. The Authority assesses these financial assets on a continuous basis for any amounts that are not collectible or realizable.

(b) Market risk:

Market risk is the risk that changes in market prices, including interest rates, will affect the Authority's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk. The Authority manages market risk by adoption of an investment policy and adherence to this policy.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

(c) Liquidity risk:

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they become due. The Authority manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

**SAUGEEN VALLEY  
CONSERVATION AUTHORITY**

**UNAUDITED SCHEDULES**

**DECEMBER 31, 2023**

# SAUGEEN VALLEY CONSERVATION AUTHORITY

## SCHEDULE 1 SCHEDULE OF ADMINISTRATION EXPENSES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
<b>General Administration</b>			
Wages and benefits	479,400	<b>487,892</b>	470,692
Board of Directors' allowances	23,000	<b>30,948</b>	21,146
Staff mileage and expenses	10,600	<b>5,992</b>	6,456
Equipment, purchases and rentals	2,000	<b>54</b>	-
Materials and supplies	27,000	<b>28,729</b>	24,424
Insurance	38,000	<b>49,891</b>	43,935
Property taxes	8,000	<b>8,612</b>	8,048
Conservation Ontario levy	30,000	<b>28,004</b>	27,481
Other	3,000	<b>8,246</b>	6,031
Administrative centre operating expenses	113,000	<b>58,729</b>	81,019
Consultant fees	4,000	<b>305</b>	5,376
Legal, audit fees and bank charges	17,700	<b>25,293</b>	18,899
Health and safety expenses	20,000	<b>30,675</b>	16,143
Advertising and staff development	6,500	<b>6,269</b>	2,106
Resource Centre operating expenses	4,000	<b>4,018</b>	5,342
	<b>786,200</b>	<b>773,657</b>	737,098
Less amounts capitalized	-	-	-
	<b>786,200</b>	<b>773,657</b>	737,098

# SAUGEE VALLEY CONSERVATION AUTHORITY

## SCHEDULE 2 SCHEDULE OF PROGRAM OPERATION EXPENSES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
<b>Flood Control</b>			
Flood control structures	256,750	<b>217,752</b>	157,632
Flood warning, river forecasting and operation of dams	274,800	<b>254,027</b>	189,885
<b>Land Management</b>			
Taxes on provincially significant lands	35,000	<b>48,014</b>	43,184
Forest management	461,450	<b>357,388</b>	377,676
Geographical information systems / information technology	178,600	<b>177,791</b>	197,051
<b>Water Management</b>			
Plan input and review and regulation enforcement	1,183,300	<b>1,105,658</b>	1,092,820
Water quality	149,050	<b>154,300</b>	148,122
<b>Community Relations</b>			
Conservation information	132,100	<b>120,930</b>	109,601
Conservation education	100,850	<b>112,267</b>	108,343
	2,771,900	<b>2,548,127</b>	2,424,314
Less amounts capitalized	-	<b>(13,431)</b>	(50,788)
<b>Total Program Operation Expenses</b>	2,771,900	<b>2,534,696</b>	2,373,526
<b>Capital Acquisitions</b>			
Flood warning - Equipment		-	7,815
Land Management - IT infrastructure		<b>13,431</b>	42,973
		<b>13,431</b>	50,788



# SAUGEEN VALLEY CONSERVATION AUTHORITY

## SCHEDULE 3 SCHEDULE OF REPAIRS AND MAINTENANCE FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
<b>Water Management Surveys, Studies and Capital Projects</b>			
Durham Dam Safety & Repair	40,000	-	-
Flood Hazard Mapping	130,000	<b>188,255</b>	-
Lake Huron Centre for Coastal Conservation	10,000	-	10,000
Meux Creek Repair	400,000	<b>451,351</b>	2,937
Neustadt Study & Durham Upper Dam Assessment	50,000	<b>11,066</b>	-
Neustadt Weir	15,000	-	-
Paisley Dyke Slope Stability	-	<b>38,318</b>	-
Paisley Dyke Long-term Monitoring	-	<b>16,495</b>	-
Port Elgin Erosion Control	5,000	-	-
Water Infrastructure Inspections	-	-	34,197
Walkerton Dyke Repairs	20,000	-	-
	<b>670,000</b>	<b>705,485</b>	47,134
<b>Recreational Capital Projects</b>			
Durham C.A. - IT infrastructure	-	-	10,000
Saugeen Bluffs C.A - Control gates	-	-	14,955
Saugeen Parks, Disc Golf	-	<b>7,440</b>	-
	-	<b>7,440</b>	24,955
<b>Other Capital Projects</b>			
Land transfer costs	-	-	34,124
	-	-	34,124
	670,000	<b>712,925</b>	106,213
Less amounts capitalized	-	<b>(7,440)</b>	(24,955)
	<b>670,000</b>	<b>705,485</b>	81,258
<b>Capital Acquisitions</b>			
Saugeen Bluffs, Control gates		-	14,955
Saugeen Parks, Disc Golf		<b>7,440</b>	-
Durham, IT infrastructure		-	10,000
		<b>7,440</b>	24,955

# SAUGEEN VALLEY CONSERVATION AUTHORITY

## SCHEDULE 4 SCHEDULE OF REVENUES AND EXPENSES OF SAUGEEN PARKS & LAND MANAGEMENT FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
<b>Revenue from Revenue Producing Conservation Areas</b>			
Brucedale C.A.	132,600	<b>122,020</b>	117,298
Durham C.A.	348,500	<b>335,328</b>	324,879
Saugeen Bluffs C.A.	440,500	<b>419,917</b>	408,811
	921,600	<b>877,265</b>	850,988
<b>Government Grant</b>	-	-	53,151
	921,600	<b>877,265</b>	904,139
<b>Expenses from Revenue Producing Conservation Areas</b>			
Brucedale C.A.	213,180	<b>152,610</b>	74,957
Durham C.A.	377,300	<b>313,136</b>	313,189
Saugeen Bluffs C.A.	596,000	<b>516,624</b>	326,867
	1,186,480	<b>982,370</b>	715,013
<b>Excess of Revenue Over Expenses (Expenses over Revenue) for the Year for Revenue Producing Conservation Areas</b>			
	(264,880)	<b>(105,105)</b>	189,126
<b>Revenue from Non-Revenue Producing Conservation Areas</b>			
Donations	1,000	<b>5,027</b>	1,591
Miscellaneous revenues	20,000	<b>16,193</b>	31,143
	21,000	<b>21,220</b>	32,734
<b>Expenses from Non-Revenue Producing Conservation Areas</b>			
	463,900	<b>449,856</b>	365,389
<b>Excess of Expenses Over Revenue for the Year for Non-Revenue Producing Conservation Areas</b>			
	(442,900)	<b>(428,636)</b>	(332,655)

# SAUGEEN VALLEY CONSERVATION AUTHORITY

## SCHEDULE 5 SCHEDULE OF REVENUES AND EXPENSES OF SPECIAL PROGRAMS FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Actual 2023	Actual 2022
	\$	\$
<b>Revenue</b>		
Bruce Power Program	28,750	-
Conservation Ontario Contract	19,998	-
Healthy Lake Huron	-	23,751
Penetangore Watershed Group	-	16,761
NWMO Water Testing	588,752	499,651
Power Work Camp	12,000	12,000
RTO7 Bridge & Stairs	-	100,000
Saugeen Valley Children's Safety Village	2,034	3,621
Stewardship Project	-	7,748
Well Decommissioning Stewardship	22,811	7,356
Youth Outdoor Expo	1,827	-
	<b>676,172</b>	<b>670,888</b>
<b>Expenses</b>		
Bruce Power Program	28,750	-
Conservation Ontario Contract	19,998	-
NWMO Water Testing	278,797	244,885
Penetangore Watershed Group	-	16,761
Post-Employment Benefits	-	4,096
RTO7 Bridge & Stairs	-	130,635
Saugeen Valley Children's Safety Village	1,652	2,280
Valard Maintenance	33	163
Well Decommissioning Stewardship	22,811	7,356
Youth Outdoor Expo	1,828	-
	<b>353,869</b>	<b>406,176</b>
<b>Excess of Revenue Over Expenses (Expenses over Revenue) for the Year</b>	<b>322,303</b>	<b>264,712</b>

# SAUGEE VALLEY CONSERVATION AUTHORITY

## SCHEDULE 6 SCHEDULE OF REVENUES AND EXPENSES OF VEHICLES AND EQUIPMENT FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
<b>Revenue</b>			
Vehicles	120,000	133,844	129,063
Equipment	18,000	19,892	20,732
Office equipment	12,000	3,220	7,792
Gain on disposal of vehicles and equipment	-	-	(1,848)
	150,000	156,956	155,739
<b>Expenses</b>			
Vehicles			
Operating costs	77,500	94,956	87,595
Repairs and maintenance	12,500	25,967	12,374
Equipment			
Operating costs	13,000	1,387	8,658
Repairs and maintenance	10,000	11,134	13,917
Office equipment			
Operating costs	8,000	8,345	7,402
	121,000	141,789	129,946
<b>Excess of Revenue Over Expenses for the Year, Before Leasing of Vehicles and Equipment</b>			
	29,000	15,167	25,793
<b>Purchasing and Leasing of Vehicles and Equipment</b>			
	60,000	83,975	47,945
	(31,000)	(68,808)	(22,152)
Less amounts capitalized	(60,000)	(83,975)	(47,945)
<b>Excess of (Deficiency in) Revenue Over Expenses for the Year</b>	29,000	15,167	25,793
<b>Capital Acquisitions</b>			
Kubota Zero Turn Mower		21,420	-
Vehicles		62,555	47,945
		83,975	47,945

# SAUGEEN VALLEY CONSERVATION AUTHORITY

## SCHEDULE 7 SCHEDULE OF MUNICIPAL LEVIES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Modified Current Market Value in Watershed	Apportionment	2023 General Levies	2023 Special Levies
	\$	%	\$	\$
Arran-Elderslie	378,322,495	2.5083	51,937	56,794
Brockton	1,302,341,980	8.6347	178,827	16,255
Chatsworth	451,658,176	2.9946	62,008	-
Grey Highlands	654,551,440	4.3398	89,868	-
Hanover	986,818,896	6.5427	135,498	-
Howick	40,641,631	0.2695	5,565	-
Huron-Kinloss	835,787,820	5.5414	114,758	68,035
Kincardine	2,638,084,781	17.4908	362,257	2,804
Minto	409,885,567	2.7176	56,271	-
Morris-Turnberry	28,846,198	0.1913	4,184	-
Saugeen Shores	3,173,146,938	21.0384	435,735	22,238
South Bruce	730,405,257	4.8427	100,286	-
Southgate	1,029,301,399	6.8244	141,332	-
Wellington North	594,517,761	3.9417	81,626	418
West Grey	1,828,355,239	12.1222	251,064	322,006
	<b>15,082,665,578</b>	<b>100</b>	<b>2,071,216</b>	<b>488,550</b>