

THE CROWE VALLEY CONSERVATION AUTHORITY

FINANCIAL STATEMENTS

December 31, 2023

Draft for discussion purposes only

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements of The Crowe Valley Conservation Authority are the responsibility of management and have been approved by the Board.

The financial statements have been prepared in compliance with Canadian public sector accounting standards, as issued by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 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 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 financial statements have been audited by Welch 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.

Tim Pidduck
General Manager & Secretary-Treasurer

Amanda Donald
Administrative Assistant

Date to be determined

INDEPENDENT AUDITOR'S REPORT

To the Members of
THE CROWE VALLEY CONSERVATION AUTHORITY

Opinion

We have audited the financial statements of **THE CROWE VALLEY CONSERVATION AUTHORITY**, which comprise the statement of financial position as at December 31, 2023, and the statements of surplus, changes in net financial assets, operations and 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 its results of 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.

INDEPENDENT AUDITOR'S REPORT (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.

Trenton, Ontario
Date to be determined

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

THE CROWE VALLEY CONSERVATION AUTHORITY
(Established Under the Conservation Authorities Act of Ontario)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash	\$ 1,391,171	\$ 1,383,153
Accounts receivable	<u>143,861</u>	<u>122,942</u>
	<u>1,535,032</u>	<u>1,506,095</u>
 LIABILITIES		
Accounts payable and accrued liabilities	121,463	92,005
Deferred contributions - <i>note 3</i>	11,748	-
Unearned revenue	<u>110,277</u>	<u>123,110</u>
	<u>243,488</u>	<u>215,115</u>
 NET FINANCIAL ASSETS	 <u>1,291,544</u>	 <u>1,290,980</u>
 NON FINANCIAL ASSETS		
Tangible capital assets - <i>schedule 3</i>	341,516	332,091
Prepaid expenditures	<u>13,196</u>	<u>13,196</u>
	<u>354,712</u>	<u>345,287</u>
 ACCUMULATED SURPLUS - <i>note 4</i>	 <u>\$ 1,646,256</u>	 <u>\$ 1,636,267</u>

Approved by the Board

_____ Director

_____ Director

(see accompanying notes)

THE CROWE VALLEY CONSERVATION AUTHORITY
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
ACCUMULATED SURPLUS , beginning of year	\$ 1,636,267	\$ 1,523,669
Annual surplus	<u>9,989</u>	<u>112,598</u>
ACCUMULATED SURPLUS , end of year	<u><u>\$ 1,646,256</u></u>	<u><u>\$ 1,636,267</u></u>

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
NET FINANCIAL ASSETS, beginning of year	<u>\$ 1,290,980</u>	<u>\$ 1,197,409</u>
Annual surplus	9,989	112,598
Acquisition of tangible capital assets	(44,024)	(45,804)
Proceeds on disposition of tangible capital assets	10,468	-
Gain on disposal of tangible capital assets	(10,468)	-
Amortization of tangible capital assets	34,599	31,023
Change in prepaid expenditures	<u>-</u>	<u>(4,246)</u>
	<u>564</u>	<u>93,571</u>
NET FINANCIAL ASSETS, end of year	<u><u>\$ 1,291,544</u></u>	<u><u>\$ 1,290,980</u></u>

(See accompanying notes)

THE CROWE VALLEY CONSERVATION AUTHORITY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
REVENUE			
Ministry of Natural Resources and Forests			
Operating	\$ 60,267	\$ 60,267	\$ 60,267
Other projects	173,829	121,058	68,993
Municipal levies	767,167	767,244	745,087
Authority generated regulation administration fees	185,598	202,123	218,720
Operating agreements	40,575	44,153	38,029
Hydro project	21,714	44,955	25,545
Source Water Protection project	55,131	44,238	41,622
Miscellaneous revenues	24,985	27,598	37,920
Interest earned	9,400	44,907	15,217
Grants and donations - note 3	1,749	4,025	8,957
	<u>1,340,415</u>	<u>1,360,568</u>	<u>1,260,357</u>
EXPENDITURES			
Program administration and operation, Schedule 2	944,870	961,146	834,090
Other projects, Schedule 1	549,874	355,937	282,646
Amortization	-	34,599	31,023
	<u>1,494,744</u>	<u>1,351,682</u>	<u>1,147,759</u>
Annual surplus (deficit) before other items	<u>(154,329)</u>	<u>8,886</u>	<u>112,598</u>
OTHER INCOME (EXPENSE)			
Gain on disposal of tangible capital assets	-	10,468	-
Adjustment to opening deferred contributions - note 3	-	(9,365)	-
	<u>-</u>	<u>1,103</u>	<u>-</u>
ANNUAL SURPLUS (DEFICIT)	<u><u>\$ (154,329)</u></u>	<u><u>\$ 9,989</u></u>	<u><u>\$ 112,598</u></u>

(See accompanying notes)

THE CROWE VALLEY CONSERVATION AUTHORITY
SCHEDULES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

SCHEDULE OF EXPENDITURE - OTHER PROJECTS

Schedule 1

	<u>2023</u> <u>Budget</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Automotive fuel, maintenance and licences	\$ 15,330	\$ 19,312	\$ 14,170
Water erosion control infrastructure (WECI)	111,942	7,123	162,233
Monitoring Projects	250	2,579	5,781
McGeachie Conservation Area	13,286	8,379	12,681
Conservation lands	11,000	3,418	13,204
Operating agreements - MNR and Hydro projects	34,434	37,782	32,976
Source water protection	54,974	44,227	41,601
Flood hazard identification and mapping program (FHIMP)	298,658	233,117	-
Ortho imagery	10,000	-	-
	<u>\$ 549,874</u>	<u>\$ 355,937</u>	<u>\$ 282,646</u>

(See accompanying notes)

THE CROWE VALLEY CONSERVATION AUTHORITY
SCHEDULES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

SCHEDULE OF EXPENDITURE - PROGRAM ADMINISTRATION AND OPERATION

Schedule 2

	<u>2023 Budget</u>	<u>2023 Actual</u>	<u>2022 Actual</u>
Insurance	\$ 58,983	\$ 51,406	\$ 48,539
Office and administration	63,653	59,218	59,762
Legal fees	8,812	101	1,881
Communications	19,497	18,165	14,668
Dam operations	13,000	7,365	5,104
Generic regulations	274,838	299,773	255,659
Wages	466,428	495,265	422,159
Municipal taxes	8,425	7,538	7,156
Travel and professional development	2,759	668	(1,400)
Utilities	21,475	21,647	20,562
Contingency	<u>7,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 944,870</u>	<u>\$ 961,146</u>	<u>\$ 834,090</u>

(See accompanying notes)

THE CROWE VALLEY CONSERVATION AUTHORITY
SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2023

Schedule 3

	Land \$	Land Improvements \$	Buildings \$	Furniture, tools and equipment \$	Automotive equipment \$	Computer hardware and software \$	Infrastructure \$	2023 Total \$	2022 Total \$
Historical Costs:									
Opening Balance	56,216	19,667	290,883	128,352	119,834	472,684	1,406,926	2,494,562	2,448,758
Additions	-	5,420	-	15,078	15,468	8,059	-	44,024	45,804
Disposals	-	-	-	-	(38,477)	-	-	-	-
Closing Balance	56,216	25,087	290,883	143,430	96,825	480,743	1,406,926	2,538,586	2,494,562
Accumulated Amortization:									
Opening Balance	-	10,220	210,942	57,713	94,871	469,015	1,319,710	2,162,471	2,131,448
Amortization	-	849	5,867	4,099	7,509	562	15,713	34,599	31,023
Disposals	-	-	-	-	(38,477)	-	-	-	-
Closing Balance	-	11,069	216,809	61,812	63,903	469,577	1,335,423	2,197,070	2,162,471
Net book value for year ended December 31, 2023	56,216	14,018	74,074	81,618	32,922	11,166	71,503	341,516	332,091

(See accompanying notes)

THE CROWE VALLEY CONSERVATION AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 9,989	\$ 112,598
Adjustments for:		
Amortization	34,599	31,023
Gain on disposal of tangible capital assets	<u>(10,468)</u>	<u>-</u>
	34,120	143,621
Change in non-cash operating balances:		
Accounts receivable	(20,919)	(39,753)
Prepaid expenditures	-	(4,246)
Accounts payable and accrued liabilities	29,458	5,699
Deferred contributions	11,748	-
Unearned revenue	<u>(12,833)</u>	<u>26,378</u>
	<u>41,574</u>	<u>131,699</u>
CASH FLOWS FROM CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(44,024)	(45,804)
Proceeds on disposal of tangible capital assets	<u>10,468</u>	<u>-</u>
	<u>(33,556)</u>	<u>(45,804)</u>
INCREASE IN CASH	8,018	85,895
CASH, beginning of year	<u>1,383,153</u>	<u>1,297,258</u>
CASH, end of year	<u><u>\$ 1,391,171</u></u>	<u><u>\$ 1,383,153</u></u>

(See accompanying notes)

THE CROWE VALLEY CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1. NATURE OF OPERATIONS

The Crowe Valley Conservation Authority ("the Authority") is a corporate body established on November 6, 1958 under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources throughout the watershed within its area of jurisdiction in partnership with its member municipalities and the Province. The accompanying financial statements comprise all the activities of the Authority.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The Authority follows Canadian Public Sector Accounting Standards as issued by the Public Sector Accounting Board (PSAB) in preparing its financial statements. The significant accounting policies used are as follows:

Basis of accounting

Revenues and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the year in which they have been earned and incurred, respectively, whether or not such transactions have been settled by the receipt or payment of money.

Reserves

Reserves for future expenditures and contingencies are established as required at the discretion of the Authority.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. When an asset no longer contributes to the Authority's ability to provide services, its carrying amount is written down to its residual value. The cost of the tangible assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	15 years
Buildings	40 years
Furniture, tools and equipment	20 years
Automotive equipment	10 years
Computer hardware and software	3 to 10 years
Infrastructure	50 to 100 years

THE CROWE VALLEY CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Authority recognizes revenue as follows:

Municipal levies are generally recognized in the fiscal year in which they are levied. Government transfers are recognized in the period in which the event giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

Other grants and specified project donations are recognized when the related net expenditures have been incurred.

Administration fees are recognized when the service has been performed.

General donations are recognized when received.

Any contributions received for which the related services have not been performed and/or the related expenditures have not been incurred at the end of the fiscal year are recorded as deferred revenue.

Interest on bank accounts is recognized when earned.

Financial instruments

The Authority initially measures its financial assets and financial liabilities at fair value adjusted by, in the case where a financial asset or financial liability is subsequently measured at amortized cost, the amount of transaction costs directly attributable to the instrument. The Authority subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenue. The purchase and sale of investments are accounted for using settlement date accounting. Transaction costs associated with the acquisition of investments and investment management fees are expensed as incurred.

THE CROWE VALLEY CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension expense and obligation

The Authority is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The cost of employer contributions to the multi-employer defined benefit pension plan are charged to operations in the same year as the related employee salaries and wages to which the contributions relate. No provision is made for any funding liability or surplus related to this plan.

Liability for contaminated sites

A contaminated site is a site at which substances occur, in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated sites if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the Authority is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. These statements do not include any liability for contaminated sites.

Asset retirement obligations

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations. These statements do not include any asset retirement obligations

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Items requiring the use of significant estimates include determining the estimated useful lives of tangible capital assets. Actual results could differ from those estimates.

THE CROWE VALLEY CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

3. DEFERRED CONTRIBUTIONS

The Authority has received donations restricted in use to maintenance and improvements of the Callaghan Rapids Conservation Area.

Activity in the year is as follows:

	2023	2022
	<u> </u>	<u> </u>
Beginning of year	\$ -	\$ -
Adjustment to opening balance in year	9,365	-
Contributions received in year	5,674	-
Expenses incurred in year	<u>(3,291)</u>	<u>-</u>
End of year	<u>\$ 11,748</u>	<u>\$ -</u>

Revenue is recognized as funds are expended. The accumulated unspent contributions were recorded as deferred contributions in the current year and charged against the current year surplus.

Grant and donation revenue recognized in the year are as follows:

	2023	2022
	<u> </u>	<u> </u>
Unrestricted contributions	\$ 734	\$ 729
Recognition of restricted contributions	<u>3,291</u>	<u>8,131</u>
	<u>\$ 4,025</u>	<u>\$ 8,860</u>

THE CROWE VALLEY CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

4. ACCUMULATED SURPLUS

The components of accumulated surplus are as follows:

	<u>2023</u>	<u>2022</u>
Land operations reserve	\$ 17,000	\$ 17,000
McGeachie Conservation Area reserve	11,937	11,937
Contingencies reserve	103,813	103,813
Capital reserve	180,154	334,483
Legal reserve	<u>20,500</u>	<u>20,500</u>
 Total reserves	 <u>333,404</u>	 <u>487,733</u>
 Tangible capital assets	 341,516	 332,091
Operating surplus	<u>971,336</u>	<u>816,443</u>
	 <u>1,312,852</u>	 <u>1,148,534</u>
	 <u>\$ 1,646,256</u>	 <u>\$ 1,636,267</u>

The only activity in the reserve accounts for the year was an appropriation of \$154,329 from the capital reserve to operations as approved in the 2023 budget.

5. FINANCIAL INSTRUMENTS

Credit risk

The Authority is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Authority's maximum exposure to credit risk represents the sum of the carrying value of its cash, accounts receivable and investments. The Authority's cash is with Canadian banks while the accounts receivable are largely amounts due from governments and as a result management believes the risk of loss to be remote. All of the receivables are current except \$9,359 are greater than 90 days.

Liquidity risk

Liquidity risk is the risk that the Authority cannot meet a demand for cash or fund its obligations as they become due. The Authority meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can readily be converted to cash. Substantially all of the accounts payable and accrued liabilities are anticipated to be settled within six months of the year end.

THE CROWE VALLEY CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

5. FINANCIAL INSTRUMENTS (continued)

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 is comprised of currency risk, interest rate risk and other price risk.

(i) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Authority has limited interest rate risk as it bears no variable rate debt.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority has no foreign currency transactions and therefore is not exposed to currency risk

(iii) Other price risk

Other price risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Authority is not exposed to other price risk.

Changes in risk

There was no significant change in the Authority's risk exposure during the year.

THE CROWE VALLEY CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

5. FINANCIAL INSTRUMENTS (continued)

Fair value

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data.

The Authority has no instruments that are subsequently measured at fair value after initial recognition.

6. EXPENDITURES BY OBJECT

Operating expenditures comprise:

	2023	2022
	<u> </u>	<u> </u>
Salaries and benefits	\$ 846,876	\$ 729,634
Operating goods and services	470,207	387,102
Amortization	<u>34,599</u>	<u>31,023</u>
	<u>\$ 1,351,682</u>	<u>\$ 1,147,759</u>

7. PENSION AGREEMENTS

The Authority makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of the members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Contributions are split equally between the employees and the Authority.

THE CROWE VALLEY CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

7. PENSION AGREEMENTS (continued)

The Authority's share of contributions to OMERS for 2023 was \$56,577 (2022 - \$53,228) for current service costs.

The OMERS plan has a reported \$4.2 billion going concern actuarial deficit at the end of 2023 (2022 - \$6.7 billion), and \$136.2 billion of going concern actuarial liabilities at the end of 2023 (2022 - \$130.3 billion).

8. RELATED PARTY TRANSACTIONS

Transactions between related parties for the year and the balances receivable or payable at year end are as follows:

	2023	2022
	<u> </u>	<u> </u>
Municipal levies	\$ 767,244	\$ 745,087
Operating agreement revenue	8,760	8,760
Miscellaneous revenue	-	12,500
Property tax expense	10,202	9,705
Receivables from municipalities	18,119	17,701

The Authority controls The Crowe Valley Conservation Foundation. The Foundation is incorporated as a public foundation and is a registered charity under the Income Tax Act (Canada). It was established to develop and manage a base of capital to provide for operational and capital requirements of the Authority. The Foundation presently has no activity, accordingly there are no balances to consolidate with the Authority.

9. BUDGET AMOUNTS

The budget amounts presented are as approved by the Board of Directors on February 24, 2023. This includes both the operating budget and the capital budget. The operating budget included \$983,542 of revenue and \$983,542 of expenditures for the current year. The capital budget included \$266,271 of revenue with projected capital expenditures of \$420,600 for the current year for a deficit of \$154,329. The Authority does not budget for amortization.

10. ADOPTION OF NEW ACCOUNTING POLICIES

Effective January 1, 2023, the Authority adopted PS3450 Financial Instruments, PS2601 Foreign Currency Translation, PS3041 Portfolio Investments and PS 3280 Asset Retirement Obligations. The adoption of these standards had no impact on prior periods due to the nature of its financial instruments.