

GREY SAUBLE CONSERVATION AUTHORITY

FINANCIAL REPORT

DECEMBER 31, 2023

GREY SAUBLE CONSERVATION AUTHORITY
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AS AT DECEMBER 31, 2023

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GREY SAUBLE CONSERVATION AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The accompanying financial statements of the Grey Sauble 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 control designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, 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 meet 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, the 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.

Tim Lanthier

Chief Administrative Officer
May 22, 2024

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Finance Coordinator
May 22, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Grey Sauble Conservation Authority:

Opinion

We have audited the financial statements of the Grey Sauble Conservation Authority ("the Authority"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, change in net financial assets, cash flow and remeasurement gains 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, remeasurement gains and losses, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 relating 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.
- 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

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
May 22, 2024

GREY SAUBLE CONSERVATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

	2023	2022
	\$	\$
Financial assets		
Cash - Operating fund (Note 3)	662,578	648,704
Cash - Reserve funds (Note 3)	620,558	590,105
Accounts receivable (Note 13)	251,070	171,877
Investment portfolio - Reserve funds (Note 4)	1,562,891	1,504,011
	3,097,097	2,914,697
Liabilities		
Accounts payable and accrued liabilities	233,204	273,326
Other payables (Note 6)	79,515	62,785
Government remittances payable	30,302	63,370
Deferred revenue (Note 7)	214,933	207,329
	557,954	606,810
Net financial assets	2,539,143	2,307,887
Non-financial assets		
Prepaid expenses	35,837	34,628
Tangible capital assets (Note 9)	7,726,040	7,734,408
	7,761,877	7,769,036
Accumulated surplus	10,301,020	10,076,923
Accumulated surplus is comprised of:		
Accumulated surplus (Note 10)	10,258,574	10,076,923
Accumulated remeasurement gains	42,446	-
	10,301,020	10,076,923

Approved

Robert Uhrig

Director

N. Dubyk

Director

See accompanying notes to the financial statements

GREY SAUBLE CONSERVATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31

	Budget 2023 \$ (Note 12)	Actual 2023 \$	Actual 2022 \$
Revenues			
Municipal levies	1,640,625	1,640,625	1,557,630
Government grants - operating	67,356	162,722	110,040
Other funding (Note 13)	1,300	29,052	24,297
Risk assessment of flood hazards	-	1,552	14,151
Grey Sauble Forestry/Ontario Trees	213,028	224,961	197,820
Grey County Forest Management	204,715	234,382	192,501
Timber and wood sales	50,000	46,810	77,532
User fees	1,032,875	945,342	742,294
Sourcewater protection	211,407	202,773	195,639
Rental recoveries (net of \$60,513 expense; 2022 - \$72,695)	15,873	17,310	792
Donations	4,100	83,151	14,937
Risk management	50,000	45,180	45,180
Miscellaneous (Note 13)	126,874	55,154	62,768
Interest earned	4,000	31,029	23,836
Income on reserve accounts (Note 4)	-	61,649	37,892
	3,622,153	3,781,692	3,297,309
Expenses			
Water management	186,780	199,343	160,710
Environmental planning	804,012	720,468	629,909
Forestry			
-Operations on Authority land	168,278	161,654	149,760
-Grey Sauble Forestry/Ontario Trees	221,546	203,324	184,827
Grey County Forest Management	207,215	236,573	191,440
Conservation lands policy and procedure	224,920	191,572	235,188
Conservation lands operations	359,779	343,719	362,676
Conservation information and education	151,252	154,456	147,687
Administrative support	652,711	665,430	631,348
Major projects	-	29,863	1,579
Miscellaneous (Note 4)	-	4,165	25,649
Source water risk management	69,905	72,304	67,225
Sourcewater protection	202,354	202,773	195,639
GIS/IT department	281,148	289,647	285,807
Risk assessment of flood hazards	-	-	21,152
Bad debts	-	11,720	-
(Gain) loss on disposal of tangible capital assets	-	(10,204)	620
Amortization of tangible capital assets	-	123,234	119,465
	3,529,900	3,600,041	3,410,681
Annual (deficit) surplus (Note 12)	92,253	181,651	(113,372)
Accumulated surplus at beginning of year	10,076,923	10,076,923	10,190,295
Accumulated surplus at end of year (Note 10)	10,169,176	10,258,574	10,076,923

See accompanying notes to the financial statements

GREY SAUBLE CONSERVATION AUTHORITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
	(Note 12)		
Annual (deficit) surplus	92,253	181,651	(113,372)
Acquisition of tangible capital assets	(310,300)	(115,532)	(95,301)
Amortization of tangible capital assets	-	123,234	119,465
(Gain) loss on disposal of tangible capital assets	-	(10,204)	620
Proceeds on disposal of tangible capital assets	-	10,870	-
Change in prepaid expenses	-	(1,209)	(4,305)
	(218,047)	188,810	(92,893)
Change in accumulated remeasurement gains	-	108,011	-
Change in net financial assets	(218,047)	296,821	(92,893)
Net financial assets at beginning of year, as originally stated	2,307,887	2,307,887	2,400,780
Adjustment on adoption of the financial instruments standard (Note 2)	-	(65,565)	-
Net financial assets at end of year	2,089,840	2,539,143	2,307,887

See accompanying notes to the financial statements

GREY SAUBLE CONSERVATION AUTHORITY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31

	2023	2022
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus (deficit)	181,651	(113,372)
Non-cash items:		
Amortization of tangible capital assets	123,234	119,465
(Gain) loss on disposal of tangible capital assets	(10,204)	620
	<u>294,681</u>	<u>6,713</u>
Changes in:		
Accounts receivable	(79,193)	(6,447)
Accounts payable and accrued liabilities	(40,122)	84,130
Other payables	16,730	(12,329)
Government remittances payable	(33,068)	10,056
Deferred revenue	7,604	(47,068)
Prepaid expenses	(1,209)	(4,305)
	<u>165,423</u>	<u>30,750</u>
Investing activities		
Increase in investment portfolio	(16,434)	(9,807)
Capital activities		
Acquisition of tangible capital assets	(115,532)	(95,301)
Proceeds on disposal of tangible capital assets	10,870	-
	<u>(104,662)</u>	<u>(95,301)</u>
Net change in cash position	44,327	(74,358)
Cash at beginning of year	<u>1,238,809</u>	<u>1,313,167</u>
Cash at end of year	<u>1,283,136</u>	<u>1,238,809</u>
Comprised of:		
Cash - Operating fund	662,578	648,704
Cash - Reserve funds	620,558	590,105
	<u>1,283,136</u>	<u>1,238,809</u>

See accompanying notes to the financial statements

GREY SAUBLE CONSERVATION AUTHORITY
STATEMENT OF REMEASUREMENT GAINS
FOR THE YEAR ENDED DECEMBER 31

	2023
	\$
Accumulated remeasurement gains at beginning of year	-
Adjustment on adoption of the financial instruments standard (Note 2)	<u>(65,565)</u>
Unrealized gains attributed to:	
Short-term investments	<u>103,891</u>
Realized losses, reclassified to the statement of operations:	
Short-term investments	<u>4,120</u>
Net change in remeasurement gains	<u>108,011</u>
Accumulated remeasurement gains at end of year	<u>42,446</u>

See accompanying notes to the financial statements

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

Nature of operations

The Grey Sauble 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, Grey Highlands and Meaford, the Town of The Blue Mountains and the Town of South Bruce Peninsula, the Townships of Chatsworth and Georgian Bluffs and the City of Owen Sound.

The Authority's mission is:

"In partnership with the stakeholders of the watershed, to promote and undertake sustainable management of renewable natural resources and provide responsible leadership to enhance bio-diversity and environmental awareness."

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

1. Summary of significant accounting policies

The financial statements are the representation of management prepared 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. 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) Cash and cash equivalents

Cash and cash equivalents include cash on deposit and short-term deposits with a maturity of less than three months at acquisition.

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(c) Financial instruments

The financial instruments of the Authority consist of cash of the operating and reserve funds, accounts receivable, investment portfolio, notes receivable, accounts payable and accrued liabilities, and other payables. All financial instruments are recognized at cost, amortized cost, or fair value.

Cash is recognized at cost. Accounts receivable, accounts payable and accrued liabilities, and other payables (excluding derivative financial instruments) are recognized at amortized cost.

Investment portfolio includes cash and equivalents, fixed income securities, preferred shares, principal at risk notes and equity securities. Investments are subsequently recorded at fair value unless management has elected to carry the investments at cost. Management has elected to record all investments at fair value.

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.

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.

(d) Revenue recognition

Government grants are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

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

Authority-generated revenue is recognized when the price is fixed or determinable, collectability is reasonably assured and services are provided to customers. Types of services include tree planting, site inspections, forest maintenance, property access fees, rentals and planning.

All other revenues are recognized on an accrual basis.

(e) Deferred revenue

Revenue restricted by legislation, regulation or agreement, and not available for general 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.

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(f) 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 straight-line basis over the estimated useful life of the assets. The useful life of the assets is based on estimates made by management. The following rates are used:

Bridges and trails	6 - 30 years
Buildings	40 years
Dams and weirs	50 years
Equipment	15 years
Flood forecast equipment	10 - 20 years
Information technology infrastructure	3 - 15 years
Office furniture	20 years
Vehicles	10 years

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

Work in progress is not amortized until the asset is available for productive use.

(g) Vehicles

The Authority operates a pool of vehicles. Internal charges for the use of vehicles 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.

These internal charges are included in the appropriate expense classifications. Expenditures incurred by the motor pool for operating costs are netted against the internal charges and are reported in the statement of operations.

(h) 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.

(i) 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 estimated useful life and impairment of tangible capital assets, as well as any related asset retirement obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

1. Summary of significant accounting policies (continued)

(j) Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability would result in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets would be amortized in accordance with the amortization policies outlined in Note 1(f).

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 the Authority's accounting policy choices (see Note 1(d)).

In accordance with the provisions of this new standard, the Authority reflected the following adjustments at January 1, 2023:

- A decrease of \$65,565 to net financial assets and a decrease of \$65,565 to accumulated remeasurement gains due to the change in value of the Authority's investments previously recorded at cost that are now being recorded at fair value.

(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 new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on the modified retroactive basis at the date of adoption. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

Management 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 material adjustments.

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

3. Cash

On December 31, 2023 the Authority had cash of \$1,283,136 (2022 - \$1,238,809) at one chartered bank. The Canada Deposit Insurance Corporation (CDIC) insures up to a maximum of \$100,000 per depositor at a CDIC member institution. Included in operating cash is \$214,933 (2022 - \$207,329) of funds restricted for the purposes as described in Note 7.

4. Investment portfolio

The investment portfolio includes Canadian, U.S. and International equities and cash. The fair market value of the investments at year end was \$1,562,891 (2022 - \$1,438,446). During the year, the investment portfolio generated investment revenue of \$35,316 (2022 - \$34,433), realized capital loss of \$4,120 (2022 - capital loss of \$9,172) and incurred management fees in the amount of \$13,294 (2022 - \$13,916). Income on reserve accounts, as reported on the statement of operations, includes income and losses generated by the portfolio in addition to interest earned from reserve cash accounts.

5. Pension plan

The employees of the Authority participate in the Ontario Municipal Employees Retirement System ("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 OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. Amounts paid to OMERS for 2023 were \$190,565 (2022- \$160,611) for current service.

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 \$136.1 (2022 - \$130.3) billion in respect of benefits accrued for service with actuarial assets at that date of \$131.9 (2022 - \$123.6) billion, indicating a going concern actuarial deficit of \$4.2 (2022 - \$6.7) billion.

6. Other payables

The Authority holds monies collected by the Beaver River Water Initiative ("BRWI"), Friends of Hibou, Fishing Islands Phragmites group, Conservation Authority Collaborative Information Sessions ("CACIS") and the Arboretum Alliance. These funds are distributed when these organizations require payment for expenses which they have incurred. As at December 31, 2023 the Authority held \$6,011 (2022 - \$8,901) on behalf of the BRWI, \$8,069 (2022 - \$6,639) on behalf of Friends of Hibou, \$36,369 (2022 - \$7,936) on behalf of Fishing Islands Phragmites group, \$NIL (2022 - \$10,381) on behalf of CACIS, \$13,136 (2022 - \$NIL) for the Forest Festival and \$15,930 (2022 - \$28,927) on behalf of the Arboretum Alliance.

7. Deferred revenue

Deferred revenue consists of the following:

	2023	2022
	\$	\$
Forestry donation	10,000	10,000
Source water	48,597	23,832
Risk management legal contingency	83,358	78,338
Stewardship grants	30,290	69,675
Outstanding planning permits	7,100	13,530
Miscellaneous other deferrals	35,588	11,954
	214,933	207,329

8. Contingent liabilities

In the ordinary course of operations, various actions and legal proceedings can arise involving the Authority. The amount and likelihood of loss resulting from such actions is unknown at this time. Any payment made by the Authority will be expensed in the year of settlement.

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

9. Tangible capital assets

Tangible capital assets consists of the following:

Cost	Balance 2022	Additions	Disposals	Balance 2023
	\$	\$	\$	\$
Land	6,270,222	81,911	(666)	6,351,467
Bridges and trails	440,851	-	-	440,851
Buildings	1,060,298	-	(3,000)	1,057,298
Dams and weirs	2,116,930	-	-	2,116,930
Equipment	302,025	-	-	302,025
Flood forecast equipment	66,943	-	-	66,943
Information technology infrastructure	175,773	17,819	-	193,592
Office furniture	59,580	3,866	(2,520)	60,926
Vehicles	348,316	-	(47,044)	301,272
Work in progress	23,100	11,936	-	35,036
	10,864,038	115,532	(53,230)	10,926,340
Accumulated amortization				
Bridges and trails	221,099	13,894	-	234,993
Buildings	817,341	12,395	(3,000)	826,736
Dams and weirs	1,447,337	41,295	-	1,488,632
Equipment	188,634	16,077	-	204,711
Flood forecast equipment	46,720	3,810	-	50,530
Information technology infrastructure	133,362	15,099	-	148,461
Office furniture	45,220	2,523	(2,520)	45,223
Vehicles	229,917	18,141	(47,044)	201,014
	3,129,630	123,234	(52,564)	3,200,300
Net book value				
Land	6,270,222			6,351,467
Bridges and trails	219,752			205,858
Buildings	242,957			230,562
Dams and weirs	669,593			628,298
Equipment	113,391			97,314
Flood forecast equipment	20,223			16,413
Information technology infrastructure	42,411			45,131
Office furniture	14,360			15,703
Vehicles	118,399			100,258
Work in progress	23,100			35,036
	7,734,408			7,726,040

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

10. Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2023	2022
	\$	\$
Invested in tangible capital assets	7,726,040	7,734,408
Operating surplus (Note 12)	231,239	234,400
Reserve funds (Note 11)	2,241,295	2,048,115
Working capital reserve	60,000	60,000
	10,258,574	10,076,923

11. Reserve funds set aside for specific purpose

	2023	2022
	\$	\$
Lands reserve	647,055	564,516
Computer replacement and special projects	34,819	34,252
Major dam maintenance	259,166	266,170
Vehicle replacement	176,417	149,924
Risk management	139,900	160,353
Administration	453,435	426,432
Forest management	424,768	415,261
Stewardship	59,607	-
Youth	46,128	31,207
	2,241,295	2,048,115

12. Budget

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and changes in net financial assets for comparative purposes. The 2023 budget amounts for Grey Sauble Conservation Authority approved by the Board have been reclassified to conform to the basis of presentation of the revenues and expenses on the statements of operations and change in net financial assets. The budget numbers have not been audited. The following is a reconciliation of the budget approved by the Board:

	Budget	Actual	Actual
	2023	2023	2022
	\$	\$	\$
Annual surplus	92,253	181,651	(113,372)
Prior year general surplus	234,400	234,400	283,944
Transfers from (to) reserves	6,201	(193,180)	39,044
Tangible capital asset acquisitions, disposals and write-down	(310,300)	(114,866)	(94,681)
Amortization	-	123,234	119,465
Operating surplus	22,554	231,239	234,400

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

13. Related party transactions

The Grey Sauble Conservation Foundation was founded to receive, accumulate and distribute funds and/or the income received for the benefit of the Authority. The Foundation is incorporated under the Ontario Corporations Act and is a registered charity under the Income Tax Act. The Authority has representation on the Foundation's Board of Directors. Funds are solicited by the Foundation to further the mission of the Authority. Thus, as defined in the accounting recommendations of the Chartered Professional Accountants of Canada, the Authority has an economic interest in the Foundation.

Transactions with Grey Sauble Conservation Foundation include accounts receivable of \$11,737 (2022 - \$11,532), interest revenue of \$3,000 (2022 - \$2,734), donations of \$20,000 (2022 - \$3,200) and other transfers to fund Authority activities included in miscellaneous revenue of \$3,000 (2022 - \$6,120).

GREY SAUBLE CONSERVATION AUTHORITY

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2023

GREY SAUBLE CONSERVATION AUTHORITY
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GREY SAUBLE CONSERVATION AUTHORITY

SCHEDULE 1

SCHEDULE OF REVENUE

FOR THE YEAR ENDED DECEMBER 31

(UNAUDITED)

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Government grants			
Provincial and federal - programming			
Flood control and warning	37,056	37,056	37,056
Stewardship program	30,000	101,886	66,009
Groundwater monitoring	-	8,696	-
Other	300	15,084	6,975
	<u>67,356</u>	<u>162,722</u>	<u>110,040</u>
Federal and local governments - risk assessment of flood hazards	-	1,552	14,151
	<u>67,356</u>	<u>164,274</u>	<u>124,191</u>
 Grey Sauble forestry/trees Ontario			
Trees and landscape stock	116,628	102,415	73,837
Trees Ontario and one tree planted	<u>96,400</u>	<u>122,546</u>	<u>123,982</u>
	<u>213,028</u>	<u>224,961</u>	<u>197,819</u>
 User fees, service fees and other revenue sources			
Parking fees and season passes	237,950	271,841	289,204
Planning fees	631,437	560,161	344,073
Property leases and rentals	76,665	64,405	61,258
The great outdoors day camp	49,280	48,935	47,659
GIS consulting	<u>37,543</u>	<u>-</u>	<u>100</u>
	<u>1,032,875</u>	<u>945,342</u>	<u>742,294</u>

GREY SAUBLE CONSERVATION AUTHORITY
SCHEDULE 2
SCHEDULE OF RENTAL RECOVERIES AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31
(UNAUDITED)

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Recoveries			
Vehicle			
Flood control and warning	6,000	7,887	6,414
Operating conservation property	26,500	23,205	29,085
Forest management	22,000	26,954	22,404
Grey Sauble forestry/trees Ontario	8,000	5,878	6,051
Erosion control	300	96	83
Land use planning and regulation	14,500	9,992	8,164
Information and education	850	485	542
Administrative support	2,000	2,490	594
Special programs	2,500	836	150
	<u>82,650</u>	<u>77,823</u>	<u>73,487</u>
Expenditures			
Vehicle			
Fuel	32,000	27,849	30,294
Repairs	8,777	12,708	26,108
Licenses and insurance	26,000	8,145	8,744
Salaries and benefits	-	5,946	1,816
Equipment			
Fuel	-	1,404	1,959
Repairs	-	4,461	3,774
	<u>66,777</u>	<u>60,513</u>	<u>72,695</u>
Excess of recoveries over expenditures	<u>15,873</u>	<u>17,310</u>	<u>792</u>

GREY SAUBLE CONSERVATION AUTHORITY
SCHEDULE 3
SCHEDULE OF WATER MANAGEMENT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31
(UNAUDITED)

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Flood forecast and warning			
Salaries and benefits	140,880	133,537	123,510
Service contracts	5,950	4,954	4,252
Vehicle and equipment rentals	4,000	6,454	4,784
Materials and supplies	3,000	2,589	1,496
Training	1,000	-	-
	<u>154,830</u>	<u>147,534</u>	<u>134,042</u>
Flood control structures			
Clendenan dam (including log replacement)	12,500	39,688	13,168
Taylor Street retention pond	-	14	13
	<u>12,500</u>	<u>39,702</u>	<u>13,181</u>
Dams			
Salaries and benefits	14,500	8,892	9,898
Vehicle and equipment rentals	1,600	1,281	1,332
Materials and supplies	1,500	112	1,831
	<u>17,600</u>	<u>10,285</u>	<u>13,061</u>
Erosion control			
Salaries and benefits	800	1,726	342
Vehicle and equipment rentals	300	96	84
Materials and supplies	750	-	-
	<u>1,850</u>	<u>1,822</u>	<u>426</u>
	<u>186,780</u>	<u>199,343</u>	<u>160,710</u>

GREY SAUBLE CONSERVATION AUTHORITY
SCHEDULE 4
SCHEDULE OF ENVIRONMENTAL PLANNING EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31
(UNAUDITED)

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Stewardship			
Salaries and benefits	69,527	69,066	54,584
Vehicle and equipment rentals	-	819	221
Materials and supplies	-	34,235	61,788
	<u>69,527</u>	<u>104,120</u>	<u>116,593</u>
Watershed Management			
Salaries and benefits	18,655	24,556	21,580
Vehicle and equipment rentals	3,000	4,636	3,883
Materials and supplies	400	578	162
Watershed monitoring	18,000	16,618	16,176
	<u>40,055</u>	<u>46,388</u>	<u>41,801</u>
Land use planning and regulation			
Salaries and benefits	660,018	544,294	435,859
Service contracts	14,712	10,946	23,901
Vehicle and equipment rentals	10,000	4,538	4,060
Materials and supplies	9,700	10,182	7,695
	<u>694,430</u>	<u>569,960</u>	<u>471,515</u>
	<u>804,012</u>	<u>720,468</u>	<u>629,909</u>

GREY SAUBLE CONSERVATION AUTHORITY
SCHEDULE 5
SCHEDULE OF FORESTRY EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31
(UNAUDITED)

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Forestry on Authority lands			
Salaries and benefits	155,478	152,868	137,388
Service contracts	200	880	5,088
Vehicle and equipment rentals	6,000	5,989	4,807
Materials and supplies	3,600	1,917	2,477
Training	3,000	-	-
	<u>168,278</u>	<u>161,654</u>	<u>149,760</u>
Grey Sauble forestry/trees Ontario			
Purchases and trees Ontario expenses	115,712	103,187	85,346
Salaries and benefits	105,334	88,717	92,266
Other	500	11,420	7,215
	<u>221,546</u>	<u>203,324</u>	<u>184,827</u>

GREY SAUBLE CONSERVATION AUTHORITY
SCHEDULE 6
SCHEDULE OF CONSERVATION AND ADMINISTRATIVE EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31
(UNAUDITED)

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Conservation lands operations			
Salaries and benefits	283,529	283,814	292,881
Vehicle and equipment rentals	25,000	21,503	26,511
Materials and supplies	21,100	22,777	22,766
Services, rents and utilities	30,150	15,625	20,468
Eugenia Falls	-	-	50
	<u>359,779</u>	<u>343,719</u>	<u>362,676</u>
Conservation lands policy and strategy			
Salaries and benefits	126,920	126,561	138,569
Service contracts	15,500	7,223	22,549
Vehicle and equipment rentals	1,500	1,703	2,574
Property taxes	80,000	55,102	70,464
Materials and supplies	1,000	983	1,032
	<u>224,920</u>	<u>191,572</u>	<u>235,188</u>
Grey County contract			
Salaries and benefits	188,715	208,862	170,282
Vehicle and equipment rentals	17,500	20,966	17,739
Supplies	1,000	6,745	3,419
	<u>207,215</u>	<u>236,573</u>	<u>191,440</u>
Conservation information and education			
Salaries and benefits	88,701	138,754	129,617
Contracts and services	10,350	8,405	7,919
Vehicle and equipment rentals	600	485	542
Materials and supplies	3,250	4,884	442
Advertising contracts	100	1,928	3,114
The great outdoors day camp	48,251	-	6,053
	<u>151,252</u>	<u>154,456</u>	<u>147,687</u>
Administrative			
Salaries and benefits	382,076	420,906	403,985
Board members' allowances	-	1,657	1,552
Vehicle and equipment rentals	1,500	2,277	594
Materials and supplies	7,870	12,383	7,906
Services, rents and utilities	261,265	228,207	217,311
	<u>652,711</u>	<u>665,430</u>	<u>631,348</u>

GREY SAUBLE CONSERVATION AUTHORITY**SCHEDULE 7****SCHEDULE OF PROGRAMMING EXPENDITURES****FOR THE YEAR ENDED DECEMBER 31****(UNAUDITED)**

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Sourcewater protection			
Salaries and benefits	177,854	179,478	171,683
Committee members' allowance	-	3,900	3,822
Vehicle and equipment rentals	1,500	576	154
Materials and supplies	3,000	7,721	5,870
Services, rents and utilities	20,000	11,098	14,110
	<u>202,354</u>	<u>202,773</u>	<u>195,639</u>
Risk management			
Salaries and benefits	56,905	61,961	56,792
Vehicle and equipment rentals	1,000	450	261
Materials and supplies	2,000	9,893	10,172
Services, rents and utilities	10,000	-	-
	<u>69,905</u>	<u>72,304</u>	<u>67,225</u>
GIS and IT support			
Salaries and benefits	254,953	263,702	268,623
Service contracts	19,995	19,316	12,370
Vehicle and equipment rentals	500	436	-
Materials and supplies	5,700	2,028	1,068
Hardware and software	-	4,165	3,746
	<u>281,148</u>	<u>289,647</u>	<u>285,807</u>
Risk assessment of flood hazards in the Georgian Bay shoreline areas of Grey County			
Services and supplies	-	-	21,152

GREY SAUBLE CONSERVATION AUTHORITY

SCHEDULE 8

SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Revenue			
Municipal levies	1,640,625	1,640,625	1,557,630
Government grants	67,356	162,722	110,040
Rebates	1,300	29,052	24,297
Risk assessment of flood hazards	-	1,552	14,151
Grey Sauble forestry/Ontario trees	213,028	224,961	197,820
Grey County forest management	204,715	234,382	192,501
Timber and wood sales	50,000	46,810	77,532
User fees	1,032,875	945,342	742,294
Sourcewater protection	211,407	202,773	195,639
Net rental recoveries	15,873	17,310	792
Donations	4,100	83,151	14,937
Risk management	50,000	45,180	45,180
Miscellaneous	126,874	55,154	62,768
Interest earned	4,000	31,029	23,836
Proceeds on disposal of tangible capital assets	-	10,870	-
	3,622,153	3,730,913	3,259,417
Expenditures			
Water management	186,780	199,343	160,710
Environmental planning	804,012	720,468	629,909
Forestry			
-Operations on Authority land	168,278	161,654	149,760
-Grey Bruce forestry/Ontario trees	221,546	203,324	184,827
-Grey County forest management	207,215	236,573	191,440
Conservation lands policy and procedures	224,920	191,572	235,188
Conservation lands operations	359,779	343,719	362,676
Conservation information and education	151,252	154,456	147,687
Administrative support	652,711	665,430	631,348
Miscellaneous	-	4,165	25,649
Risk management	69,905	72,304	67,225
Sourcewater protection	202,354	202,773	195,639
GIS/IT department	281,148	289,647	285,807
Risk assessment of flood hazards	-	-	21,152
Bad debts	-	11,720	-
Major projects (Schedule 9)	310,300	145,395	96,880
	3,840,200	3,602,543	3,385,897
Net (expenditures) revenues	(218,047)	128,370	(126,480)
Appropriations			
From (to) reserve funds	6,201	(131,531)	76,936
Net deficit for the year	(211,846)	(3,161)	(49,544)
Operating surplus at beginning of the year	234,400	234,400	283,944
Operating surplus at end of the year	22,554	231,239	234,400

GREY SAUBLE CONSERVATION AUTHORITY
SCHEDULE 9
SCHEDULE OF MAJOR AND OTHER PROJECT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31
(UNAUDITED)

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Land	-	83,950	-
IT equipment	24,500	17,854	11,015
Vehicle replacement	70,000	-	28,076
Admin centre - renewal	150,000	11,937	23,100
Other equipment	-	-	945
Office furniture	5,000	3,867	3,771
Entrance signs	9,200	1,886	17,669
Stone repointing	15,000	-	46
Trail edging	600	-	-
Spirit Rock - upgrades	-	13,407	-
Christie Beach - upgrades	1,500	287	-
Inglis Falls - upgrades	25,000	7,931	-
Lake Charles - washroom removal	-	-	588
Feversham - washroom	1,500	80	-
Water management	8,000	4,196	11,670
	310,300	145,395	96,880