MAITLAND VALLEY CONSERVATION AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2024

SEEBACH & COMPANY
Chartered Professional Accountants

Maitland CONSERVATION

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Maitland 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 (PSAB) 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 from loss, transactions are properly authorized and recorded, and reliable information is available on a timely basis for preparation of the financial statements. These statements are monitored and evaluated by the Authority's management. The Board of Directors meets with management and the external auditor to review the financial statements and discuss and significant financial reporting or internal control matters prior to their approval.

The financial statements have been audited by Seebach & Company, independent external auditors 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.

MAITLAND VALLEY CONSERVATION AUTHORITY

Phil Beard	Danielle Livingston
General Manager / Secretary-Treasurer	Administrative Financial Services Coordinator

March 19, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Maitland Valley Conservation Authority

Opinion

We have audited the accompanying financial statements of Maitland Valley Conservation Authority ("the Authority"), which are comprised of the statement of financial position as at December 31, 2024 and the statements of operations, changes in net financial assets 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, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

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 PSAB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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INDEPENDENT AUDITOR'S REPORT (continued)

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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
March 19, 2025

MAITLAND VALLEY CONSERVATION AUTHORITY

STATEMENT OF FINANCIAL POSITION

As at December 31	2024	2023
FINANCIAL ASSETS		
Cash	**899,181**	1,208,969
Short-term investments (note 3)	**366,446**	339,859
Accounts receivable	**67,036**	45,539
	1,332,663	1,594,367
LIABILITIES		
Accounts payable and accrued liabilities	**47,951**	128,647
Deferred revenue (note 4)	**82,500**	293,732
	130,451	422,379
NET FINANCIAL ASSETS	**1,202,212**	1,171,988
NON-FINANCIAL ASSETS		
Tangible capital assets, net (note 6)	**3,005,319**	2,938,975
Prepayments	**26,017**	18,234
ACCUMULATED SURPLUS	**$ 4,233,548**	$ 4,129,197

On behalf of the Members:

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The accompanying notes are an integral part of this financial statement

MAITLAND VALLEY CONSERVATION AUTHORITY
STATEMENT OF OPERATIONS

For the year ended December 31	2024 Budget	2024 Actual	2023 Actual
Revenue			
Municipal			
Municipal levies	2,022,706	**2,022,705**	1,850,181
Government Grants			
NDMNRF transfer payment	36,424	**36,424**	36,424
Other provincial	190,000	**170,068**	115,592
Federal	24,400	**32,535**	218,576
Partnership agreements	643,812	**706,743**	880,099
Authority Generated			
User fees, sales and admissions	1,026,836	**1,086,666**	1,116,505
Interest income	60,000	**108,569**	105,921
Donations and fundraising	140,655	**178,967**	250,970
Facility rentals	7,950	**6,914**	5,033
Deferred revenue - prior year	230,762	**293,732**	142,767
Deferred revenue - current year	-	**(82,500)**	(293,732)
	4,383,545	**4,560,823**	4,428,336
Expenditure			
Conservation land management	1,212,568	**939,965**	851,214
Flood safety services	822,491	**781,096**	822,533
Watershed stewardship	1,364,281	**1,645,873**	1,549,645
Corporate services	1,072,130	**950,806**	807,701
Amortization	-	**138,732**	125,616
	4,471,470	**4,456,472**	4,156,709
Annual surplus (deficit)	(87,925)	**104,351**	271,627
Opening balance	4,129,197	**4,129,197**	3,857,570
Closing balance	$ 4,041,272	**$ 4,233,548**	$ 4,129,197

The accompanying notes are an integral part of this financial statement

MAITLAND VALLEY CONSERVATION AUTHORITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31	2024 Actual	2023 Actual
Annual surplus (deficit)	**104,351**	271,627
Amortization of tangible capital assets	**138,732**	125,616
Net acquisition of tangible capital assets	**(205,076)**	(299,854)
Decrease (increase) in inventory and prepaid expenses	**(7,783)**	(143)
Increase (decrease) in net financial assets	**30,224**	97,246
Opening balance	**1,171,988**	1,074,742
Closing balance	**$ 1,202,212**	$ 1,171,988

The accompanying notes are an integral part of this financial statement

MAITLAND VALLEY CONSERVATION AUTHORITY
STATEMENT OF CASH FLOWS

For the year ended December 31	2024	2023
Operating activities		
Annual surplus (deficit)	**104,351**	271,627
Amortization expense not requiring cash outlay	**138,732**	125,616
Decrease (increase) in accounts receivable	**(21,497)**	52,240
Increase (decrease) in accounts payable	**(80,696)**	71,554
Increase (decrease) in deferred revenue	**(211,232)**	150,965
Decrease (increase) in inventory and prepaid expenses	**(7,783)**	(143)
Cash provided by (used for) operating activities	**(78,125)**	671,859
Capital activities		
Net disposals (purchases) of tangible capital assets	**(205,076)**	(299,854)
Cash provided by (used for) capital activities	**(205,076)**	(299,854)
Investing activities		
Decrease (increase) in short-term investments	**(26,587)**	(10,872)
Cash provided by (used for) investing activities	**(26,587)**	(10,872)
Increase (decrease) in cash position	**(309,788)**	361,133
Cash (overdraft) beginning of year	**1,208,969**	847,836
Cash (overdraft) end of year	**$ 899,181**	$ 1,208,969

The accompanying notes are an integral part of this financial statement

The Maitland Valley Conservation Authority (“the Authority”) is established under the Conservation Authorities Act of Ontario. The purpose of this Act is to provide for the organization and delivery of programs and services that further conservation, restoration, development and management of natural resources in water sheds in Ontario. 2017, c. 23, Sched. 4, s. 1. The watersheds include areas in the Municipalities of Central Huron, Huron East, Morris-Turnberry and South Bruce, the Townships of Ashfield-Colborne-Wawanosh, Howick, North Huron, Perth East, West Perth, Mapleton, Wellington North and Huron-Kinloss, and the Town of Goderich, North Perth and Minto.

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

1. Accounting policies

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

Significant aspects of accounting policies adopted by the Authority are as follows:

a) Accrual basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable, and recognizes expenditures 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) Portfolio investments

Investments are recorded at cost less amounts written off to reflect a permanent decline in value.

c) 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 vehicles and equipment.

These internal charges are included in the appropriate expense classifications. Expenditures incurred by the motor pool for the purchase of equipment and the operating cost and the recovery of expenses by internal charges are reported in the statement of operations and surplus.

1. **Accounting policies** (continued)

d) Tangible capital assets

Tangible capital assets are recorded at historical cost. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overheads directly attributable to construction and development.

Tangible capital asset, except land, are amortized on a straight-line basis over the estimated useful lives as follows:

Category	**Amortization Period**
Land	not applicable
Land improvements	5 years
Buildings	5 - 75 years
Contents	5 - 50 years
Equipment	5 - 40 years
Furniture	45 - 50 years
Vehicles	5 - 10 years
Machinery	6 - 44 years
Information technology	5 - 9 years

Dams for the purposes of water control are not recorded as assets of the Conservation Authority.

e) Contributed capital assets

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

f) 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 financial activities in the year in which it is used for the specified purpose.

g) Revenue recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized in revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

h) Government transfers

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

i) Classification of expenses

Expenses are reported in four main categories based on the type of services provided. Within these categories, expenses are broken down into operations and projects.

j) Accumulated surplus

Appropriations are made from operations to accumulated surplus for future expenditures and contingencies for such amounts as are deemed appropriate, upon approval of the Membership.

1. Accounting policies (continued)

k) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenditures during the period, and the accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. Cash

Interest is paid on the Authority's bank accounts at the bank's monthly average prime rate less 1.7%.

3. Short-term portfolio investments

The Authority has purchased fixed income investments that have a cost of $366,446 (2023 : $339,859) and have a market value of $362,693 (2022 : $346,988) at year end.

4. Deferred revenue

The balance of the long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2024	**2023**
Garvey/Glenn project	92,631	37,009
Stewardship short term projects	4,786	4,786
Wellington clean water project	5,830	-
Middle Maitland Headwaters Restoration	92,869	109,595
Carbon Footprint Initiative	2,907	3,217
Healthy Lake Huron	(6,163)	10,361
Nature Based Climate Solutions	-	43,129
Forest Health	10,285	22,667
ECCC Restoration / Natural Hazard	(96,484)	62,968
Floods Safety Coastal Resiliance	(24,161)	-
	$ 82,500	$ 293,732

5. Pension plan

Some employees of Maitland Valley Conservation Authority are members of a defined benefit pension plan (OMERS). Contributions made during the year on behalf of the employees amounted to $179,172 (2023 : $159,353) and have been included as an expense on the statement of operations.

6. Tangible capital assets

For additional information, see the Schedule of Tangible Capital Assets information on the tangible capital assets of the Authority by major class, as well as for accumulated amortization of the assets controlled.

7. Expenditures by object

	2024	2023
Salaries and benefits	$ 2,059,428	$ 1,804,356
Operating goods and services	2,258,312	2,226,737
Amortization	138,732	125,616
	$ 4,456,472	$ 4,156,709

8. Financial instrument risk management

Credit risk

The Authority is exposed to credit risk through its cash, trade and other receivables, and short-term investments. There is the possibility of non-collection of its trade and other receivables. The majority of the Authority's receivables are from users and government entities. For trade and other receivables, the Authority measures impairment based on how long the amounts have been outstanding. For amounts outstanding considered doubtful or uncollectible, an impairment allowance is setup.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority has a planning and a budgeting process in place to help determine the funds required to support the Authority's normal operating requirements on an ongoing basis. The Authority ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. To achieve this aim, it seeks to maintain an available line of credit balance as approved by the Membership, at a minimum, expected requirements.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Authority's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings and long-term liabilities and the value of fixed rate long-term liabilities.

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risks.

9. Budget amounts

Under Canadian public sector accounting standards, budget amounts are to be reported on the statement of operations for comparative purposes. The 2024 budget amounts for the Maitland Valley Conservation Authority approved by the Membership are unaudited and have been restated to conform to the basis of presentation of the revenues and expenditures on the consolidated statement of activities.

MAITLAND VALLEY CONSERVATION AUTHORITY

Schedule of Continuity of Accumulated Surplus

For the Year Ended December 31, 2024

	Balance, beginning of year	From Operations	To Operations	**Balance, end of year**
Internally restricted surplus				
Vehicle and equipment purchases	126,741	27,655	(51,316)	**103,080**
Insurance deductible	25,000			**25,000**
Working capital	643,568	213,911	(212,593)	**644,886**
Short Term Disability	38,000			**38,000**
Forestry management	115,502	33,589	(40,003)	**109,088**
Falls Reserve Conservation Area	212,423	60,497	-	**272,920**
Wawanosh Park Conservation Area	28,988	6,267	-	**35,255**
	1,190,222	341,919	(303,912)	**1,228,229**
Tangible capital assets	2,938,975	66,344		**3,005,319**
	$ 4,129,197	408,263	(303,912)	**$ 4,233,548**

MAITLAND VALLEY CONSERVATION AUTHORITY
Schedule of Tangible Capital Assets
For the Year Ended December 31, 2024

	Land	Land Improvements	Buildings & Infrastructure	Contents	Furniture	Vehicles	Machinery	Equipment	Information Technology	**TOTAL Net Book Value 2024**	TOTAL Net Book Value 2023
Cost											
Balance, beginning of year	1,220,137	6,394	2,009,530	26,783	17,786	326,386	87,037	344,037	176,078	**4,214,168**	4,055,652
Add: Additions during the year			88,998			91,940		7,071	17,067	**205,076**	305,202
Less: Disposals during the year						(29,276)	(16,916)	(3,000)		**(49,192)**	(146,686)
Balance, end of year	1,220,137	6,394	2,098,528	26,783	17,786	389,050	70,121	348,108	193,145	**4,370,052**	4,214,168
Accumulated Amortization											
Balance, beginning of year		6,394	505,568	21,549	11,653	270,070	74,371	270,303	115,285	**1,275,193**	1,290,915
Add: Amortization during the year			72,036	336	368	25,660	2,461	15,331	22,540	**138,732**	125,616
Less: Accumulated amortization on disposals						(29,276)	(16,916)	(3,000)		**(49,192)**	(141,338)
Balance, end of year	-	6,394	577,604	21,885	12,021	266,454	59,916	282,634	137,825	**1,364,733**	1,275,193
Net Book Value of Tangible Capital Assets	1,220,137	-	1,520,924	4,898	5,765	122,596	10,205	65,474	55,320	**$ 3,005,319**	$ 2,938,975

MAITLAND VALLEY CONSERVATION AUTHORITY
SCHEDULE OF EXPENSES

For the year ended December 31	2024 Budget	2024 Actual	2023 Actual
Conservation Area Services			
Falls Reserve Conservation Area	560,666	**504,942**	469,093
Management, development and operations	326,583	**303,357**	283,407
Motor pool	17,170	**13,195**	16,325
Wawanosh Park Conservation Area	20,357	**13,265**	13,711
Conservation Area Projects			
Falls Reserve Conservation Area	156,032	**66,544**	9,675
Forest management	21,000	**19,258**	4,887
Vehicle/equipment replacement	71,900	**478**	413
Conservation Areas general projects	38,360	**18,144**	45,573
Carbon offset, footprints to forests, and naturalization	500	**782**	926
Naftel's Creek	-	**-**	7,204
Total Conservation Area	1,212,568	**939,965**	851,214

Flood Protection Services			
Regulations	313,059	**308,537**	271,258
Flood and erosion control structures	4,626	**4,193**	8,827
Flood forecasting and warning	278,404	**288,407**	278,889
Ice management, hazard prevention and information	93,402	**76,802**	78,019
Flood Safety Projects			
Shoreline	113,000	**58,996**	162,767
Flood safety equipment	20,000	**20,000**	7,434
Water and eronsion control	-	**24,161**	15,339
Total Flood Safety Services	822,491	**781,096**	822,533

MAITLAND VALLEY CONSERVATION AUTHORITY
SCHEDULE OF EXPENSES

For the year ended December 31	2024 Budget	2024 Actual	2023 Actual
Watershed Stewardship Services			
Reforestation services	171,944	**210,853**	173,472
Watershed monitoring and reporting service	141,977	**138,709**	108,663
Extension services	172,428	**162,088**	125,121
Watershed Stewardship Projects			
Huron County clean water project	504,055	**446,474**	407,225
Garvey/Glen Watershed Co-ordination	93,852	**19,378**	51,175
Drinking water source protection - transition	22,950	**26,303**	20,106
Middle Maitland rejuvenation project	50,050	**93,838**	32,123
Stewardship ONfarm project	-	**-**	20,885
Stewardship short term projects	4,786	**-**	12,089
OMAFRA - COA Healthy Lake Huron	8,000	**35,363**	44,647
Watershed Health	91,022	**110,642**	102,634
Maitland Watershed Resiliency / CFI	3,217	**310**	109
Nature Based Climate Solutions	90,000	**229,262**	244,364
Stream Restoration / Natural Hazards	10,000	**98,111**	207,032
Wellington County	-	**5,700**	-
WS ECCC Restoration	-	**68,842**	-
Total Watershed Stewardship	1,364,281	**1,645,873**	1,549,645

MAITLAND VALLEY CONSERVATION AUTHORITY
SCHEDULE OF EXPENSES

For the year ended December 31	2024 Budget	2024 Actual	2023 Actual
Corporate Services			
Administration	380,010	**388,325**	353,409
Communications and IT/GIS	244,824	**232,416**	202,630
Financial management	115,177	**112,037**	111,598
Service area support costs	54,449	**51,878**	47,646
Governance	16,600	**14,557**	17,610
Motor pool	10,400	**7,947**	10,458
Corporate Services Projects			
Information technology upgrades	56,000	**17,770**	12,401
Corporate office renovation	177,000	**109,804**	51,949
Watershed strategy	17,670	**16,072**	-
Total Corporate Services	1,072,130	**950,806**	807,701