The Otonabee Region Conservation Authority

Financial Statements

For the year ended December 31, 2024

The Otonabee Region Conservation Authority
Financial Statements
For the year ended December 31, 2024

Contents

Management's Responsibility	**2**
Independent Auditor's Report	**3 - 4**
Financial Statements	
Statement of Financial Position	**5**
Statement of Operations and Accumulated Surplus	**6**
Statement of Change in Net Financial Assets	**7**
Statement of Cash Flows	**8**
Notes to the Financial Statements	**9 - 19**
Schedules	**20 - 24**

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Otonabee Region Conservation Authority (the "Authority") are the responsibility of the Authority's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Authority's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in 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.

Members meet with Management and the external auditors 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 BDO Canada LLP, 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.

Chair
Michael Metcalf
May 1, 2025

Vice Chair
Kevin Duguay
May 1, 2025

Tel: 705 726 6331
Fax: 705 722 6588
www.bdo.ca

BDO Canada LLP
300 Lakeshore Drive, Suite 300
Barrie, ON, Canada, L4N 0B4

Independent Auditor's Report

To the Members of The Otonabee Region Conservation Authority

Opinion

We have audited the financial statements of The Otonabee Region Conservation Authority, (the "Authority") which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, change 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 the results of its operations, changes in net financial assets, and 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.

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 Authorities 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 Authorities 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 Authorities 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
May 1, 2025

The Otonabee Region Conservation Authority
Statement of Financial Position

December 31	2024	2023
Financial assets		
Cash	$ 393,620	$ 1,005,586
Investments (Note 3)	405,590	-
Accounts receivable (Note 4)	147,713	184,999
	946,923	1,190,585
Financial liabilities		
Accounts payable and accrued liabilities (Note 5)	473,953	754,317
Deferred revenue (Note 6)	3,900	11,538
	477,853	765,855
Net financial assets	469,070	424,730
Non-financial assets		
Tangible capital assets (Note 7)	10,269,599	10,444,996
Prepaid expenses	90,474	57,116
	10,360,073	10,502,112
Accumulated surplus (Note 9)	$ 10,829,143	$ 10,926,842

Approved by Board

Chair

Vice Chair

The accompanying notes are an integral part of these financial statements

The Otonabee Region Conservation Authority
Statement of Financial Position

December 31	2024	2023
Financial assets		
Cash	**$ 393,620**	$ 1,005,586
Investments (Note 3)	**405,590**	-
Accounts receivable (Note 4)	**147,713**	184,999
	946,923	1,190,585
Financial liabilities		
Accounts payable and accrued liabilities (Note 5)	**473,953**	754,317
Deferred revenue (Note 6)	**3,900**	11,538
	477,853	765,855
Net financial assets	**469,070**	424,730
Non-financial assets		
Tangible capital assets (Note 7)	**10,269,599**	10,444,996
Prepaid expenses	**90,474**	57,116
	10,360,073	10,502,112
Accumulated surplus (Note 9)	**$ 10,829,143**	$ 10,926,842

Approved by Board

_____ Chair

_____ Vice Chair

The accompanying notes are an integral part of these financial statements

The Otonabee Region Conservation Authority
Statement of Operations and Accumulated Surplus

For the year ended December 31	Budget 2024 (Note 2)	2024	2023
Revenue			
Government funding			
Municipal:			
General levy	$ 1,427,318	**$ 1,427,318**	$ 1,277,602
Capital project levy	-	**-**	105,000
Fees for services	170,000	**217,164**	313,819
Provincial	92,749	**119,501**	155,840
Federal	5,000	**5,009**	264,793
Authority generated			
User fees	1,265,000	**1,247,308**	1,205,331
Sales, rentals and other	127,300	**221,394**	291,621
Grants and partnerships	148,500	**99,346**	89,545
Donations	20,000	**54,521**	52,063
Services	-	**1,073**	-
Transfer to reserve	20,000	**-**	-
	3,275,867	**3,392,634**	3,755,614
Expenses			
Natural Hazard Program (Schedule A)	1,022,218	**1,024,207**	1,063,414
Conservation Lands Program (Schedule B)	1,058,972	**1,267,116**	1,207,337
Watershed Management Program (Schedule C)	428,437	**359,508**	360,504
Corporate services (Schedule D)	766,240	**839,502**	814,137
	3,275,867	**3,490,333**	3,445,392
Annual surplus (deficit)	-	**(97,699)**	310,222
Accumulated surplus, beginning of year	10,926,842	**10,926,842**	10,616,620
Accumulated surplus, end of year	$ 10,926,842	**$ 10,829,143**	$ 10,926,842

The accompanying notes are an integral part of these financial statements

The Otonabee Region Conservation Authority
Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2024 (Note 2)	2024	2023
Annual surplus (deficit)	$ -	**$ (97,699)**	$ 310,222
Acquisition of tangible capital assets	-	**(42,056)**	(511,885)
Amortization of tangible capital assets	-	**217,453**	227,443
Loss on disposal of tangible capital assets	-	**-**	926
	-	**77,698**	26,706
Change in prepaid expenses	-	**(33,358)**	(11,245)
Change in net financial assets	-	**44,340**	15,461
Net financial assets, beginning of year	424,730	**424,730**	409,269
Net financial assets, end of year	$ 424,730	**$ 469,070**	$ 424,730

The accompanying notes are an integral part of these financial statements

The Otonabee Region Conservation Authority
Statement of Cash Flows

For the year ended December 31	2024	2023
Operating Transactions		
Annual surplus (deficit)	**$ (97,699)**	$ 310,222
Non-cash changes to operations:		
Amortization of tangible capital assets	**217,453**	227,443
Loss on disposal of tangible capital assets	**-**	926
Changes in non-cash operating items:		
Accounts receivable	**37,286**	725,462
Prepaid expenses	**(33,358)**	(11,245)
Accounts payable and accrued liabilities	**(280,364)**	(222,545)
Deferred revenue	**(7,638)**	(36,852)
Total Operating Transactions	**(164,320)**	993,411
Capital Transactions		
Acquisition of tangible capital assets	**(42,056)**	(511,885)
Investing transactions		
Purchase of temporary investments	**(405,590)**	**-**
Increase (decrease) in cash	**(611,966)**	481,526
Cash, beginning of year	**1,005,586**	524,060
Cash, end of year	**$ 393,620**	$ 1,005,586

The accompanying notes are an integral part of these financial statements

December 31, 2024

1. Summary of Significant Accounting Policies

Nature of the Authority

The Otonabee Region Conservation Authority (the "Authority") was established in 1959, in accordance with Section 3(1) of the Conservation Authorities Act of Ontario. The watershed includes area in the Municipalities of Asphodel-Norwood, Cavan Monaghan, Douro-Dummer, Otonabees-South Monaghan, Selwyn and Trent Hills and the Cities of Peterborough and Kawartha Lakes. The Authority is classified as a registered charity under the Income Tax Act (Canada) and as such, is not subject to income taxes provided certain disbursement requirements are met. The objective of the Authority, as stated by the Conservation Authorities Act R.S.O. 1990 is "to provide for the organization and delivery of programs and services that further the conservation, restoration, development and management of natural resources in watersheds in Ontario".

Management's Responsibility

The financial statements of the Authority are the responsibility of management. They 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.

Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting 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.

Various revenue and expense items flow through the statement of financial activities based on their general nature in relation to operating activities. To the extent that these revenue and expense items relate to specific reserve balances, these items are reflected on Schedule E - Continuity of Reserves.

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

Non-Financial Assets, Tangible Capital Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations.

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost, less accumulated amortization. Cost includes all amounts directly attributable to acquisition, construction, development or betterment of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset using the following rates:

Building and building improvements	40 years
Land improvements	40 years
Infrastructure - Dams	80 years
Infrastructure - Other	40 years
Machinery and equipment	7 years
Vehicles	7 years
Furniture and fixtures	5 years
Computers	3 years

Assets under construction are not amortized until the asset is available for productive use, at which time, they are capitalized.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the organization's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

(ii) Contributed Tangible Capital Assets

Contributed tangible capital assets are recorded at their fair value on the date of contribution, except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

Reserves

Reserves are established under approval of The Otonabee Regional Conservation Authority Board of Directors. The recommendation of reserves and appropriations fall under the authority of the CAO and the Director of Corporate Services. Increases or decreases in these reserves are made by appropriations to or from operations. Any use of funds from a reserve shall be authorized by the Board of Directors as outlined in procedure.

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

Government transfers

Government transfers and municipal levies are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Government transfers and municipal levies are recognized as deferred revenue when transfer stipulations give rise to a liability. Government transfers and municipal levies are recognized in the statement of operations as the stipulation liabilities are settled.

Restricted Revenue

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the purpose specified. Contributions relating to capital assets are deferred and amortized over the useful life of the related asset.

Other Revenue

Revenue from transactions with performance obligations is recognized when (at a point in time) or as (over a period of time) the organization satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Other grants, donations and contributions, investment income and authority-generated revenue including permit fees are recognized when the related services are performed.

Pension Plan

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 Authority has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Authority records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

Use of Estimates

The preparation of the 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements include accounts receivable, estimated provisions for accrued liabilities, the estimated useful lives of tangible capital assets and valuation of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Summary of Significant Accounting Policies (continued)

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Authority's financial assets comprise of cash and cash equivalents including investments which are recorded at fair value; and accounts receivable which are recorded at amortized cost. The Authority's financial liabilities comprise of accounts payable and accrued liabilities which are recorded at amortized cost.

Asset Retirement Obligation

A liability for an asset retirement obligation is recognized when 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 recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed. The Authority has determined that it's asset retirement obligations are not material and as such have not recorded a liability related to these costs.

2. Budget Figures

The Budget for 2024 was adopted by the Board of Directors on December 14, 2023. The budget was prepared on a cash basis (based on expected cash inflows and outflows), while Canadian public sector accounting standards now require the reporting of actual results on the financial statements to be prepared on a full accrual basis. The budget figures presented in the statements of operations and change in net financial assets represent the 2024 budget adopted by the Board.

	Revenue	Expense	Net
Board approved budget:			
Operating	$ 3,275,867	$ 3,275,867	$ -
Capital	105,000	105,000	-
Total Board approved budget	$ 3,380,867	$ 3,380,867	$ -
Less: Budgeted capital expenses	-	105,000	(105,000)
Adjusted budget per the statement of operations	$ 3,380,867	$ 3,275,867	$ 105,000

The budgeted numbers are unaudited.

3. Investments

	2024	2023
Guaranteed Investment Certificate, interest at 3.65%, maturing November 1, 2025	**$ 405,590**	$ -

4. Accounts Receivable

	2024	2023
Federal	**$ 44**	
Provincial	**20,736**	13,629
HST receivable	**28,179**	31,369
Authority generated	**98,754**	140,001
	$ 147,713	$ 184,999

5. Accounts Payable

	2024	2023
Accounts payable and accrued liabilities	$ 117,016	$ 365,952
Salaries and benefits payable	49,441	54,688
Employee future benefits	307,496	333,677
	$ 473,953	$ 754,317

6. Deferred Revenue and Government Transfers

Revenue received but not earned at year end is as follows:

2024	Balance, December 31, 2023	2024 Receipts	2024 Revenue	Balance, December 31, 2024
Capital projects levy	$ -	$ -	$ -	$ -
Source water protection	-	-	-	-
Water and Erosion Control Infrastructure	5,238	1,886	7,124	-
Other grants (less than $15,000)	6,300	3,900	6,300	3,900
	$ 11,538	$ 5,786	$ 13,424	$ 3,900

2023	Balance, December 31, 2022	2023 Receipts	2023 Revenue	Balance, December 31, 2023
Capital projects levy	-	105,000	105,000	-
Special levy	31,570	28,864	60,434	-
Water and Erosion Control Infrastructure	-	8,625	3,387	5,238
Other grants (less than $15,000)	16,820	61,300	71,820	6,300
	48,390	203,789	240,641	11,538

These amounts are recognized as revenue as directly related expenses are incurred.

7. Tangible Capital Assets

	2024									
	Land	Land Improvements	Building and Building Improvements	Infrastructure	Machinery and Equipment	Vehicles	Furniture and Fixtures	Computers	Work in Progress	Total
Cost										
Balance, beginning of year	$ 3,086,616	$ 611,617	$ 2,012,911	$ 6,150,730	$ 290,032	$ 225,376	$ 72,423	$ 95,352	$ 10,175	$ 12,555,232
Add: Additions during the year		13,187	-	-	23,701	-	-	5,168	-	42,056
Less: Disposals during the year	-	-	-	-	(20,704)	-	-	-	-	(20,704)
Balance, end of year	3,086,616	624,804	2,012,911	6,150,730	293,029	225,376	72,423	100,520	10,175	12,576,584
Accumulated amortization										
Balance, beginning of year	-	30,545	491,494	1,076,688	208,445	166,223	53,961	82,880	-	2,110,236
Add: Amortization during the year	-	15,620	50,323	87,313	27,744	17,837	9,143	9,473	-	217,453
Less: Amortization on disposals	-	-	-	-	(20,704)	-	-	-	-	(20,704)
Balance, end of year	-	46,165	541,817	1,164,001	215,485	184,060	63,104	92,353	-	2,306,985
Net book value of tangible capital assets	$ 3,086,616	$ 578,639	$ 1,471,094	$ 4,986,729	$ 77,544	$ 41,316	$ 9,319	$ 8,167	$ 10,175	$ 10,269,599

7. Tangible Capital Assets (continued)

	2023									
	Land	Land Improvements	Building and Building Improvements	Infrastructure	Machinery and Equipment	Vehicles	Furniture and Fixtures	Computers	Work in Progress	Total
Cost										
Balance, beginning of year	$ 3,086,616	$ 610,185	$ 1,269,078	$ 6,103,276	$ 356,323	$ 202,085	$ 70,777	$ 85,764	$ 343,050	$ 12,127,154
Add: Additions during the year		1,432	410,958	47,454	12,937	23,291	1,646	14,167	-	511,885
Add: Transfers	-	-	332,875	-	-	-	-	-	(332,875)	-
Less: Disposals during the year	-	-	-	-	(79,228)	-	-	(4,579)	-	(83,807)
Balance, end of year	3,086,616	611,617	2,012,911	6,150,730	290,032	225,376	72,423	95,352	10,175	12,555,232
Accumulated amortization										
Balance, beginning of year	-	15,255	441,171	989,375	258,729	146,092	44,163	70,889	-	1,965,674
Add: Amortization during the year	-	15,290	50,323	87,313	28,018	20,131	9,798	16,570	-	227,443
Less: Amortization on disposals	-	-	-	-	(78,302)	-	-	(4,579)	-	(82,881)
Balance, end of year	-	30,545	491,494	1,076,688	208,445	166,223	53,961	82,880	-	2,110,236
Net book value of tangible capital assets	$ 3,086,616	$ 581,072	$ 1,521,417	$ 5,074,042	$ 81,587	$ 59,153	$ 18,462	$ 12,472	$ 10,175	$ 10,444,996

8. Related Party Transactions

Board members are paid a per diem and the Chair and Vice-Chair receive a nominal honorarium.

9. Accumulated Surplus

Accumulated surplus consists of the following:

	2024	2023
Surpluses		
Internal 'current' and 'capital' funds	**$ 141,782**	$ 46,074
Invested in tangible capital assets	**10,269,599**	10,444,996
Reserves	**417,762**	435,772
Accumulated surplus	**$ 10,829,143**	$ 10,926,842

10. Expenses by Object

Salaries, wages and employee benefits	**$ 2,124,274**	$ 2,046,552
Utilities, communications, property taxes and insurance	**216,095**	209,114
Maintenance, service and supplies	**374,157**	415,342
Professional services	**161,331**	129,618
Travel and staff expenses	**25,347**	24,694
Other	**343,095**	366,617
Vehicle costs	**28,581**	26,012
Amortization of tangible capital assets	**217,453**	227,443
	$ 3,490,333	$ 3,445,392

11. Pension Plan

The Authority makes contributions to the Ontario Municipal Employees' Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all full-time members of its staff. The plan is a defined benefit plan, which specifies that amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including the investment of assets and administration of benefits. OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employees.

Each year an independent actuary determines the status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2024. The results of this valuation disclosed total actuarial liabilities of $142.5 billion in respect of benefits accrued for service with actuarial assets at that date of $139.6 billion indicating an actuarial deficit of $2.9 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the Authority to OMERS for 2024 were $134,881 (2023 - $201,544).

12. Financial Instruments Risks

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Authority's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Authority's receivables are from government resources.

There has been no change to this risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Authority will not have sufficient funds to settle a transaction on the due date. The Authority is exposed to this risk mainly in respect of its accounts payable. The Authority mitigates this risk by ensuring that it always has sufficient cash to allow it to meet its liabilities when they become due.

There has been no change to this risk from the prior year.

13. Comparative Figures

Certain comparative figures have been reclassified to conform with current year presentation.

14. Program Information

Certain allocation methodologies are employed in the preparation of program financial information. Government grants, user charges, transfers from other funds, and other revenue are allocated to the specific program or service they relate to. Expense allocations are both internal and external. Activity based costing is used to allocate internal support costs to departments. These costs include the net expenditures for departments, such as human resources, information systems, finance and others, commonly referred to as overhead. The Authority allocated its activities into four main program areas which are reported in the accompanying supplementary schedules to the financial statements.

Natural Hazard Program

This program includes activities related to permitting responsibilities, review of applications under the Planning Act, flood plain mapping, flood forecasting, monitoring watershed conditions, delivery of water safety and natural hazard related education programs, operate, maintain and ensure the safe working order of water and ice control structures.

Conservation Lands Program

Conservation lands program includes activities related to the operation and maintenance of Authority owned land for natural heritage protection and recreation purposes and to undertake resource development on the land.

Watershed Management Program

Watershed management program includes activities related to the development of watershed-based resource management strategy for water resources, implementation of provincial water quality and groundwater quality monitoring programs. Implementation of the policies of the Trent Source Protection Plan and compliance with the assigned requirements of the Clean Water Act, including support to the Municipalities.

This program also works with landowners to undertake land restoration and stewardship activities on their lands that enhances the natural environment.

It also provides technical reviews and expertise on natural heritage matters to assist the Municipalities in making environmentally sound decisions on Planning Act applications.

Corporate Services

Corporate Services supports each of the departments and the organization as a whole by providing administrative support, coordination, policy development and implementation, program direction and development, strategic and business planning and Board support including agendas and minutes. Corporate Services is responsible for Finance, Human Resources, Health & Safety, Asset Management, Information Technology, Records Management and Corporate Communications.

The Otonabee Region Conservation Authority
Natural Hazard Program
Schedule A

For the year ended December 31, 2024 with comparative information for 2023

	2024 Budget (Note 2)	**2024 Actual**	2023 Actual
Revenue:			
Municipal funding			
General levy	$ 533,969	**$ 533,969**	$ 453,432
Capital levy	-	**-**	3,387
Fees for service	-	**57,398**	148,076
	533,969	**591,367**	604,895
Provincial funding	92,749	**119,501**	155,840
Total government funding	626,718	**710,868**	760,735
User fees	390,000	**333,970**	335,266
Sales, rentals and other	5,000	**12,118**	5,044
Grants and partnerships	2,500	**2,500**	2,500
Donations	-	**2,500**	-
Total authority generated revenue	397,500	**351,088**	342,810
Total Revenue	1,024,218	**1,061,956**	1,103,545
Expenses:			
Salaries, wages and employee benefits	850,858	**744,351**	748,981
Utilities, communications, property taxes and insurance	46,800	**41,308**	47,711
Maintenance, service and supplies	37,610	**27,538**	27,562
Professional services	75,000	**82,620**	42,420
Travel and staff expenses	4,450	**8,228**	8,072
Other expenses	7,500	**28,388**	96,621
Amortization of tangible capital assets	-	**91,774**	92,047
Total Expenses	1,022,218	**1,024,207**	1,063,414
Net Surplus for the Year	$ 2,000	**$ 37,749**	$ 40,131

The Otonabee Region Conservation Authority
Conservation Lands Program
Schedule B

For the year ended December 31, 2024 with comparative information for 2023

	2024 Budget (Note 2)	**2024 Actual**	2023 Actual
Revenue:			
Municipal funding			
General levy	$ 96,673	**$ 96,673**	$ 125,000
Capital levy	-	**-**	71,467
	96,673	**96,673**	196,467
Federal funding	5,000	**5,009**	264,793
Total government funding	101,673	**101,682**	461,260
User fees	875,000	**913,338**	870,065
Sales, rentals and other	62,300	**129,194**	206,243
Grants and partnerships	-	**4,400**	6,750
Donations	-	**11,021**	36,063
Total authority generated revenue	937,300	**1,057,953**	1,119,121
Services	-	**1,073**	-
Transfer from reserves	20,000	**-**	-
Total Revenue	1,058,973	**1,160,708**	1,580,381
Expenses:			
Salaries, wages and employee benefits	650,261	**625,694**	564,413
Utilities, communications, property taxes and insurance	130,500	**121,699**	106,298
Maintenance, service and supplies	114,500	**172,714**	240,374
Professional services	5,000	**310**	2,310
Travel and staff expenses	12,500	**7,190**	6,620
Other expenses	146,211	**257,887**	209,558
Vehicle costs	-	**201**	-
Amortization of tangible capital assets	-	**81,421**	77,764
Total Expenses	1,058,972	**1,267,116**	1,207,337
Net Surplus (Deficit) for the Year	$ 1	**$ (106,408)**	$ 373,044

The Otonabee Region Conservation Authority
Watershed Management Program
Schedule C

For the year ended December 31, 2024 with comparative information for 2023

	2024 Budget (Note 2)	**2024 Actual**	2023 Actual
Revenue:			
Municipal funding			
General levy	$ 66,102	**$ 66,102**	$ 67,500
Fees for service	170,000	**159,766**	165,743
Total government funding	236,102	**225,868**	233,243
Sales, rentals and other	30,000	**29,369**	43,518
Grants and partnerships	146,000	**92,446**	80,295
Donations	20,000	**21,000**	16,000
Total authority generated revenue	196,000	**142,815**	139,813
Total Revenue	432,102	**368,683**	373,056
Expenses:			
Salaries, wages and employee benefits	325,987	**297,837**	297,315
Utilities, communications, property taxes and insurance	13,900	**12,667**	13,771
Maintenance, service and supplies	32,000	**23,478**	23,574
Professional services	3,300	**1,620**	175
Travel and staff expenses	3,000	**7,155**	6,549
Other expenses	50,250	**16,068**	18,437
Amortization of tangible capital assets	-	**683**	683
Total Expenses	428,437	**359,508**	360,504
Net Surplus for the Year	$ 3,665	**$ 9,175**	$ 12,552

The Otonabee Region Conservation Authority
Corporate Services
Schedule D

For the year ended December 31, 2024 with comparative information for 2023

	2024 Budget (Note 2)	**2024 Actual**	2023 Actual
Revenue:			
Municipal funding			
General levy	$ 730,574	**$ 730,574**	$ 631,670
Capital levy	-	**-**	30,146
	730,574	**730,574**	661,816
Federal funding	-	**-**	-
Total government funding	730,574	**730,574**	661,816
User fees	-	**-**	-
Sales, rentals and other	30,000	**50,713**	36,816
Donations	-	**20,000**	-
Total authority generated revenue	30,000	**70,713**	36,816
Total Revenue	760,574	**801,287**	698,632
Expenses:			
Salaries, wages and employee benefits	453,514	**456,392**	435,843
Utilities, communications, property taxes and insurance	41,200	**40,421**	41,334
Maintenance, service and supplies	126,900	**150,427**	123,832
Professional services	69,000	**76,781**	84,713
Travel and staff expenses	6,376	**2,774**	3,453
Other expenses	44,250	**40,752**	42,001
Vehicle costs	25,000	**28,380**	26,012
Amortization of tangible capital assets	-	**43,575**	56,949
Total Expenses	766,240	**839,502**	814,137
Net Deficit for the Year	$ (5,666)	**$ (38,215)**	$ (115,505)

The Otonabee Region Conservation Authority
Continuity of Reserves
Schedule E

For the year ended December 31, 2024 with comparative information for 2023

2024	Balance, December 31, 2023	Appropriation (to) from Operations	Additions	Balance, December 31, 2024
Unrestricted				
Capital Reserve	$ 1,361	$ -	$ -	$ 1,361
Harold Town Reserve	18,010	(18,010)	-	-
General Reserve	286,349	-	-	286,349
Externally Restricted				
Gravel Pit Rehabilitation Reserve	28,223	-	-	28,223
Proceeds from Disposition of Lands Reserve	101,829	-	-	101,829
	$ 435,772	$ (18,010)	$ -	$ 417,762

2023	Balance, December 31, 2021	Appropriation (to) from Operations	Additions	Balance, December 31, 2023
Unrestricted				
Capital Reserve	$ 1,361	$ -	$ -	$ 1,361
Jackson Creek Trail Revitalization Reserve	-	-	-	-
Harold Town Reserve	-	18,010	-	18,010
General Reserve	286,349	-	-	286,349
Externally Restricted				
Gravel Pit Rehabilitation Reserve	28,223	-	-	28,223
Proceeds from Disposition of Lands Reserve	101,829	-	-	101,829
	$ 417,762	$ 18,010	$ -	$ 435,772