

St. Clair Region Conservation Authority
Financial Statements
December 31, 2023

St. Clair Region Conservation Authority

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For the year ended December 31, 2023

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To the Board of Directors of St. Clair Region Conservation Authority:

Opinion

We have audited the financial statements of St. Clair Region Conservation Authority (the "Authority"), which comprise the statement of financial position as at December 31, 2023, and the statement of operations and accumulated surplus, statement of continuity of reserves and reserve funds, statement of changes in net financial and net tangible capital assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

MNP LLP

London, Ontario

February 22, 2024

Chartered Professional Accountants

Licensed Public Accountants

St. Clair Region Conservation Authority

Statement of Financial Position

As at December 31, 2023

	2023	2022
Financial assets		
Cash (Note 4)	\$ 8,266,000	\$ 5,962,460
Investments (Note 5)	1,264,870	1,626,790
Accounts receivable (Note 6)	720,999	790,427
HST receivable	28,578	19,684
Other assets	25,266	37,900
Long-term investments (Note 7)	969,571	663,977
	11,275,284	9,101,238
Restricted assets		
Forestry reserve (Note 8)	11,982	11,952
Total financial assets	11,287,266	9,113,190
Financial liabilities		
Accounts payable and accrued liabilities (Note 9)	510,138	272,061
Deferred revenue - projects (Note 10)	4,230,541	3,374,293
Deferred revenue - other (Note 11)	551,603	282,868
Total financial liabilities	5,292,282	3,929,222
Net financial assets	5,994,984	5,183,968
Non-financial assets		
Tangible capital assets (Schedule 2)	15,416,804	16,054,570
Commitments (Note 16)		
Net assets	21,411,788	21,238,538
Accumulated surplus		
Reserves and reserve funds, page 2, 4	5,994,984	5,183,968
Net tangible capital assets, page 4	15,416,804	16,054,570
Total accumulated surplus	\$ 21,411,788	\$ 21,238,538

Approved on behalf of the Board:





St. Clair Region Conservation Authority
Statement of Continuity of Reserves and Reserve Funds

For the year ended December 31, 2023

	<i>Balance, beginning of year</i>	<i>Transfers from or (to) Operations before interest</i>	<i>Interest earned</i>	<i>Balance, end of year</i>
Reserve funds				
Forestry	\$ 11,952	\$ -	\$ 30	\$ 11,982
Other reserves				
Administration centre	1,284,091	132,825	79,268	1,496,184
Coldstream remedial	2,159	-	133	2,292
Conservation services	931,323	-	57,491	988,814
General conservation areas	1,285,717	114,981	79,367	1,480,065
Insurance	28,055	-	1,732	29,787
Land management	281,385	33,700	17,370	332,455
McKeough property management	432,128	-	26,675	458,803
Oil and gas	76,465	-	4,720	81,185
Planning	131,280	229,765	8,104	369,149
Reserve - Highland Glen	15,254	-	942	16,196
Resource awareness	22,727	-	1,403	24,130
Vehicles and equipment	681,432	(19,554)	42,064	703,942
Total other reserves	5,172,016	491,717	319,269	5,983,002
Total other reserves and reserve funds	\$ 5,183,968	\$ 491,717	\$ 319,299	\$ 5,994,984

The accompanying notes and schedules are an integral part of these financial statements

St. Clair Region Conservation Authority

Statement of Operations and Accumulated Surplus

For the year ended December 31, 2023

	<i>Budget</i>	<i>Actual</i>	<i>Actual</i>
	<i>2023</i>	<i>2023</i>	<i>2022</i>
	<i>(Note 17)</i>		
Revenue			
Government Grants			
Grants - section 39	\$ 161,000	\$ 160,038	\$ 160,038
Grants - Federal and Provincial (Note 10)	1,726,578	2,116,337	3,162,231
Municipal levies			
Municipal levies - general	1,549,010	1,549,010	1,378,514
Municipal levies - special	1,737,190	621,568	1,659,837
Other revenue			
Conservation areas (Note 14)	1,590,290	1,497,954	1,471,137
Donations (Note 14)	153,730	123,833	178,145
Fees	607,494	542,313	671,230
Gain on disposal of tangible capital assets (Note 12)	-	-	10,176
Interest and investment income	30,000	464,802	173,825
Other grants (Note 11)	241,069	720,845	849,955
Other income (Note 14)	419,541	403,034	488,843
Deferred revenue - projects, beginning of the year (Note 10)	586,367	3,374,293	2,907,195
Deferred revenue - projects, end of the year (Note 10)	-	(4,230,541)	(3,374,293)
Gain on investments	-	24,839	-
Total revenue	8,802,269	7,368,325	9,736,833
Expenditures			
Administration	860,365	830,634	755,013
Capital development	2,992,954	867,782	3,555,333
Conservation area maintenance	1,517,550	1,578,847	1,674,780
Loss on disposal of tangible capital assets (Note 12)	-	277,618	-
Operations	3,147,104	2,966,187	2,845,597
Property management	284,296	246,572	249,561
Amortization of tangible capital assets (Note 12)	-	427,435	485,355
Total expenditures	8,802,269	7,195,075	9,565,639
Excess of revenue over expenditures	-	173,250	171,194
Accumulated surplus, beginning of year	-	21,238,538	21,067,344
Accumulated surplus, end of year	\$ -	\$ 21,411,788	\$ 21,238,538

The accompanying notes and schedules are an integral part of these financial statements

St. Clair Region Conservation Authority
Statement of Changes in Net Financial and Net Tangible Capital Assets

For the year ended December 31, 2023

	<i>Budget</i>		<i>Actual</i>		<i>Actual</i>
	<i>2023</i>		<i>2023</i>		<i>2022</i>
	<i>(Note 17)</i>				
Net financial assets					
Net financial assets, beginning of year	\$	5,183,968	\$	5,183,968	\$ 4,672,022
Excess of revenue over expenditures		-		173,250	171,194
Acquisition of tangible capital assets		-		(107,994)	(144,603)
Amortization of tangible capital assets		-		427,435	485,355
Loss (gain) on disposal of tangible capital assets		-		277,618	(10,176)
Proceeds on sale of tangible capital assets		-		40,707	10,176
Increase in net financial assets		-		811,016	511,946
Net financial assets, end of year	\$	5,183,968	\$	5,994,984	\$ 5,183,968
Net tangible capital assets					
Net tangible capital assets, beginning of year	\$	16,054,570	\$	16,054,570	\$ 16,395,322
Acquisition of tangible capital assets		-		107,994	144,603
Amortization of tangible capital assets		-		(427,435)	(485,355)
Loss (gain) on disposal of tangible capital assets		-		(277,618)	10,176
Proceeds on sale of tangible capital assets		-		(40,707)	(10,176)
Decrease in net tangible capital assets		-		(637,766)	(340,752)
Net tangible capital assets, end of year	\$	16,054,570	\$	15,416,804	\$ 16,054,570

St. Clair Region Conservation Authority

Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Net inflow (outflow) of cash related to the following activities:		
Operating activities		
Excess of revenue over expenditures	\$ 173,250	\$ 171,194
Items not affecting cash:		
Amortization of tangible capital assets	427,435	485,355
Loss (gain) on disposal of tangible capital assets	277,618	(10,176)
(Gain) loss on investments	(24,839)	93,814
Change in non-cash working capital		
Decrease (increase) in accounts receivable	69,428	(161,294)
(Increase) in HST receivable	(8,894)	(19,684)
Decrease in other assets	12,634	12,633
Increase in accounts payable	238,077	71,702
Increase in deferred revenue - projects	856,248	467,098
Increase in deferred revenue - other	268,735	9,437
Cash inflow from operating activities	2,289,692	1,120,079
Investing activities		
Change in investments	81,165	(34,366)
Cash inflow (outflow) from investing activities	81,165	(34,366)
Capital activities		
Acquisition of tangible capital assets	(107,994)	(144,603)
Proceeds on disposal of tangible capital assets	40,707	10,176
Cash outflow from capital activities	(67,287)	(134,427)
Increase in cash	2,303,570	951,286
Cash - beginning of year	5,974,412	5,023,126
Cash - end of year	\$ 8,277,982	\$ 5,974,412
Cash consists of:		
Cash	\$ 8,266,000	\$ 5,962,460
Forestry reserve	11,982	11,952
	\$ 8,277,982	\$ 5,974,412

St. Clair Region Conservation Authority

Notes to the Financial Statements

For the year ended December 31, 2023

1. Purpose of the organization

St. Clair Region Conservation Authority ("the Authority"), is a non-profit entity created by Section 38 of the Ontario Conservation Authorities Act on January 16, 1961. The Authority exists to manage watershed resources through conservation, preservation, restoration and enhancement and to ensure these resources are maintained while meeting the needs of the public.

2. Significant accounting policies

The financial statements of the Authority are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) as defined in the CPA Canada Public Sector Accounting Handbook. Significant aspects of the accounting policies are as follows:

a) Basis of accounting

The Authority follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of a receipt of goods or services and/or the creation of a legal obligation to pay.

b) 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, and the reported amounts of revenues and expenses during the period. Estimates are used with accounting for such items as the useful life of tangible capital assets, providing for accrued liabilities and the allowance for doubtful accounts (if any). Actual amounts may differ from estimates.

c) Revenue recognition

The Authority follows the deferral method of accounting for donations, government transfers and other grants. Restricted donations, government transfers and other grants are deferred and are recognized as revenues in the year in which the related expenses are incurred or services performed. Unrestricted contributions and government transfers are recognized as revenues in the period in which events giving rise to the revenue occur, provided that the transactions are authorized, any eligibility criteria have been met, and a reasonable estimate can be made of the amount to be received.

General grants and levies are recognized in the period they pertain to.

Other income, conservation areas, levies and fees are recognized as the related expenses are incurred and the services are provided. Other income received in excess of related expenditures is reflected as deferred revenue until approval is obtained for use.

Interest and investment income is recognized on the accrual basis as it is earned.

d) Cash

The Authority considers deposits readily available for use as cash. All other cash like instruments are classified as investments.

St. Clair Region Conservation Authority

Notes to the Financial Statements

For the year ended December 31, 2023

2. Significant accounting policies (continued from previous page)

e) *Tangible capital assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Asset	Useful Life - Years	Method
Land and land improvements		Not amortized
Buildings, dams and related structures	50 years	Straight-line method
Machinery and equipment	10 - 20 years	Straight-line method
Furniture and fixtures	7 years	Straight-line method
Motor vehicles	5 – 15 years	Straight-line method
Computer hardware and software	3 - 5 years	Straight-line method

One-half of normal amortization is charged in the year of acquisition. There is no amortization charged in the year of disposal. Assets under construction are not amortized until the year after the asset is available for productive use.

The Authority records donated tangible capital assets at fair value at the date of contribution when fair value can reasonably be estimated. When a fair value cannot be determined, the tangible capital asset is recorded at a nominal value.

Government assistance related to tangible capital assets and other contributions are recognized in revenue when received.

f) *Financial instruments*

(i) *Measurement of financial instruments*

The Authority initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Authority subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, guaranteed investment certificates, long-term investments and forestry reserve.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include short-term investments made up of mutual funds quoted in an active market.

2. Significant accounting policies (continued from previous page)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the Statement of Operations and Accumulated Surplus. The write-down reflects the difference between the carrying amount and the higher of:

- a) the present value of the cash flows expected to be generated by the asset or group of assets;
- b) the amount that could be realized by selling the assets or group of assets;
- c) the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the event occurring after the impairment confirms that a reversal is necessary, the reversal is recognized in the Statement of Operations and Accumulated Surplus up to the amount of the previously recognized impairment.

g) Reserves and reserve funds

Upon approval of the Authority Executive Committee or Board of Directors, appropriations are made to (from) operations for future expenditures and contingencies. A reserve fund indicates cash that has been set aside as restricted assets, whereas a reserve is an appropriation of surplus and no cash is set aside.

The Authority has the following reserves and reserve funds:

- Forestry reserve fund – This reserve has been set aside to assist the Authority's forestry program with certain restrictions for its use.
- Administration centre reserve – This reserve is established to support maintenance and capital requirements of the administration centre and its associated property.
- Coldstream remedial reserve – This reserve is comprised of a court award in the amount of \$10,000 identified for remedial work upstream of the Coldstream Reservoir less actual expenditures on remedial work.
- Conservation services reserve – The Authority has long-term contracts with land owners for vegetation control in plantations. This reserve has been set up to help offset future costs.
- General conservation areas reserve – This reserve is to assist with the capital refurbishing or capital development of regional conservation areas.
- Insurance reserve – The Authority has increased the property insurance deductible to \$10,000, thereby reducing the insurance premiums and assuming increased risk. This reserve has been established to assist with insurance losses.
- Land management reserve – This reserve is established to support the acquisition, development and operation of natural heritage features such as forests, wetlands, meadows, lakes and streams including use of these features by the public.
- McKeough property management reserve – This reserve is comprised of accumulated surpluses from management of the McKeough lands. Funds from this reserve are used for management and maintenance of the McKeough upstream floodway in excess of 2,000 acres.
- Oil and gas reserve – This reserve of Provincial funds maintained by the Authority has been created from oil and gas royalties and long-term leases on deposits located on the Authority's land.
- Planning reserve – This reserve is to assist with unexpected legal fees, consulting fees, staff requirements, etc. when required to defend the Authority's development, interference with wetlands and alterations to shorelines' watercourse regulations, as well as other related unexpected planning matter, which may require funds.
- Property sales reserve – This reserve is set up from proceeds received on the sale of the Authority's land. The province has allowed the Authority to keep these funds in a reserve.
- Highland Glen reserve – This reserve is used for capital replacement projects at Highland Glen including parking, trails, and dock work.
- Resource awareness reserve – This reserve has been created from donations and is to be used to support the Authority's resource awareness program.
- Vehicles and equipment reserve – This reserve is used for vehicle and equipment operations maintenance and replacement.

St. Clair Region Conservation Authority

Notes to the Financial Statements

For the year ended December 31, 2023

3. Change in accounting policy

Effective January 1, 2023 the Authority adopted Section 3280 Asset Retirement Obligations (ARO) which establishes standards on how to account for and report a liability for asset retirement obligations related to tangible capital assets.

There was no impact on the financial statements as a result of this change in accounting policy.

4. Cash

Cash includes a bank account earning interest at prime rate less 1.8% (2022 – 1.8%). During the year, \$387,340 of interest income was earned (2022 - \$107,291).

5. Investments

Investments are comprised of:

	2023	2022
Guaranteed investment certificates, maturing at various dates in 2024, earning interest at rates varying between 1.40% and 5.37% per annum, recorded at amortized cost	\$ 500,000	\$ 900,000
Mutual funds, no specified maturity or yield (recorded at fair market value)	764,870	726,790
	\$ 1,264,870	\$ 1,626,790

6. Accounts receivable

Included in accounts receivable is \$164,202 (2022 - \$219,705) owed from St. Clair Region Conservation Foundation, a related party (relationship with related party described in note 14).

7. Long-term investments

Long-term investments are comprised of:

	2023	2022
Guaranteed investment certificates, maturing at various dates between 2025 and 2027, earning interest at rates varying between 4.02% and 5.27% per annum, recorded at amortized cost	\$ 900,000	\$ 600,000
Libro Credit Union member shares (recorded at amortized cost)	69,571	63,977
	\$ 969,571	\$ 663,977

8. Forestry reserve

Restricted assets consist of a bank account held for the Forestry Reserve. The bank account earns interest at 0.25% (2022 – 0.25%). This reserve has been set aside to assist the Authority's forestry program with certain restrictions for its use.

St. Clair Region Conservation Authority
Notes to the Financial Statements
For the year ended December 31, 2023

9. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are the following government remittances payable:

	2023	2022
Source deductions	\$ 22,949	\$ -
EHT	4,327	-
WSIB	5,848	-
	\$ 33,124	\$ -

10. Deferred revenue – projects

The Authority receives specified project funding from a mix of Provincial and Federal grants, other grants and other income where the projects have defined restrictions, delivery and completion time frames. The deferred amount results from a difference in the project timing completion and funding window. Provincial and Federal Grants are funded from April 1st to March 31st. If a project is not completed or under expenditure occurs then these funds may have to be returned to the funding body, at their request.

	2023	2022
Balance, beginning of year	\$ 3,374,293	\$ 2,907,195
Contributions received in the year	3,464,309	5,878,337
Revenue recognized in the year	(2,608,061)	(5,411,239)
Balance, end of year	\$ 4,230,541	\$ 3,374,293

11. Deferred revenue - other

The Authority receives specified project funding from third parties with defined restrictions and deliverables. No completion requirement dates have been set for this funding. These funds will be recognized when spent on the specified projects.

	2023	2022
Balance, beginning of year	\$ 282,868	\$ 273,431
Contributions received in the year	385,683	127,935
Revenue recognized in the year	(116,948)	(118,498)
Balance, end of year	\$ 551,603	\$ 282,868

12. Tangible capital asset transactions

During the year, the Authority purchased \$107,994 (2022 - \$144,603) of tangible capital assets and incurred amortization expense on tangible capital assets of \$427,435 (2022 - \$485,355). The Authority received proceeds on disposal of tangible capital assets of \$40,707 (2022 - \$10,176) resulting in a loss on disposal of tangible capital assets of \$277,618 (2022 – gain of \$10,176).

St. Clair Region Conservation Authority

Notes to the Financial Statements

For the year ended December 31, 2023

13. Pension agreements

The Authority makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2023 was \$254,512 (2022 - \$239,824). The contribution rate for 2023 was 9.0% to 15.8% depending on age and income level (2022 - 9.0% to 15.8%)

OMERS is a multi-employer plan, therefore 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. The last available report for the OMERS plan was December 31, 2022. At that time the plan reported a \$6.68 billion actuarial deficit (2021 - \$3.13 billion actuarial deficit), based on actuarial liabilities of \$130.31 billion (2021 - \$120.80 billion) and actuarial assets of \$123.63 billion (2021 - \$117.77 billion). Ongoing adequacy of the current contribution rates will need to be monitored as declines in the financial markets may lead to increased future funding requirements.

14. Related party transactions

a) During the year, the Authority entered into transactions with a related party, the St. Clair Region Conservation Foundation (the "Foundation"). The Foundation is a separate entity that is a registered charitable organization. The Foundation's purpose is to raise funds to support the conservation programs of the St. Clair Region Conservation Authority (the "Authority") as approved by the Board of the Foundation. The Authority appoints one member to the board of directors of the Foundation but does not control it. These financial statements do not consolidate the financial position or results of operation of the Foundation as it is an uncontrolled entity.

b) Transactions

	2023	2022
Revenue		
Conservation areas	\$ 26,444	\$ 36,679
Donations	107,406	177,797
Other income	-	500
	\$ 133,850	\$ 214,976

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

15. Segmented information

The Authority provides a range of services to members. Distinguishable functional segments have been separately disclosed in the segmented information schedule. The nature of those segments and the activities they encompass are as follows:

Administration

Administration includes support to staff, management and the board of directors, all aspects of financial accounting and management, creation and monitoring of budgets, collection of accounts, frontline reception and other related services.

Capital Development

Capital development includes acquisition of tangible capital assets, conservation area development expenses, special projects carried out on behalf of members and other related services.

Operations

Operations includes activities relating to source water protection, planning, flood control and forecasting, erosion control, ice management, technical studies, community relations and other related services.

Property Management

Property management includes management of certain conservation properties on behalf of members.

St. Clair Region Conservation Authority

Notes to the Financial Statements

For the year ended December 31, 2023

15. Segmented information (continued from previous page)

Conservation Area Maintenance

Conservation area maintenance includes activities relating to the operation and maintenance of conservation areas.

16. Commitments

The Authority has entered into contracts related to shoreline improvements and water supply system projects with three different vendors. Total future contractual commitments to these vendors are \$4,013,269 (inclusive of HST). Several of these projects are anticipated to be completed by mid-2024. These projects will be funded by federal, provincial and municipal parties.

17. Budget figures

The unaudited budget figures that were included as comparative amounts are those as approved by the Board of Directors on March 9, 2023.

18. Financial instruments and risks

Unless otherwise noted, it is management's opinion that the Authority is not exposed to significant risks. There have been no changes in the Authority's risk exposures from the prior year.

Credit risk

The Authority is exposed to credit risk through its cash and accounts receivable. The Authority reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The majority of the Authority's receivables are from government entities. The Authority mitigates its exposure to credit loss by placing its cash with major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its obligations as they become due. The Authority manages this risk by establishing budgets and funding plans to fund its expenses.

St. Clair Region Conservation Authority
Schedule 1 - Segmented Information

For the year ended December 31, 2023

	<i>Administration</i>	<i>Capital Development</i>	<i>Operations</i>	<i>Property Management</i>	<i>Conservation Area Maintenance</i>	<i>Total 2023</i>
Revenue						
Grants - section 39	\$ 33,038	\$ -	\$ 127,000	\$ -	\$ -	\$ 160,038
Grants - Federal and Provincial (Note 10)	-	1,502,106	589,494	-	24,737	2,116,337
Municipal levies - general	570,923	-	973,427	-	4,660	1,549,010
Municipal levies - special	-	433,572	77,451	-	110,545	621,568
Conservation areas (Note 14)	-	-	-	-	1,497,954	1,497,954
Donations (Note 14)	-	-	102,831	-	21,002	123,833
Fees	-	-	482,098	60,215	-	542,313
Gain on investments	24,839	-	-	-	-	24,839
Interest and investment income	463,383	-	1,419	-	-	464,802
Other grants (Note 11)	(1,470)	-	637,234	-	85,081	720,845
Other income (Note 14)	142,501	-	15,767	244,327	439	403,034
Change in deferred revenue (Note 10)	(25,000)	(1,158,965)	274,838	690	52,189	(856,248)
Total revenue	1,208,214	776,713	3,281,559	305,232	1,796,607	7,368,325
Expenditures						
Amortization of tangible capital assets (Note 12)	-	427,435	-	-	-	427,435
Conservation area development	-	19,719	-	-	-	19,719
Equipment rental and purchases	1,341	-	-	-	-	1,341
Loss on disposal of tangible capital assets (Note 12)	-	277,618	-	-	-	277,618
Materials and supplies	4,920	-	-	-	-	4,920
Other	228,570	-	807,824	40,575	784,164	1,861,133
Travel expenses and allowances	2,965	-	-	-	-	2,965
Utilities	12,935	-	-	-	-	12,935
Wages and benefits	579,903	-	2,158,363	205,997	794,683	3,738,946
Water erosion control infrastructure	-	848,063	-	-	-	848,063
Total expenditures	830,634	1,572,835	2,966,187	246,572	1,578,847	7,195,075
Excess (deficiency) of revenue over expenditures	\$ 377,580	\$ (796,122)	\$ 315,372	\$ 58,660	\$ 217,760	\$ 173,250

St. Clair Region Conservation Authority
Schedule 1 - Segmented Information

For the year ended December 31, 2022

	Administration	Capital Development	Operations	Property Management	Conservation Area Maintenance	Total 2022
Revenue						
Grants - section 39	\$ 33,038	\$ -	\$ 127,000	\$ -	\$ -	\$ 160,038
Grants - Federal and Provincial (Note 10)	2,795	1,936,399	1,174,418	-	48,619	3,162,231
Municipal levies - general	488,848	-	835,576	-	54,090	1,378,514
Municipal levies - special	-	1,467,931	85,451	-	106,455	1,659,837
Conservation areas (Note 14)	-	-	-	-	1,471,137	1,471,137
Donations (Note 14)	-	10,000	85,945	-	82,200	178,145
Fees	-	-	614,214	57,016	-	671,230
Gain on disposal of tangible capital assets	-	10,176	-	-	-	10,176
Interest and investment income	173,825	-	-	-	-	173,825
Other grants (Note 11)	-	22,753	561,580	-	265,622	849,955
Other income (Note 14)	101,054	25,000	52,822	252,987	56,980	488,843
Change in deferred revenue (Note 10)	-	41,707	(471,174)	5,654	(43,285)	(467,098)
Total revenue	799,560	3,513,966	3,065,832	315,657	2,041,818	9,736,833
Expenditures						
Amortization of tangible capital assets (Note 12)	-	485,355	-	-	-	485,355
Conservation area development	-	14,909	-	-	-	14,909
Equipment rental and purchases	1,991	-	-	-	-	1,991
Loss on investments	93,814	-	-	-	-	93,814
Materials and supplies	6,852	-	-	-	-	6,852
Other	178,031	36,635	589,988	72,219	949,607	1,826,480
Travel expenses and allowances	2,147	-	-	-	-	2,147
Utilities	13,746	-	-	-	-	13,746
Wages and benefits	458,432	-	2,255,609	177,342	725,173	3,616,556
Water erosion control infrastructure	-	3,503,789	-	-	-	3,503,789
Total expenditures	755,013	4,040,688	2,845,597	249,561	1,674,780	9,565,639
Excess (deficiency) of revenue over expenditures	\$ 44,547	\$ (526,722)	\$ 220,235	\$ 66,096	\$ 367,038	\$ 171,194

St. Clair Region Conservation Authority

Schedule 2 - Tangible Capital Assets

For the year ended December 31, 2023

	Cost				Accumulated Amortization				2023	
	Opening Balance	Additions	Disposals	Balance End of Year	Accumulated Amortization, Beginning of Year	Reversals	Amortization	Accumulated Amortization, End of Year	Net Carrying Amount, End of Year	
Land and land improvements	\$ 13,421,982	\$ 16,002	\$ 316,902	\$ 13,121,082	\$ -	\$ -	\$ -	\$ -	\$ 13,121,082	
Buildings, dams and related structures	21,449,555		416,821	21,032,734	18,975,692	416,817	373,230	18,932,105	2,100,629	
Machinery and equipment	117,423	-	8,000	109,423	78,265	6,580	4,174	75,859	33,564	
Motor vehicles	650,121	91,992	82,170	659,943	537,840	82,171	45,020	500,689	159,254	
Furniture and fixtures	102,981	-	19,246	83,735	100,878	19,246	601	82,233	1,502	
Computer hardware and software	147,496	-	7,993	139,503	142,313	7,993	4,410	138,730	773	
Total	\$ 35,889,558	\$ 107,994	\$ 851,132	\$ 35,146,420	\$ 19,834,988	\$ 532,807	\$ 427,435	\$ 19,729,616	\$ 15,416,804	

	Cost				Accumulated Amortization				2022	
	Opening Balance	Additions	Disposals	Balance End of Year	Accumulated Amortization, Beginning of Year	Reversals	Amortization	Accumulated Amortization, End of Year	Net Carrying Amount, End of Year	
Land and land improvements	\$ 13,421,982	\$ -	\$ -	\$ 13,421,982	\$ -	\$ -	\$ -	\$ -	\$ 13,421,982	
Buildings, dams and related structures	21,401,577	117,026	69,048	21,449,555	18,615,539	69,048	429,202	18,975,693	2,473,862	
Machinery and equipment	117,423	-	-	117,423	73,782	-	4,483	78,265	39,158	
Motor vehicles	641,144	27,577	18,600	650,121	519,626	18,600	36,814	537,840	112,282	
Furniture and fixtures	102,981	-	-	102,981	99,011	-	1,867	100,878	2,103	
Computer hardware and software	147,496	-	-	147,496	129,323	-	12,990	142,313	5,183	
Total	\$ 35,832,603	\$ 144,603	\$ 87,648	\$ 35,889,558	\$ 19,437,281	\$ 87,648	\$ 485,355	\$ 19,834,988	\$ 16,054,570	