

GREY SAUBLE CONSERVATION AUTHORITY

FINANCIAL REPORT

DECEMBER 31, 2024

GREY SAUBLE CONSERVATION AUTHORITY
TABLE OF CONTENTS
AS AT DECEMBER 31, 2024

Management's responsibility for the financial report	1
Independent auditor's report	2
Statement of financial position	4
Statement of operations	5
Statement of change in net financial assets	6
Statement of cash flow	7
Statement of remeasurement gains	8
Notes to the financial statements	9

GREY SAUBLE CONSERVATION AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The accompanying financial statements of the Grey Sauble Conservation Authority ("the Authority") are the responsibility of the Authority's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Authority's management maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management. The Board of Directors meet with management and the external auditor to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Baker Tilly SGB LLP, the independent external auditor appointed by the Authority. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.

Tim Lanthier

Chief Administrative Officer
May 28, 2025

Alison Armstrong

Manager of Financial & HR Services
May 28, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Grey Sauble Conservation Authority:

Opinion

We have audited the financial statements of the Grey Sauble Conservation Authority ("the Authority"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, change in net financial assets, cash flow and remeasurement gains for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2024, and its results of operations, remeasurement gains and losses, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly SGB LLP

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
May 28, 2025

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

	2024	2023
	\$	\$
Financial assets		
Cash - Operating fund (Note 2)	450,475	662,578
Cash - Reserve funds (Note 2)	702,041	620,558
Accounts receivable (Note 12)	251,907	251,070
Investment portfolio - Reserve funds (Note 3)	1,783,260	1,562,891
	3,187,683	3,097,097
Liabilities		
Accounts payable and accrued liabilities	309,896	233,204
Other payables (Note 5)	72,331	79,515
Government remittances payable	44,235	30,302
Deferred revenue (Note 6)	245,486	214,933
	671,948	557,954
Net financial assets	2,515,735	2,539,143
Non-financial assets		
Prepaid expenses	36,746	35,837
Tangible capital assets (Note 8)	7,922,001	7,726,040
	7,958,747	7,761,877
Accumulated surplus	10,474,482	10,301,020
Accumulated surplus is comprised of:		
Accumulated surplus (Note 9)	10,337,569	10,258,574
Accumulated remeasurement gains	136,913	42,446
	10,474,482	10,301,020

Approved Robert Uhrig Director
N. D. Director

See accompanying notes to the financial statements

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

	Budget 2024 \$ (Note 11)	Actual 2024 \$	Actual 2023 \$
Revenues			
Municipal levies	1,724,166	1,724,166	1,640,625
Government grants - operating	74,356	116,580	164,274
Other funding (Note 12)	1,280	57,943	29,052
Grey Sauble Forestry/Ontario Trees	264,750	222,192	224,961
Grey County Forest Management	245,931	263,466	234,382
Timber and wood sales	50,000	63,108	46,810
User fees	1,024,005	968,572	945,342
Sourcewater protection	218,707	206,927	202,773
Rental recoveries (net of \$68,826 expense; 2023 - \$60,513)	27,273	32,418	17,310
Donations	63,000	36,921	83,151
Risk management	50,200	45,180	45,180
Miscellaneous (Note 12)	125,252	50,159	55,154
Interest earned	20,000	27,196	31,029
Income on reserve accounts (Note 3)	-	172,922	61,649
	<u>3,888,920</u>	<u>3,987,750</u>	<u>3,781,692</u>
Expenses			
Water management	193,081	172,949	199,343
Environmental planning	806,163	822,581	720,468
Forestry			
-Operations on Authority land	182,624	136,519	161,654
-Grey Sauble Forestry/Ontario Trees	247,579	228,456	203,324
Grey County Forest Management	245,931	262,816	236,573
Conservation lands policy and procedure	227,466	220,362	191,572
Conservation lands operations	401,015	402,440	343,719
Conservation information	109,519	107,572	97,728
Education	97,628	98,875	56,728
Administrative support	740,294	720,554	665,430
Major projects	-	1,792	29,863
Miscellaneous (Note 3)	-	28,142	4,165
Source water risk management	75,637	77,473	72,304
Sourcewater protection	208,831	206,927	202,773
GIS/IT department	294,488	299,285	289,647
Bad debts	-	-	11,720
Gain on disposal of tangible capital assets	-	(1,478)	(10,204)
Amortization of tangible capital assets	-	123,490	123,234
	<u>3,830,256</u>	<u>3,908,755</u>	<u>3,600,041</u>
Annual surplus (Note 11)	58,664	78,995	181,651
Accumulated surplus at beginning of year	10,258,574	10,258,574	10,076,923
Accumulated surplus at end of year (Note 9)	10,317,238	10,337,569	10,258,574

See accompanying notes to the financial statements

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

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
	(Note 11)		
Annual surplus	58,664	78,995	181,651
Acquisition of tangible capital assets	(244,100)	(319,451)	(115,532)
Amortization of tangible capital assets	-	123,490	123,234
Gain on disposal of tangible capital assets	-	(1,478)	(10,204)
Proceeds on disposal of tangible capital assets	-	1,478	10,870
Change in prepaid expenses	-	(909)	(1,209)
	<u>(185,436)</u>	<u>(117,875)</u>	188,810
Change in accumulated remeasurement gains	-	94,467	108,011
Change in net financial assets	(185,436)	(23,408)	296,821
Net financial assets at beginning of year	2,539,143	2,539,143	2,242,322
Net financial assets at end of year	<u>2,353,707</u>	<u>2,515,735</u>	2,539,143

See accompanying notes to the financial statements

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

	2024	2023
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	78,995	181,651
Non-cash items:		
Amortization of tangible capital assets	123,490	123,234
(Gain) loss on disposal of tangible capital assets	<u>(1,478)</u>	<u>(10,204)</u>
	201,007	294,681
Changes in:		
Accounts receivable	(837)	(79,193)
Accounts payable and accrued liabilities	76,692	(40,122)
Other payables	(7,184)	16,730
Government remittances payable	13,933	(33,068)
Deferred revenue	30,553	7,604
Prepaid expenses	<u>(909)</u>	<u>(1,209)</u>
	<u>313,255</u>	<u>165,423</u>
Investing activities		
Increase in investment portfolio	<u>(125,902)</u>	<u>(16,434)</u>
Capital activities		
Acquisition of tangible capital assets	(319,451)	(115,532)
Proceeds on disposal of tangible capital assets	<u>1,478</u>	<u>10,870</u>
	<u>(317,973)</u>	<u>(104,662)</u>
Net change in cash position	(130,620)	44,327
Cash at beginning of year	<u>1,283,136</u>	<u>1,238,809</u>
Cash at end of year	<u>1,152,516</u>	<u>1,283,136</u>
Comprised of:		
Cash - Operating fund	450,475	662,578
Cash - Reserve funds	<u>702,041</u>	<u>620,558</u>
	<u>1,152,516</u>	<u>1,283,136</u>

See accompanying notes to the financial statements

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

	2024	2023
	\$	\$
Accumulated remeasurement gains (losses) at beginning of year	<u>42,446</u>	<u>(65,565)</u>
Unrealized gains (losses) attributed to:		
Short-term investments	206,810	103,891
Realized (gains) losses, reclassified to the statement of operations:		
Short-term investments (Note 3)	<u>(112,343)</u>	<u>4,120</u>
Net change in remeasurement gains	<u>94,467</u>	<u>108,011</u>
Accumulated remeasurement gains at end of year	<u>136,913</u>	<u>42,446</u>

See accompanying notes to the financial statements

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

Nature of operations

The Grey Sauble Conservation Authority ("the Authority") is established under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals, for the watersheds within its area of jurisdiction. The watersheds include areas in the Municipalities of Arran-Elderslie, Grey Highlands and Meaford, the Town of The Blue Mountains and the Town of South Bruce Peninsula, the Townships of Chatsworth and Georgian Bluffs and the City of Owen Sound.

The Authority's mission is:

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

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

1. Summary of significant accounting policies

The financial statements are the representation of management prepared in accordance with Canadian generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Basis of accounting

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents

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

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

1. Summary of significant accounting policies (continued)

(c) Financial instruments

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

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

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

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured at cost or amortized cost.

Unrealized gains and losses from the change in fair value of these financial instruments are reflected in the statement of remeasurement gains and losses until disposition. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

(d) Revenue recognition

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

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

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

All other revenues are recognized on an accrual basis.

(e) Deferred revenue

Revenue restricted by legislation, regulation or agreement, and not available for general purposes, is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations in the year in which it is used for the specified purpose.

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

1. Summary of significant accounting policies (continued)

(f) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Cost includes overheads directly attributable to construction and development.

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

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

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

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

(g) Vehicles

The Authority operates a pool of vehicles. Internal charges for the use of vehicles are made to the various projects of the Authority based on an hourly or distance travelled rate, which is designed to recover all costs of operating the pool including replacement.

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

(h) Pension plan

The Authority offers a pension plan for its employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Authority accounts for its participation in OMERS as a defined contribution plan and recognizes the expense related to this plan as contributions are made, even though OMERS is itself a defined benefit plan.

(i) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principle estimates used in the preparation of these financial statements are the determination of estimated useful life and impairment of tangible capital assets, as well as any related asset retirement obligations. Actual results could differ from management's best estimates as additional information becomes available in the future.

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

1. Summary of significant accounting policies (continued)

(j) Asset retirement obligations

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

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

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

2. Cash

On December 31, 2024 the Authority had cash of \$1,152,516 (2023 - \$1,283,136) at one chartered bank. The Canada Deposit Insurance Corporation (CDIC) insures up to a maximum of \$100,000 per depositor at a CDIC member institution. Included in operating cash is \$245,486 (2023 - \$214,933) of funds restricted for the purposes as described in Note 6.

3. Investment portfolio

The investment portfolio includes Canadian, U.S. and International equities and cash. The fair market value of the investments at year end was \$1,783,260 (2023 - \$1,562,891). During the year, the investment portfolio generated investment revenue of \$29,096 (2023 - \$35,316), realized capital gain of \$112,343 (2023 - capital loss of \$4,120) and incurred management fees in the amount of \$14,000 (2023 - \$13,294). Income on reserve accounts, as reported on the statement of operations, includes income and gains or losses generated by the portfolio in addition to interest earned from reserve cash accounts. Management fees are included in miscellaneous expense.

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

4. Pension plan

The employees of the Authority participate in the Ontario Municipal Employees Retirement System ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Authority cannot be identified. The Authority has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. Amounts paid to OMERS for 2024 were \$225,908 (2023 - \$190,565) for current service.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The most recent actuarial valuation of the Plan was conducted at December 31, 2024. The results of this valuation disclosed total actuarial liabilities of \$142.5 (2023 - \$136.2) billion in respect of benefits accrued for service with actuarial assets at that date of \$139.6 (2023 - \$132.0) billion, indicating a going concern actuarial deficit of \$2.9 (2023 - \$4.2) billion.

5. Other payables

The Authority holds monies collected by the Beaver River Water Initiative ("BRWI"), Friends of Hibou, Fishing Islands Phragmites group, Grey Bruce Forest Festival and the Arboretum Alliance. These funds are distributed when these organizations require payment for expenses which they have incurred. As at December 31, 2024 the Authority held \$10,735 (2023 - \$6,011) on behalf of the BRWI, \$7,021 (2023 - \$8,069) on behalf of Friends of Hibou, \$26,818 (2023 - \$36,369) on behalf of Fishing Islands Phragmites group, \$8,560 (2023 - \$13,136) on behalf of Grey Bruce Forest Festival and \$19,197 (2023 - \$15,930) on behalf of the Arboretum Alliance.

6. Deferred revenue

Deferred revenue consists of the following:

	2024	2023
	\$	\$
Forestry donation	10,000	10,000
Source water	85,052	48,597
Risk management legal contingency	88,378	83,358
Stewardship grants	20,211	30,290
Outstanding planning permits	30,000	7,100
Miscellaneous other deferrals	11,845	35,588
	245,486	214,933

7. Contingent liabilities

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

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

8. Tangible capital assets

Tangible capital assets consists of the following:

Cost	Balance 2023 \$	Additions \$	Disposals \$	Balance 2024 \$
Land	6,351,467	-	-	6,351,467
Bridges and trails	440,851	26,502	-	467,353
Buildings	1,057,298	-	-	1,057,298
Dams and weirs	2,116,930	-	-	2,116,930
Equipment	302,025	17,350	-	319,375
Flood forecast equipment	66,943	-	-	66,943
Information technology infrastructure	193,592	12,179	(2,333)	203,438
Office furniture	60,926	-	-	60,926
Vehicles	301,272	73,567	(59,112)	315,727
Work in progress	35,036	189,853	-	224,889
	<u>10,926,340</u>	<u>319,451</u>	<u>(61,445)</u>	<u>11,184,346</u>
Accumulated amortization				
Bridges and trails	234,993	14,337	-	249,330
Buildings	826,736	12,394	-	839,130
Dams and weirs	1,488,632	41,294	-	1,529,926
Equipment	204,711	14,182	-	218,893
Flood forecast equipment	50,530	3,809	-	54,339
Information technology infrastructure	148,461	13,640	(2,333)	159,768
Office furniture	45,223	2,015	-	47,238
Vehicles	201,014	21,819	(59,112)	163,721
	<u>3,200,300</u>	<u>123,490</u>	<u>(61,445)</u>	<u>3,262,345</u>
Net book value				
Land	6,351,467			6,351,467
Bridges and trails	205,858			218,023
Buildings	230,562			218,168
Dams and weirs	628,298			587,004
Equipment	97,314			100,482
Flood forecast equipment	16,413			12,604
Information technology infrastructure	45,131			43,670
Office furniture	15,703			13,688
Vehicles	100,258			152,006
Work in progress	35,036			224,889
	<u>7,726,040</u>			<u>7,922,001</u>

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

9. Accumulated surplus

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

	2024	2023
	\$	\$
Invested in tangible capital assets	7,922,001	7,726,040
Operating surplus (Note 11)	32,254	231,239
Reserve funds (Note 10)	2,323,314	2,241,295
Working capital reserve	60,000	60,000
	10,337,569	10,258,574

10. Reserve funds set aside for specific purpose

	2024	2023
	\$	\$
Lands reserve	823,926	647,055
Computer replacement and special projects	49,673	34,819
Major dam maintenance	321,738	259,166
Vehicle replacement	160,032	176,417
Risk management	125,977	139,900
Administration	217,944	453,435
Forest management	501,398	424,768
Stewardship	67,433	59,607
Youth	55,193	46,128
	2,323,314	2,241,295

11. Budget

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and changes in net financial assets for comparative purposes. The 2024 budget amounts for Grey Sauble Conservation Authority approved by the Board have been reclassified to conform to the basis of presentation of the revenues and expenses on the statements of operations and change in net financial assets. The following is a reconciliation of the budget approved by the Board:

	Budget	Actual	Actual
	2024	2024	2023
	\$	\$	\$
Annual surplus	58,664	78,995	181,651
Prior year general surplus	231,239	231,239	234,400
Transfers from (to) reserves	158,917	(82,019)	(193,180)
Tangible capital asset acquisitions, disposals and write-down	(244,100)	(319,451)	(114,866)
Amortization	-	123,490	123,234
	204,720	32,254	231,239

GREY SAUBLE CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024

12. Related party transactions

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

Transactions with Grey Sauble Conservation Foundation include accounts receivable of \$10,152 (2023 - \$11,737), interest revenue of \$NIL (2023 - \$3,000), donations of \$20,000 (2023 - \$20,000) and other transfers to fund Authority activities included in miscellaneous revenue of \$3,000 (2023 - \$3,000).

13. Subsequent events

Subsequent to year end, the Authority began renovation work on their administration building. They have contracted this to Allen-Hastings Limited. The contract amount is \$2,452,392 (excluding HST).

Subsequent to year end, the Authority signed a temporary lease to rent office space for \$5,500 monthly for the duration of the administration building renovation.

On April 28, 2025, the Authority entered into a secured loan agreement with The City of Owen Sound for \$2,100,000. The loan bears interest at 4.2% and blended payments of \$95,059 are to be paid semi-annually, with the loan maturing April 2040.

GREY SAUBLE CONSERVATION AUTHORITY

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024

GREY SAUBLE CONSERVATION AUTHORITY
TABLE OF CONTENTS
AS AT DECEMBER 31, 2024

Schedule 1 - Schedule of revenue	1
Schedule 2 - Schedule of rental recoveries and expenditures	2
Schedule 3 - Schedule of water management expenditures	3
Schedule 4 - Schedule of environmental planning expenditures	4
Schedule 5 - Schedule of forestry expenditures	5
Schedule 6 - Schedule of conservation and administrative expenditures	6
Schedule 7 - Schedule of programming expenditures	7
Schedule 8 - Schedule of operating surplus	8
Schedule 9 - Schedule of major and other project expenditures	9

GREY SAUBLE CONSERVATION AUTHORITY
SCHEDULE 1
SCHEDULE OF REVENUE
FOR THE YEAR ENDED DECEMBER 31
(UNAUDITED)

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
Government grants			
Provincial and federal - programming			
Flood control and warning	37,056	37,056	37,056
Stewardship program	37,000	75,464	101,886
Groundwater monitoring	-	-	8,696
Other	300	4,060	15,084
	<u>74,356</u>	<u>116,580</u>	<u>162,722</u>
Federal and local governments - risk assessment of flood hazards	-	-	1,552
	<u>74,356</u>	<u>116,580</u>	<u>164,274</u>
Grey Sauble forestry/trees Ontario			
Trees and landscape stock	127,250	115,776	102,415
Trees Ontario	137,500	106,416	122,546
	<u>264,750</u>	<u>222,192</u>	<u>224,961</u>
User fees, service fees and other revenue sources			
Parking fees and season passes	270,061	330,013	271,841
Planning fees	590,808	473,114	531,960
Property leases and rentals	71,870	90,658	64,405
The great outdoors day camp	57,032	50,273	48,935
GIS consulting	34,234	24,514	28,201
	<u>1,024,005</u>	<u>968,572</u>	<u>945,342</u>

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

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
Recoveries			
Vehicle			
Flood control and warning	6,000	11,445	7,887
Operating conservation property	32,300	33,004	23,205
Forest management	30,000	33,334	26,954
Grey Sauble forestry/trees Ontario	9,000	7,292	5,878
Erosion control	300	41	96
Land use planning and regulation	15,860	11,164	9,992
Information and education	1,600	925	485
Administrative support	3,600	3,059	2,490
Special programs	2,500	980	836
	<u>101,160</u>	<u>101,244</u>	<u>77,823</u>
Expenditures			
Vehicle			
Fuel	34,000	27,116	27,849
Repairs	7,887	16,009	12,708
Licenses and insurance	32,000	7,077	8,145
Salaries and benefits	-	7,203	5,946
Equipment			
Fuel	-	1,651	1,404
Repairs	-	9,770	4,461
	<u>73,887</u>	<u>68,826</u>	<u>60,513</u>
Excess of recoveries over expenditures	<u>27,273</u>	<u>32,418</u>	<u>17,310</u>

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

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
Flood forecast and warning			
Salaries and benefits	148,184	135,242	133,537
Service contracts	5,840	5,322	4,954
Vehicle and equipment rentals	4,000	8,023	6,454
Materials and supplies	2,800	298	2,589
Training	1,000	-	-
	<u>161,824</u>	<u>148,885</u>	<u>147,534</u>
Flood control structures			
Clendenan dam (including log replacement)	10,013	7,449	39,688
Taylor Street retention pond	-	15	14
	<u>10,013</u>	<u>7,464</u>	<u>39,702</u>
Dams			
Salaries and benefits	16,294	12,280	8,892
Vehicle and equipment rentals	1,600	2,664	1,281
Materials and supplies	1,500	1,216	112
	<u>19,394</u>	<u>16,160</u>	<u>10,285</u>
Erosion control			
Salaries and benefits	800	327	1,726
Vehicle and equipment rentals	300	41	96
Materials and supplies	750	72	-
	<u>1,850</u>	<u>440</u>	<u>1,822</u>
	<u>193,081</u>	<u>172,949</u>	<u>199,343</u>

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

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
Engineering services			
Salaries and benefits	125,353	125,189	-
Vehicle and equipment rentals	1,360	80	-
Materials and supplies	550	247	-
	<u>127,263</u>	<u>125,516</u>	<u>-</u>
Stewardship			
Salaries and benefits	72,443	74,123	69,066
Vehicle and equipment rentals	1,500	815	819
Materials and supplies	1,000	38,470	34,235
	<u>74,943</u>	<u>113,408</u>	<u>104,120</u>
Watershed management			
Salaries and benefits	20,724	19,570	24,556
Vehicle and equipment rentals	5,000	5,967	4,636
Materials and supplies	400	30	578
Watershed monitoring	17,000	17,884	16,618
	<u>43,124</u>	<u>43,451</u>	<u>46,388</u>
Land use planning and regulation			
Salaries and benefits	538,392	518,724	544,294
Service contracts	6,541	10,651	10,946
Vehicle and equipment rentals	8,000	4,302	4,538
Materials and supplies	7,900	6,529	10,182
	<u>560,833</u>	<u>540,206</u>	<u>569,960</u>
	<u>806,163</u>	<u>822,581</u>	<u>720,468</u>

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

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
Forestry on Authority lands			
Salaries and benefits	161,174	128,537	152,868
Service contracts	8,950	680	880
Vehicle and equipment rentals	7,500	5,431	5,989
Materials and supplies	2,000	1,871	1,917
Training	3,000	-	-
	<u>182,624</u>	<u>136,519</u>	<u>161,654</u>
Grey Sauble forestry/trees Ontario			
Purchases and trees Ontario expenses	131,800	116,405	103,187
Salaries and benefits	115,279	101,543	88,717
Other	500	10,508	11,420
	<u>247,579</u>	<u>228,456</u>	<u>203,324</u>

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

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
Conservation lands operations			
Salaries and benefits	317,765	322,786	283,814
Vehicle and equipment rentals	31,300	30,431	21,503
Materials and supplies	16,900	29,267	22,777
Services, rents and utilities	35,050	19,956	15,625
	<u>401,015</u>	<u>402,440</u>	<u>343,719</u>
Conservation lands policy and strategy			
Salaries and benefits	147,466	143,184	126,561
Service contracts	8,200	8,502	7,223
Vehicle and equipment rentals	1,000	2,574	1,703
Property taxes	70,000	62,607	55,102
Materials and supplies	800	3,495	983
	<u>227,466</u>	<u>220,362</u>	<u>191,572</u>
Grey County contract			
Salaries and benefits	223,431	223,478	208,862
Vehicle and equipment rentals	22,500	31,779	20,966
Supplies	-	7,559	6,745
	<u>245,931</u>	<u>262,816</u>	<u>236,573</u>
Conservation information			
Salaries and benefits	93,059	98,143	90,277
Contracts and services	9,850	4,346	3,825
Vehicle and equipment rentals	600	651	485
Materials and supplies	5,310	4,432	1,213
Advertising contracts	700	-	1,928
	<u>109,519</u>	<u>107,572</u>	<u>97,728</u>
Education			
Salaries and benefits	85,028	88,238	48,476
Contracts and services	7,600	5,229	4,580
Vehicle and equipment rentals	1,000	274	-
Materials and supplies	4,000	4,910	3,671
Training	-	224	-
	<u>97,628</u>	<u>98,875</u>	<u>56,727</u>
Administrative			
Salaries and benefits	471,447	473,966	420,906
Board members' allowances	-	1,500	1,657
Vehicle and equipment rentals	2,800	2,561	2,277
Materials and supplies	13,420	11,786	12,383
Services, rents and utilities	252,627	230,741	228,207
	<u>740,294</u>	<u>720,554</u>	<u>665,430</u>
GIS and IT support			
Salaries and benefits	267,534	275,738	263,702
Service contracts	20,454	14,933	19,316
Vehicle and equipment rentals	800	498	436
Materials and supplies	5,700	3,202	2,028
Hardware and software	-	4,914	4,165
	<u>294,488</u>	<u>299,285</u>	<u>289,647</u>

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

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
Sourcewater protection			
Salaries and benefits	184,331	179,686	179,478
Committee members' allowance	-	4,244	3,900
Vehicle and equipment rentals	1,500	941	576
Materials and supplies	3,000	11,334	7,721
Services, rents and utilities	20,000	10,722	11,098
	<u>208,831</u>	<u>206,927</u>	<u>202,773</u>
Risk management			
Salaries and benefits	62,637	67,490	61,961
Vehicle and equipment rentals	1,000	244	450
Materials and supplies	2,000	9,739	9,893
Services, rents and utilities	10,000	-	-
	<u>75,637</u>	<u>77,473</u>	<u>72,304</u>

GREY SAUBLE CONSERVATION AUTHORITY
SCHEDULE 8
SCHEDULE OF OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31
(UNAUDITED)

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
Revenue			
Municipal levies	1,724,166	1,724,166	1,640,625
Government grants	74,356	116,580	162,722
Other funding	1,280	57,943	29,052
Risk assessment of flood hazards	-	-	1,552
Grey Sauble forestry/Ontario trees	264,750	222,192	224,961
Grey County forest management	245,931	263,466	234,382
Timber and wood sales	50,000	63,108	46,810
User fees	1,024,005	968,572	945,342
Sourcewater protection	218,707	206,927	202,773
Net rental recoveries	27,273	32,418	17,310
Donations	63,000	36,921	83,151
Risk management	50,200	45,180	45,180
Miscellaneous	125,252	50,159	55,154
Interest earned	20,000	27,196	31,029
Proceeds on disposal of tangible capital assets	-	1,478	10,870
	3,888,920	3,816,306	3,730,913
Expenditures			
Water management	193,081	172,949	199,343
Environmental planning	806,163	822,581	720,468
Forestry			
-Operations on Authority land	182,624	136,519	161,654
-Grey Bruce forestry/Ontario trees	247,579	228,456	203,324
-Grey County forest management	245,931	262,816	236,573
Conservation lands policy and procedures	227,466	220,362	191,572
Conservation lands operations	401,015	402,440	343,719
Conservation information	109,519	107,572	97,728
Education	97,628	98,875	56,728
Administrative support	740,294	720,554	665,430
Miscellaneous	-	28,142	4,165
Risk management	75,637	77,473	72,304
Sourcewater protection	208,831	206,927	202,773
GIS/IT department	294,488	299,285	289,647
Bad debts	-	-	11,720
Major projects (Schedule 9)	244,100	321,244	145,395
	4,074,356	4,106,195	3,602,543
Net (expenditures) revenues	(185,436)	(289,889)	128,370
Appropriations			
From (to) reserve funds	158,917	90,904	(131,531)
Net deficit for the year	(26,519)	(198,985)	(3,161)
Operating surplus at beginning of the year	231,239	231,239	234,400
Operating (deficit) surplus at end of the year	204,720	32,254	231,239

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

	Budget 2024 \$	Actual 2024 \$	Actual 2023 \$
Land	-	-	83,950
IT equipment	19,500	13,972	17,854
Vehicle replacement	-	73,567	-
Admin centre - renewal	100,000	189,853	11,937
Other equipment	-	17,350	-
Office furniture	5,000	-	3,867
Entrance signs	-	-	1,886
Spirit Rock - upgrades	-	-	13,407
Christie Beach - upgrades	-	-	287
Inglis Falls - upgrades	105,000	-	7,931
Feversham - washroom	-	-	80
Water management	14,600	26,502	4,196
	244,100	321,244	145,395

Audit findings report

Grey Sauble Conservation Authority

2024 Audit

Prepared by Baker Tilly SGB LLP

May 29, 2025





Purpose of the report

To the Authority Board of Directors:

We have been engaged to express an audit opinion on the financial statements of the Grey Sauble Conservation Authority ("the Authority") in accordance with generally accepted accounting principles (GAAP) for the year ended December 31, 2024, as outlined in our engagement letter dated March 7, 2025

The purpose of this report is to assist you in your review of the financial statements and to summarize certain aspects of the audit that we believe to be of interest to you. This report should be read in conjunction with the draft financial statements and our report thereon.

This report is confidential and is intended solely for the information and use of the Board of Directors. No responsibility for loss or damages, if any, to any third party is accepted as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purposes.

Yours very truly,

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants

**We look forward to discussing the contents of this report
and answering any questions you may have.**

Table of contents

4	Overview and audit approach
6	Materiality
7	Significant audit and accounting matters
10	Misstatements
11	Other matters
13	Conclusion

Appendices

Appendix A – Responsibilities

Appendix B – Misstatements

Appendix C – Management letter



Audit Overview

Key deliverables

Present draft financial statements – May 2025

Issue audited financial statements – May 2025

Auditor's report

Our Independent Auditor's Report will be issued without modification.

We did not identify any material uncertainties related to events or conditions that may cast significant doubt upon the company's ability to continue.

Engagement team

The key individuals involved in the audit:

Sue Bragg, Engagement Partner – sbragg@bakertilly.ca or (705) 445-2020 ext. 230

Emily Irwin, Senior Manager – ecirwin@bakertilly.ca or (705) 445-2020 ext. 246



Audit approach

Our audit of the financial statements was conducted under generally accepted Canadian auditing standards and was designed to obtain reasonable, rather than absolute, assurance as to whether the financial statements are free of material misstatement. We developed our audit approach based on the risk assessment and understanding of control systems design and implementation. Our risk assessment was based on our understanding of the entity, industry, customer and supplier relationships, and analysis of financial information provided prior to the start of the audit.

Our audit approach was comprised primarily of substantive analytical procedures as well as tests of details and controls where necessary. We focus our audit work on areas that have a higher risk of being materially misstated.

Audit plan

We did not make any significant changes to our audit plan during the course of the audit.



Materiality

Materiality is the term used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission or misstatement would influence or change a decision. Materiality is a matter of professional judgement in the particular circumstances.

Materiality was used throughout the audit and in particular when:

- Identifying and assessing risk of material misstatement;
- Determining the nature, timing and extent of further audit procedures; and
- Evaluating the effect of uncorrected misstatements, if any, on the financial statements and in forming an opinion in the Auditor's Report.

We set our materiality at \$115,000 based on our audit planning, and it remained unchanged throughout the audit.

Materiality was calculated as a percentage of total expenses.

The base and percentage applied in the current year are consistent with those used in the prior audit.



Significant audit and accounting matters

Accounting policies

Management is responsible for the appropriate selection and application of accounting policies.

Our role is to review the appropriateness and application as part of our audit.

The Members of the Board have a responsibility to review the accounting policies adopted by the Authority, and where alternative policies are available, make determinations as to the most appropriate policies to be adopted in the circumstances.

Our comments

There were no new accounting standards adopted during the year.

There are no controversial policies, or those unique to the sector.

In our judgment, the significant accounting practices selected and applied by management are, in all material respects, acceptable under GAAP and are appropriate to the particular circumstances of the Authority.

Areas of audit emphasis

Our risk-based approach focuses on obtaining sufficient appropriate audit evidence to reduce the risk of material misstatement in the financial statements to an appropriately low level. This means that we focus our audit work on areas that have a higher risk of being materially misstated.

Management is responsible for the accounting estimates included in the financial statements. Estimates and the related judgements and assumptions are based on management's knowledge of the Authority and past experience about current and future events.

Our comments

The following is a summary of key issues and significant risks, including areas of estimates, related judgments and assumptions, significant or unusual transactions and sensitive financial statement disclosures. These issues and risks were identified during the course of the audit, our discussions with management and our responses thereto.

The audit procedures performed in these areas were consistent with those set out in our Audit Plan. The accounting treatment of the items noted and related disclosures are appropriate and in accordance with GAAP. The results of our audit procedures were satisfactory.

Area of audit emphasis

Our response and findings

Tangible Capital Assets (TCA):

There is an increased risk around the completeness and valuation of TCA. There is potential that some assets recorded on the Authority's books are not controlled by the Authority. There are some larger assets that by their nature can be difficult to accurately value. There is also potential that amortization is not calculated correctly.

A sample of capital transactions was tested to ensure they were accurately recorded. We examined repairs and maintenance expenses for any potential capital items. Our testing did not identify any significant issues.

Revenues:

There is an increased risk around the occurrence, completeness and accuracy of revenue. There are several revenue streams with a high value of transactions. There is also potential restrictions on some revenue streams.

We substantively tested all material revenue streams, sampled transactions from smaller revenue streams and performed analytical review of actual results compared to budget and prior year(s). Our testing did not identify any significant issues.

Payroll:

There are a large volume of transactions and employees which increases the completeness risk.

We sampled transactions from payroll and performed analytical review of actual results compared to budget and prior year(s). Our testing did not identify any significant issues.

Accounts Payable:

There is an increased risk around the completeness of accounts payable as invoices received after year end were potentially incurred in the prior year and were not appropriately accrued.

We sample transactions in payables subsequent to year end to ensure they are recorded in the correct period. Our testing did not identify any significant issues.



Misstatements

Misstatements are categorized as corrected audit misstatements and uncorrected audit misstatements. These include disclosure deficiencies as well.

Corrected misstatements

Refer to **Appendix B** for a summary of corrected misstatements.

Uncorrected misstatements

Refer to **Appendix B** for a summary of uncorrected misstatements.

Management has deemed the effects of these misstatements to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management has not corrected these misstatements. If not corrected, these misstatements can impact future financial statements. We are required to request that you consider adjusting the financial statements for these misstatements.

We have not found any material misstatements or unadjusted items that exceed materiality.



Other matters

Related party transactions

All related party transactions have been appropriately recorded and disclosed in the financial statements.

Internal control

We have submitted to management a letter on internal controls and any other matters that we feel should be brought to the attention of management.

Please see our management letter attached in **Appendix C**.

Fraud and illegal acts

Testing during our audit did not reveal any illegal, improper or questionable payments or acts, nor any acts committed with the intent to deceive involving either misappropriation of assets or misrepresentation of financial information.

Our inquiries of management, board members and others within the entity, as appropriate, did not reveal any fraud or illegal acts.

Non-compliance with laws and regulations

Our procedures did not identify any non-compliance with laws and regulations.

Significant difficulties

We did not encounter any difficulties during the audit.

Significant matters discussed with management

There were no significant matters arising from the audit discussed with management.

Consultations with other accountants

We are not aware of any consultations that management has undertaken with other accountants with respect to any auditing or accounting matters.

Independence

We advise you that we are not aware of any relationships between the Authority and our firm that, in our professional judgement, may reasonably be thought to bear on our independence.

We confirm we are independent of the Authority.

Responsibilities

Refer to **Appendix A** for discussion on responsibilities.

Written representations requested from management

Letter of representation will be signed and dated on May 28, 2025.



Conclusion

We have substantially completed our audit. We will finalize our report upon completion of the following remaining procedures:

- Receipt of management representation letter, which was provided to management
- Obtaining evidence of the approval of the financial statements by the Authority's Board of Directors
- Subsequent events review up to date of audit report

We will advise you if any significant matters arise from the above noted procedures, including the need, if any, for additional or alternate procedures.

We would like to take this opportunity to note our appreciation to management and administrative personnel for their cooperation and assistance.

We welcome any feedback on our performance as we strive to continually improve our service.



Appendices

Appendix A – Responsibilities

Appendix B – Misstatements

Appendix C – Management letter



Appendix A – Responsibilities

Auditor	Board of Directors	Management
<p>Express an opinion on whether the financial statements present fairly, in all material respects, the financial position and results of its financial performance and its cash flow for the year in accordance with generally accepted accounting principles</p>	<p>Act as an objective, independent liaison between the auditor and management</p>	<p>Ensure financial statements are prepared and presented in accordance with generally accepted accounting principles</p>
<p>Perform the audit in accordance with generally accepted Canadian auditing standards</p>	<p>Assist in the planning process when appropriate</p>	<p>Ensure completeness of information with regards to financial records and data and provide information on non-compliance, illegal acts, related party transactions</p>
<p>Obtain reasonable, but not absolute, assurance as to whether the financial statements are free of material misstatement</p> <p>Assess risk that the financial statements may contain material misstatements that, individually or in the aggregate are material to the financial statements as a whole</p>	<p>Advise auditor of any issues of disclosure, governance, fraud or illegal acts</p>	<p>Ensure proper controls are in place to prevent and detect fraud and error, assess risk and provide information on any fraud or suspected fraud</p>

Auditor

Board of Directors

Management

Evaluate the overall presentation, structure and content of financial statements

Review and approve draft financial statements

Provide a written confirmation of significant representations to the auditor

Examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements

Assess the accounting policies used and their application

Assess the significant estimates made by management

Conclude on appropriateness of going concern basis

Review selection of accounting policies

Meet with the auditor prior to the release and approval of the audited financial statements to review the audit, disclosure and compliance issues

Ensure proper recognition, measurement and disclosure for selection of accounting policies, significant assumptions, future plans, related party transactions, any claims and possible claims, contingent gains and losses and subsequent events

Now, for tomorrow



Appendix B – Misstatements

Schedule of Uncorrected Misstatements

Description of Misstatement	Proposed Adjustments Dr (Cr)				
	Statement of Operations		Statement of Financial Position		
	Identified Misstatements	Likely Aggregate Misstatements	Assets	Liabilities	Opening Surplus
Unrecorded Asset Retirement Obligations	-	-	-	(10,000)	10,000
a) Totals		-	-	(10,000)	10,000
b) Misstatements corrected by management		-	-	-	-
c) Likely aggregate misstatements net of corrections (a - b)		-	-	(10,000)	10,000
d) Effect of unadjusted misstatements from previous year's errors		-	-	-	-
e) Aggregate likely misstatements (c + d)		-	-	(10,000)	10,000
f) Final overall materiality		115,000	115,000	115,000	115,000
g) Amount remaining for further possible misstatement (f - e)		115,000	115,000	105,000	105,000



Appendix C – Management letter

Re: Audit of December 31, 2024 Financial Statements

The objective of our audit was to obtain reasonable assurance that the financial statements were free of material misstatement; our audit was not designed for the purpose of identifying matters to communicate. Accordingly, our audit would not usually identify all such matters that may be of interest to management and it is inappropriate to conclude that no such matters exist.

During the course of our audit of The Grey Sauble Conservation Authority ("the authority") for the year ended December 31, 2024 we identified some deficiencies in internal control that in our opinion are significant. A significant deficiency in internal control is a deficiency or combination of deficiencies in internal control that, in our professional judgment, is of sufficient importance to merit your attention. Please note that this list includes all the significant deficiencies we have identified, including those previously reported to you that you have chosen not to remedy for cost or other considerations.

The significant deficiencies identified were as follows:

Vacation Days

Observation and implication

The Authority's policy is that any employees who have more than 10 vacation days to carry over from year to year require approval from the CAO. There is currently no formal approval of employees who carry over more than 10 days vacation. This could result in employees carrying over more vacation days than permitted.

Recommendation

The CAO should formally approve the vacation carry over for any employees in excess of 10 days.

It is important to note that management is responsible for ensuring that the authority has adequate internal controls and uses sound business practices as part of its overall responsibility for the ongoing activities. The authority's policies and procedures are present to:

- safeguard its assets, and
- provide reasonable assurance that errors, irregularities or illegal acts are promptly identified.



Thank you

Audit findings report

Grey Sauble Conservation Authority

2024 Audit

Prepared by Baker Tilly SGB LLP

May 29, 2025





Purpose of the report

To the Authority Board of Directors:

We have been engaged to express an audit opinion on the financial statements of the Grey Sauble Conservation Authority ("the Authority") in accordance with generally accepted accounting principles (GAAP) for the year ended December 31, 2024, as outlined in our engagement letter dated March 7, 2025

The purpose of this report is to assist you in your review of the financial statements and to summarize certain aspects of the audit that we believe to be of interest to you. This report should be read in conjunction with the draft financial statements and our report thereon.

This report is confidential and is intended solely for the information and use of the Board of Directors. No responsibility for loss or damages, if any, to any third party is accepted as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purposes.

Yours very truly,

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants

**We look forward to discussing the contents of this report
and answering any questions you may have.**

Table of contents

4	Overview and audit approach
6	Materiality
7	Significant audit and accounting matters
10	Misstatements
11	Other matters
13	Conclusion

Appendices

Appendix A – Responsibilities

Appendix B – Misstatements

Appendix C – Management letter



Audit Overview

Key deliverables

Present draft financial statements – May 2025

Issue audited financial statements – May 2025

Auditor's report

Our Independent Auditor's Report will be issued without modification.

We did not identify any material uncertainties related to events or conditions that may cast significant doubt upon the company's ability to continue.

Engagement team

The key individuals involved in the audit:

Sue Bragg, Engagement Partner – sbragg@bakertilly.ca or (705) 445-2020 ext. 230

Emily Irwin, Senior Manager – ecirwin@bakertilly.ca or (705) 445-2020 ext. 246



Audit approach

Our audit of the financial statements was conducted under generally accepted Canadian auditing standards and was designed to obtain reasonable, rather than absolute, assurance as to whether the financial statements are free of material misstatement. We developed our audit approach based on the risk assessment and understanding of control systems design and implementation. Our risk assessment was based on our understanding of the entity, industry, customer and supplier relationships, and analysis of financial information provided prior to the start of the audit.

Our audit approach was comprised primarily of substantive analytical procedures as well as tests of details and controls where necessary. We focus our audit work on areas that have a higher risk of being materially misstated.

Audit plan

We did not make any significant changes to our audit plan during the course of the audit.



Materiality

Materiality is the term used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission or misstatement would influence or change a decision. Materiality is a matter of professional judgement in the particular circumstances.

Materiality was used throughout the audit and in particular when:

- Identifying and assessing risk of material misstatement;
- Determining the nature, timing and extent of further audit procedures; and
- Evaluating the effect of uncorrected misstatements, if any, on the financial statements and in forming an opinion in the Auditor's Report.

We set our materiality at \$115,000 based on our audit planning, and it remained unchanged throughout the audit.

Materiality was calculated as a percentage of total expenses.

The base and percentage applied in the current year are consistent with those used in the prior audit.



Significant audit and accounting matters

Accounting policies

Management is responsible for the appropriate selection and application of accounting policies.

Our role is to review the appropriateness and application as part of our audit.

The Members of the Board have a responsibility to review the accounting policies adopted by the Authority, and where alternative policies are available, make determinations as to the most appropriate policies to be adopted in the circumstances.

Our comments

There were no new accounting standards adopted during the year.

There are no controversial policies, or those unique to the sector.

In our judgment, the significant accounting practices selected and applied by management are, in all material respects, acceptable under GAAP and are appropriate to the particular circumstances of the Authority.

Areas of audit emphasis

Our risk-based approach focuses on obtaining sufficient appropriate audit evidence to reduce the risk of material misstatement in the financial statements to an appropriately low level. This means that we focus our audit work on areas that have a higher risk of being materially misstated.

Management is responsible for the accounting estimates included in the financial statements. Estimates and the related judgements and assumptions are based on management's knowledge of the Authority and past experience about current and future events.

Our comments

The following is a summary of key issues and significant risks, including areas of estimates, related judgments and assumptions, significant or unusual transactions and sensitive financial statement disclosures. These issues and risks were identified during the course of the audit, our discussions with management and our responses thereto.

The audit procedures performed in these areas were consistent with those set out in our Audit Plan. The accounting treatment of the items noted and related disclosures are appropriate and in accordance with GAAP. The results of our audit procedures were satisfactory.

Area of audit emphasis

Our response and findings

Tangible Capital Assets (TCA):

There is an increased risk around the completeness and valuation of TCA. There is potential that some assets recorded on the Authority's books are not controlled by the Authority. There are some larger assets that by their nature can be difficult to accurately value. There is also potential that amortization is not calculated correctly.

A sample of capital transactions was tested to ensure they were accurately recorded. We examined repairs and maintenance expenses for any potential capital items. Our testing did not identify any significant issues.

Revenues:

There is an increased risk around the occurrence, completeness and accuracy of revenue. There are several revenue streams with a high value of transactions. There is also potential restrictions on some revenue streams.

We substantively tested all material revenue streams, sampled transactions from smaller revenue streams and performed analytical review of actual results compared to budget and prior year(s). Our testing did not identify any significant issues.

Payroll:

There are a large volume of transactions and employees which increases the completeness risk.

We sampled transactions from payroll and performed analytical review of actual results compared to budget and prior year(s). Our testing did not identify any significant issues.

Accounts Payable:

There is an increased risk around the completeness of accounts payable as invoices received after year end were potentially incurred in the prior year and were not appropriately accrued.

We sample transactions in payables subsequent to year end to ensure they are recorded in the correct period. Our testing did not identify any significant issues.



Misstatements

Misstatements are categorized as corrected audit misstatements and uncorrected audit misstatements. These include disclosure deficiencies as well.

Corrected misstatements

Refer to **Appendix B** for a summary of corrected misstatements.

Uncorrected misstatements

Refer to **Appendix B** for a summary of uncorrected misstatements.

Management has deemed the effects of these misstatements to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management has not corrected these misstatements. If not corrected, these misstatements can impact future financial statements. We are required to request that you consider adjusting the financial statements for these misstatements.

We have not found any material misstatements or unadjusted items that exceed materiality.



Other matters

Related party transactions

All related party transactions have been appropriately recorded and disclosed in the financial statements.

Internal control

We have submitted to management a letter on internal controls and any other matters that we feel should be brought to the attention of management.

Please see our management letter attached in **Appendix C**.

Fraud and illegal acts

Testing during our audit did not reveal any illegal, improper or questionable payments or acts, nor any acts committed with the intent to deceive involving either misappropriation of assets or misrepresentation of financial information.

Our inquiries of management, board members and others within the entity, as appropriate, did not reveal any fraud or illegal acts.

Non-compliance with laws and regulations

Our procedures did not identify any non-compliance with laws and regulations.

Significant difficulties

We did not encounter any difficulties during the audit.

Significant matters discussed with management

There were no significant matters arising from the audit discussed with management.

Consultations with other accountants

We are not aware of any consultations that management has undertaken with other accountants with respect to any auditing or accounting matters.

Independence

We advise you that we are not aware of any relationships between the Authority and our firm that, in our professional judgement, may reasonably be thought to bear on our independence.

We confirm we are independent of the Authority.

Responsibilities

Refer to **Appendix A** for discussion on responsibilities.

Written representations requested from management

Letter of representation will be signed and dated on May 28, 2025.



Conclusion

We have substantially completed our audit. We will finalize our report upon completion of the following remaining procedures:

- Receipt of management representation letter, which was provided to management
- Obtaining evidence of the approval of the financial statements by the Authority's Board of Directors
- Subsequent events review up to date of audit report

We will advise you if any significant matters arise from the above noted procedures, including the need, if any, for additional or alternate procedures.

We would like to take this opportunity to note our appreciation to management and administrative personnel for their cooperation and assistance.

We welcome any feedback on our performance as we strive to continually improve our service.



Appendices

Appendix A – Responsibilities

Appendix B – Misstatements

Appendix C – Management letter



Appendix A – Responsibilities

Auditor	Board of Directors	Management
<p>Express an opinion on whether the financial statements present fairly, in all material respects, the financial position and results of its financial performance and its cash flow for the year in accordance with generally accepted accounting principles</p>	<p>Act as an objective, independent liaison between the auditor and management</p>	<p>Ensure financial statements are prepared and presented in accordance with generally accepted accounting principles</p>
<p>Perform the audit in accordance with generally accepted Canadian auditing standards</p>	<p>Assist in the planning process when appropriate</p>	<p>Ensure completeness of information with regards to financial records and data and provide information on non-compliance, illegal acts, related party transactions</p>
<p>Obtain reasonable, but not absolute, assurance as to whether the financial statements are free of material misstatement</p> <p>Assess risk that the financial statements may contain material misstatements that, individually or in the aggregate are material to the financial statements as a whole</p>	<p>Advise auditor of any issues of disclosure, governance, fraud or illegal acts</p>	<p>Ensure proper controls are in place to prevent and detect fraud and error, assess risk and provide information on any fraud or suspected fraud</p>

Auditor

Board of Directors

Management

Evaluate the overall presentation, structure and content of financial statements

Review and approve draft financial statements

Provide a written confirmation of significant representations to the auditor

Examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements

Assess the accounting policies used and their application

Assess the significant estimates made by management

Conclude on appropriateness of going concern basis

Review selection of accounting policies

Meet with the auditor prior to the release and approval of the audited financial statements to review the audit, disclosure and compliance issues

Ensure proper recognition, measurement and disclosure for selection of accounting policies, significant assumptions, future plans, related party transactions, any claims and possible claims, contingent gains and losses and subsequent events

Now, for tomorrow



Appendix B – Misstatements

Schedule of Uncorrected Misstatements

Description of Misstatement	Proposed Adjustments Dr (Cr)				
	Statement of Operations		Statement of Financial Position		
	Identified Misstatements	Likely Aggregate Misstatements	Assets	Liabilities	Opening Surplus
Unrecorded Asset Retirement Obligations	-	-	-	(10,000)	10,000
a) Totals		-	-	(10,000)	10,000
b) Misstatements corrected by management		-	-	-	-
c) Likely aggregate misstatements net of corrections (a - b)		-	-	(10,000)	10,000
d) Effect of unadjusted misstatements from previous year's errors		-	-	-	-
e) Aggregate likely misstatements (c + d)		-	-	(10,000)	10,000
f) Final overall materiality		115,000	115,000	115,000	115,000
g) Amount remaining for further possible misstatement (f - e)		115,000	115,000	105,000	105,000



Appendix C – Management letter

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