Essex Region Conservation Authority

Financial Statements
December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Essex Region Conservation Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Essex Region Conservation Authority, which comprise:
- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of cash flow for the year then ended
- the statement of net surplus for the year then ended
- and notes to the financial statements including summary of accounting policies.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of Essex Region Conservation Authority as at December 31, 2024, and its results of 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 Essex Region Conservation Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the financial statement and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Essex Region Conservation 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 Essex Region Conservation Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Essex Region Conservation 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 Essex Region Conservation 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 Essex Region Conservation 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 Essex Region Conservation 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.

HICKS, MacPHERSON, IATONNA & DRIEDGER LLP

Hicks, MacPherson, Iatonna & Driedger LLP

Chartered Professional Accountants
Licensed Public Accountants

Leamington, Ontario
June 19, 2025

Essex Region Conservation Authority
Statement of Financial Position
December 31

	2024	2023
Financial Assets		
Cash and cash equivalents (Note 1(i))	$ 4,301,159	$ 6,204,902
Accounts receivable (Note 4)	1,800,298	883,426
Investments (Note 5)	2,070,667	-
	8,172,124	7,088,327
Financial Liabilities		
Accounts payable and accrued liabilities	2,030,790	640,545
Deferred revenues	3,589,611	3,337,454
	5,620,401	3,977,999
Net Surplus	2,551,722	3,110,329
Non-Financial Assets		
Tangible capital assets (Notes 1(c) and 2)	25,981,326	24,919,719
Prepaid expenses and inventory	48,205	59,988
	26,029,530	24,979,707
Accumulated surplus	**$ 28,581,252**	**$ 28,090,036**

Accumulated surplus consists of:

	2024	2023
Operating surplus	$ 67,275	$ 290,443
Reserves (Note 1(d) and Schedule 5)	2,532,652	2,879,874
Equity in tangible capital assets	25,981,326	24,919,719
	$ 28,581,252	$ 28,090,036

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

On behalf of the Board:

______________________________ Chair

______________________________ Secretary-Treasurer

Essex Region Conservation Authority
Statement of Operations
for the years ended December 31

	2024 Budget (Note 8)	2024 Actual	2023 Actual
Revenues			
Government grants & transfer payments:			
Provincial - Section 39 flood/erosion hazards	$ 104,417	**$ 104,417**	$ 104,417
- Drinking Water Source Protection	114,400	**119,701**	147,602
- Other	563,688	**1,525,703**	369,801
Federal	359,100	**1,760,744**	1,248,195
Municipal			
Cost Apportionment - mandatory programs & services	2,971,088	**2,971,088**	2,895,124
Cost Apportionment - non-mandatory programs & services	317,262	**454,767**	873,112
Authority-delivered municipal programs & services	14,600	**17,094**	9,412
Other projects & studies	-	**56,240**	154,411
Total government revenues	4,444,555	**7,009,754**	5,802,074
Self-generated & other revenues			
Permits & other mandatory services fees	706,000	**641,974**	669,134
Admissions, program fees & other services	799,600	**981,631**	821,771
Leases and property rentals	94,000	**96,462**	93,114
Interdepartmental recoveries	870,200	**939,497**	801,404
General (NGO/NPO)	15,000	**221,573**	129,195
Essex Region Conservation Foundation	222,250	**618,994**	375,987
In-kind contributions	10,000	**47,634**	59,815
Interest and miscellanous income	210,000	**336,623**	261,313
Net gain/(loss) on disposal of assets	-	**(30,983)**	13,934
Total other revenues	2,927,050	**3,853,405**	3,225,667
	7,371,605	**10,863,159**	9,027,741
Change in deferred revenue			
Net transfers from / (to) deferred revenue	508,485	**(252,158)**	(146,060)
TOTAL REVENUES	$ 7,880,090	**$ 10,611,002**	$ 8,881,681
Expenses			
Watershed management services (Schedule 1)	1,738,400	**1,518,402**	1,443,323
Conservation services (Schedule 2)	4,617,060	**5,955,176**	3,742,025
Communications & outreach (Schedule 3)	751,930	**814,051**	1,067,773
Corporate services (Schedule 4)	1,406,700	**1,407,493**	1,236,322
	8,514,090	**9,695,123**	7,489,443
Amortization	393,500	**424,663**	420,849
	8,907,590	**10,119,786**	7,910,291
Net Surplus/(Deficit) for the Year	(1,027,500)	**491,216**	971,390
Accumulated Surplus, Beginning of Year	28,090,036	**28,090,036**	27,118,646
Accumulated Surplus, End of Year	$ 27,062,536	**$ 28,581,252**	$ 28,090,036

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

Essex Region Conservation Authority
Statement of Cash Flow
for the years ended December 31

	2024 Actual	2023 Actual
Cash provided for (used in):		
Operating Activities		
Net surplus for the year	$ **491,216**	$ 971,390
Non cash items:		
Amortization	**424,663**	420,849
Accrued investment income	**(70,667)**	-
Gain on sale of tangible capital assets	**-**	(13,934)
Loss on disposal of tangible capital assets	**32,983**	-
(Increase) decrease accounts receivable	**(916,872)**	1,470,753
(Increase) decrease prepaid expenses and inventory	**11,783**	(479)
Increase (decrease) accounts payable and accruals	**1,390,247**	(631,307)
Increase deferred revenues	**252,157**	146,059
	1,615,511	2,363,331
Capital activities		
Constructed tangible capital assets	**(1,069,330)**	(119,689)
Construction in progress of capital assets	**(308,259)**	(39,931)
Purchase of land	**-**	(46,810)
Purchase of vehicles and equipment	**(141,665)**	(150,243)
	(1,519,254)	(356,672)
Investing activities		
GIC purchase	**(2,000,000)**	-
(Decrease) Increase in cash and cash equivalents	**(1,903,743)**	2,006,659
Cash and cash equivalents, beginning of year	**6,204,902**	4,198,243
Cash and cash equivalents, end of year	**4,301,159**	$ 6,204,902

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

Essex Region Conservation Authority
Statement of Net Surplus
for the years ended December 31

	2024 Budget (Note 8)	2024 Actual	2023 Actual
Net surplus/(deficit) for the year	$ (1,027,500)	**$ 491,216**	$ 971,390
Purchase of land	-	**-**	(46,810)
Acquisition and/or construction of tangible capital assets	-	**(1,377,589)**	(159,619)
Purchase of tangible capital assets	(92,000)	**(141,665)**	(150,243)
Loss/(Gain) on disposition of assets	-	**32,983**	(13,934)
Change in prepaid expenses & supplies inventory	-	**11,783**	(478)
Amortization of tangible capital assets	393,500	**424,663**	420,849
Increase/(decrease) in net surplus	(726,000)	**(558,609)**	1,021,154
Net surplus, beginning of year	3,110,329	**3,110,329**	2,089,175
Net surplus, end of year	2,384,329	**2,551,720**	3,110,329

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

Purpose of Organization

The Essex Region Conservation Authority (ERCA) is a public sector agency, established under the Conservation Authorities Act of Ontario, on July 18, 1973, to further the conservation, restoration, development and management of natural resources, exclusive of gas, oil, coal and minerals for the watersheds within its area of jurisdiction.
The Authority is also a registered charity (107311177RR0001) as recognized by the Canada Revenue Agency and subject to the Income Tax Act and Charities Accounting Act.

1. Summary of Accounting Policies

a) **Management Responsibility** – The financial statements of the Essex Region Conservation Authority ("Authority") are prepared by management in accordance with Canadian public sector accounting standards principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The integrity and objectivity of these statements are also management's responsibility. Management is also responsible for all of the notes and schedules to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

b) **Basis of Accounting** – Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

c) **Tangible Capital Assets** – Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Donated tangible capital assets are reported at fair market value at the time of donation. Leasehold improvements are amortized on a straight-line basis over the lesser of the economic useful life of the improvement or the term of the related property management agreement or lease. Capital works-in-progress are not amortized until the asset is available for productive use. Tangible Capital Assets do not include: assets unrelated to the Authority's core business operations, such as ancillary rental dwellings, specialty assets purchased exclusively for purposes of fulfilling grant obligations, and heritage/historical assets held in perpetuity.

1. Summary of Accounting Policies (Continued)

c) Tangible Capital Assets (Continued)

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives, as follows:

Land/Site Improvements	15 to 30 years
Buildings	25 to 50 years
Engineered Structures	15 to 75years
Leasehold Improvements	lease term
Machinery and Field Equipment	7 to 40 years
Vehicles	8 years
Furniture & Fixtures	20 years
Computer Hardware & Software	4 to 10 years

d) **Reserves –** Reserves for future expenditures and contingencies are established as required using the estimates of management. Increases or decreases in these reserves are made by appropriations to or from operations.

e) **Interdepartmental Recoveries –** Internal charges for the use of the vehicles and equipment are made to the various projects and programs of the Authority. The internal charges are designed to recover the costs of operating the equipment, including replacement. Corporate and shared services are partially charged to programs and projects, on a pro-rata basis.

f) **In-Kind Contributions –** The Authority records various in-kind contributions made by private landowners and other public sector agencies. A landowner in-kind contribution is recorded when required by government grant programs to satisfy eligibility requirements and when the landowner contribution can be verified and valued. The Authority periodically receives property and tangible goods, donated by various agencies and private landowners, which also results in the recording of an in-kind contribution. Donations of land are recorded at fair market value, supported by a third-party independent appraisal.

g) **Government Transfers & Deferred Revenue –** The Authority receives certain amounts for which the related services have yet to be performed. The gross transfer payments received during the year are shown by government program, however, revenue unearned in the current period is recorded as a transfer to deferred revenue.

1. Summary of Accounting Policies (Continued)

h) **Use of Estimates –** The presentation 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 at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, the carrying value of tangible capital assets and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

i) **Cash and Cash Equivalents -** Cash and cash equivalents include cash balances and short term highly liquid investments that are readily converted to cash.

2. Tangible Capital Assets

Cost	Balance 31-Dec-23	Additions	Disposals	Balance 31-Dec-24
Land	$ 15,445,710	11,550.00	$ -	$ 15,457,260
Land/Site improvements	5,859,250	834,115	-	6,693,365
Buildings	2,201,474	162,958	(57,000)	2,307,432
Engineered structures	1,919,980	75,445	(12,318)	1,983,107
Leasehold improvements	2,115,974	-	-	2,115,974
Machinery and field equipment	563,510	105,168	(45,863)	622,815.06
Vehicles	634,664	61,690	-	696,354
Furniture and fixtures	103,280	-	-	103,280
Computer hardware and software	87,601	-	(26,264)	61,337
Capital works-in-progress	39,931	308,259	(39,931)	308,259
	$ 28,971,373	$ 1,559,185	$ (181,376)	$ 30,349,182

Accumulated Amortization	Balance 31-Dec-23	Disposals	Amortization	Balance 31-Dec-24
Land	$ -	$ -	$ -	$ -
Land/Site improvements	488,216	-	88,659	576,876
Buildings	468,939	(28,500)	45,592	486,031
Engineered structures	1,029,832	(10,195)	64,283	1,083,920
Leasehold improvements	1,165,255	-	119,984	1,285,239
Machinery and field equipment	351,734	(43,502)	35,654	343,886
Vehicles	367,078	-	66,297	433,374
Furniture and fixtures	96,152	-	3,564	99,716
Computer hardware and software	84,450	(26,264)	630	58,816
Capital works-in-progress	-	-	-	-
	$ 4,051,655	$ (108,461)	$ 424,663	$ 4,367,857

	Net Book Value 31-Dec-23			Net Book Value 31-Dec-24
Land	$ 15,445,710			$ 15,457,260
Land/Site improvements	5,371,034			6,116,489
Buildings	1,732,535			1,821,401
Engineered structures	890,148			899,187
Leasehold improvements	950,719			830,735
Machinery and field equipment	211,777			278,929
Vehicles	267,586			262,980
Furniture and fixtures	7,128			3,564
Computer hardware and software	3,151			2,521
Capital works-in-progress	39,931			308,259
	$ 24,919,719			25,981,326

2. Tangible Capital Assets (Continued)

Cost	Balance 31-Dec-22	Additions	Disposals	Balance 31-Dec-23
Land	$ 15,398,900	46,810	$ -	$ 15,445,710
Land/Site improvements	5,783,974	75,276	-	5,859,250
Buildings	2,038,762	162,713	-	2,201,474
Engineered structures	2,105,597	-	(185,617)	1,919,980
Leasehold improvements	1,934,885	181,089	-	2,115,974
Machinery and field equipment	526,806	132,429	(95,725)	563,510
Vehicles	607,395	77,857	(50,588)	634,664
Furniture and fixtures	103,280	-	-	103,280
Computer hardware and software	87,601	-	-	87,601
Capital works-in-progress	150,843	39,931	(150,843)	39,931
	$ 28,738,042	$ 716,104	$ (482,773)	$ 28,971,373

Accumulated Amortization	Balance 31-Dec-22	Disposals	Amortization	Balance 31-Dec-23
Land	$ -	$ -	$ -	$ -
Land/Site improvements	420,599	-	67,617	488,216
Buildings	426,172	-	42,767	468,939
Engineered structures	999,175	(30,966)	61,623	1,029,832
Leasehold improvements	989,551	-	175,704	1,165,255
Machinery and field equipment	401,455	(84,695)	34,974	351,734
Vehicles	359,975	(50,588)	57,690	367,078
Furniture and fixtures	92,588	-	3,564	96,152
Computer hardware and software	78,567	-	5,883	84,450
Capital works-in-progress	-	-	-	-
	$ 3,768,081	$ (166,249)	$ 449,823	$ 4,051,655

	Net Book Value 31-Dec-22			Net Book Value 31-Dec-23
Land	$ 15,398,900			$ 15,445,710
Land/Site improvements	5,363,375			5,371,034
Buildings	1,612,589			1,732,535
Engineered structures	1,106,422			890,148
Leasehold improvements	945,334			950,719
Machinery and field equipment	125,352			211,777
Vehicles	247,420			267,586
Furniture and fixtures	10,692			7,128
Computer hardware and software	9,034			3,151
Capital works-in-progress	150,843			39,931
	$ 24,969,961			24,919,719

2. Tangible Capital Assets (Continued)

The Authority owns assets that are not included above, including the Kingsville Train Station and designated heritage buildings located on the John R. Park Homestead and its collection of historical artifacts. The assets have significant heritage and historical value in perpetuity and are not amortized or recorded as tangible capital assets in the financial statements.
Leasehold improvements relate specifically to capital improvements made at Holiday Beach Conservation Area, managed under agreement on behalf of the Ministry of Natural Resources.

3. Financial Instruments

Cash and cash equivalents, accounts receivable, investments, and accounts payable and accrued liabilities are initially recorded at their fair value and are subsequently measured at cost or amortized cost, net of any provisions for impairment. Amortized cost is determined using the effective interest method.

4. Accounts Receivable

Included in accounts receivable is an HST net rebate of $418,965 (2023 - $209,278).

5. Investments

The Authority's investments consist of guaranteed investment certificates issued by a Canadian Credit Union, with a maturity date of May 2026. As of December 31, 2024, investments include:

Type	Liquidity	Face Value	Rate
Term Deposit	Non-Redeemable	$2,000,000	5.3%

6. Pension Agreements

The Essex Region Conservation Authority belongs to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of the members of its staff. This 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. The cost of the plan is the employer's contribution to the plan.

The 2024 employer's portion of OMERS pension contributions was $282,847 (2023 - $259,808).

7. Expenses by Object

	2024 Budget	2024 Audited	2023 Audited
Wages & benefits	4,094,505	4,227,380	4,011,033
Construction / engineering - ERCA capital projects	1,501,000	1,055,256	394,351
Construction / engineering - term grant projects	42,000	786,621	199,260
Plant material & landowner subsidies - ERCA operations	297,000	346,248	239,318
Plant material & landowner subsidies - term grant projects	10,000	245,109	85,308
Site & operational supplies - conservation areas	84,711	91,515	92,643
Supplies & cost of goods sold – other ERCA operations	111,950	103,346	115,205
Program supplies - term grant projects	6,100	40,686	83,559
Occupancy, taxes, utilities & waste removal	375,221	436,985	386,320
Maintenance, repairs & security - sites	66,144	89,353	61,479
Maintenance, repairs & supplies - fleet / equipment	123,500	140,975	112,845
Equipment, software / hardware & website - ERCA operations	221,170	156,290	90,419
Equipment, software / hardware & website - term grant projects	5,300	99,025	92,549
Lab, data, technical & sub-contracted services - ERCA operations	325,800	412,727	144,515
Lab, data, technical & sub-contracted services - term grant projects	-	44,798	40,490
Lab, data, technical & sub-contracted services – municipal studies	-	55,497	134,649
Insurance	194,567	189,048	187,960
Audit & legal services	54,000	68,838	36,933
Dues & memberships	49,450	50,085	50,324
Travel, training & professional development	23,238	22,498	18,188
Board, committee & meeting expenses	22,400	19,173	21,659
Bank, credit card charges & interest	26,940	30,004	29,467
In-kind supplies & services	10,000	47,634	59,815
Amortization	393,500	424,663	420,849
	$8,038,496	**$9,183,755**	**$7,109,138**
Internal recoveries included in revenues	869,094	936,031	801,153
Total Expenses	**$8,907,590**	**$10,119,786**	**$7,910,291**

8. Budget Amounts

The 2024 budget amounts that were approved on February 15, 2024, were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Board Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as project expenses, but the actual expenses have been removed in the Statement of Operations. The revenues attributable to these items continue to be included in the Statement of Operations, resulting in a significant positive variance for the surplus reported for the year. The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited financial statements:

8. Budget Amounts (Continued)

	Approved Budget (BD 01/24)	Actual
Budgeted (Deficit) Surplus	$ (1,027,500)	$ 491,216
Capital items included as operating expenses	1,625,000	
Adjusted/Actual Net Surplus	597,500	491,216
Net Loss on Disposal of Vehicles/Equipment	-	32,983
Capitalized Items	(1,625,000)	(1,377,589)
	(1,027,500)	(853,390)
Acquisition of fleet & equipment	(92,000)	(141,665)
Net transfers from reserves (Schedule 5)	1,008,000	1,081,578
	(111,500)	86,523
Amortization	393,500	424,663
	282,000	511,186
Net transfers to reserves (Schedule 5)	(282,000)	(734,356)
Decrease in accumulated operating surplus	**$ -**	**$ (223,171)**

9. Credit Facility

The Authority maintains an operating line facility with the Canadian Imperial Bank of Commerce which bears interest at prime less .25% and is due on demand. As of December 31, 2024, no balance (2023 -$0) was payable under this facility.

10. Commitments

On May 4, 2001 the Authority entered into a 30 year property management agreement, with the Province of Ontario (Ministry of Natural Resources), to manage the property known as Holiday Beach Conservation Area. The agreement can be terminated at any time, if notice is served at least 120 days in advance of the termination date.

11. Related Entity

Essex Region Conservation Foundation

Essex Region Conservation Authority ("ERCA") has an economic interest in the Essex Region Conservation Foundation ("Foundation"). The Foundation is incorporated under the Ontario Not-For-Profit Corporations Act (2010). On June 11, 2024, the Foundation's Articles of Incorporation were restated, with purposes of the corporation amended 'to receive, maintain, manage and invest a fund or funds and to apply, from time to time, all or part thereof and the income earned therefrom for the benefit of the general charitable purposes carried out by Essex Region Conservation Authority'. The accounting policy followed in reporting the Foundation is note disclosure.

The transactions with the Foundation include $618,994 (2023 - $375,987) recorded as revenue. All amounts have been measured at the exchange amount.

The assets, liabilities, results of operations and cash flow for the Foundation for the years ended December 31 are as follows:

	2024	2023
Financial position:		
Total assets	$ 672,799	$ 717,540
Total liabilities	$ 155,777	$ 281,062
Net assets	517,023	436,478
	$ 672,799	$ 717,540
Results of operations:		
Total revenue	$ 655,577	$ 672,173
Total expenses (including grants)	575,013	634,296
Surplus of income over expenditures for the year	$ 80,544	$ 37,877
Cash flows:		
Operating	$ 671,183	$ 509,698
Investing	13,284	9,959
Distributions	(689,697)	(426,690)

12. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

13. Conservation Authorities Act Legislative Framework

The Authority delivers a significant array of programs and services, which are identified as non-mandatory and are primarily related to land securement, discretionary water quality programs, agricultural land stewardship, school-based education and cultural heritage/museum operations.

As of December 31, 2023, the Authority complied with the requirements and timelines of *O. Reg 687/21 and O. Reg 402/22* and has executed cost apportioning agreements with its participating municipalities for the funding of non-mandatory services, effective January 1, 2024.

14. Contingencies

During the normal course of operations, the Authority is subject to various legal actions. The settlement of these actions is not expected to have a material effect on the financial statements.

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(Note 8) 2024 Budget	**2024 Actual**	2023 Actual
Schedule 1- Watershed Management Services			
Mandatory Programs & Services			
Regulations, Compliance & Development Services			
Wages, benefits & professional development	$ 856,000	**$ 695,187**	$ 622,858
Supplies, insurance, corporate services	237,250	**242,198**	192,724
Legal fees and consulting	5,000	**21,339**	17,189
Travel, vehicle charges	18,500	**20,667**	19,552
	1,116,750	**979,391**	852,323
Municipal Planning Supports (Hazards)			
Wages, benefits & professional development	118,500	**120,491**	126,961
Supplies, insurance, corporate services	38,150	**33,599**	33,791
	156,650	**154,090**	160,752
Provincial Section 39 Flood & Erosion Program			
Wages, benefits & professional development	111,000	**135,152**	124,927
Computers, data, & telecommunications	50,000	**36,267**	36,691
Supplies, insurance, corporate services	43,500	**45,878**	42,414
Vehicle charges	6,000	**7,852**	8,201
	210,500	**225,150**	212,233
Municipal Infrastructure Projects & Studies (WECI, Hazards Mapping)			
Consulting	-	**55,497**	134,649
Wages, supplies, travel & allocated overhead	30,000	**22,914**	36,167
	30,000	**78,411**	170,816
Other WMS Projects			
Wages, benefits & professional development	60,000	**18,456**	14,164
Consulting & technical services	155,000	**58,634**	31,035
Supplies, insurance & shared services allocation	9,500	**4,271**	2,000
	224,500	**81,360**	47,199

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(Note 8) 2024 Budget	**2024 Actual**	2023 Actual
Schedule 1- Watershed Management Services (Continued)			
Watershed Management Services Mandatory Programs & Services Summary			
Revenues			
Mandatory municipal cost apportionment	825,983	**825,983**	733,814
Other municipal/upper tier	-	**56,240**	145,036
Provincial grants	104,417	**104,417**	104,417
Self-generated fees	706,000	**641,974**	669,134
Transfer (to)/from deferred revenues	72,000	**(48,969)**	(32,096)
Transfer (to)/from reserves	30,000	**-**	-
	$ 1,738,400	**$ 1,579,646**	$ 1,620,305
Expenses			
Wages & benefits	1,171,000	**988,800**	917,734
Supplies, services, equipment & other	334,900	**316,224**	333,919
Internal shared services allocation	232,500	**213,378**	191,669
	$ 1,738,400	**$ 1,518,402**	$ 1,443,323

	2024 Budget	**2024 Actual**	2023 Actual
Schedule 2 - Conservation Services			
Mandatory Programs & Services			
Program Coordination, CA Land Management Plans & Strategies			
Wages, benefits & professional development	$ 169,540	**$ 143,246**	$ 237,834
Consulting	-	**16,146**	41,097
Supplies, insurance & shared services allocation	32,950	**27,635**	40,123
Travel & vehicle	910	**9,144**	2,906
	203,400	**196,171**	321,960
Conservation Areas Maintenance			
Wages, benefits & professional development	493,822	**461,365**	380,512
Utilities, taxes, insurance & corporate allocation	333,343	**304,075**	325,609
Vehicle & field equipment charges	111,999	**170,027**	95,055
Maintenance supplies	58,742	**85,440**	67,703
Construction & capital items	49,349	**71,233**	24,839
Plant material and removal	15,000	**14,205**	2,371
	1,062,255	**1,106,344**	896,089
Tree Planting and Habitat Restoration-CA Lands			
Wages, benefits & professional development	33,000	**48,653**	48,649
Plants, contracted construction, engineering & technical resources	32,500	**985,638**	38,943
Supplies, insurance & shared services allocation	19,850	**13,927**	21,857
Vehicle & field equipment usage	4,350	**3,894**	3,147
	89,700	**1,052,112**	112,596
Conservation Areas/Trails Infrastructure Investment CA Lands (Non capitalized)			
Contract construction, insurance, corporate & shared services	1,242,000	**191,003**	55,062
Wages, benefits & professional development	13,000	**35,003**	1,990
	1,255,000	**226,006**	57,052

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(Note 8) 2024 Budget	**2024 Actual**	2023 Actual
Schedule 2 - Conservation Services (Continued)			
Mandatory Programs & Services (Continued)			
Fleet & Moveable Equipment			
Maintenance, repairs, rentals & non-capital replacements	62,000	**104,849**	70,518
Fuel	57,500	**43,321**	47,226
Insurance & licences	20,900	**11,259**	12,810
	140,400	**159,429**	130,554
Conservation Services Mandatory Programs & Services Summary			
Revenues			
Mandatory municipal cost apportionment	1,272,555	**1,268,455**	1,092,925
Provincial grants	400,000	**1,180,999**	104,800
Federal grants	88,000	**670,153**	178,390
Essex Region Conservation Foundation / other grants	15,500	**248,343**	54,570
Self-generated fees	303,200	**382,972**	331,616
Transfer (to)/from deferred revenues	210,500	**26,658**	(95,546)
Transfer from reserves	553,000	**428,450**	140,028
	2,842,755	**4,206,031**	1,806,784
Expenses			
Wages & benefits	716,362	**698,024**	677,407
Supplies, services, equipment & other	1,726,451	**1,685,263**	582,789
Internal shared services allocation	307,942	**359,135**	258,055
	2,750,755	**2,742,422**	1,518,251
Non Mandatory Programs & Services			
Land Acquisition and Securement			
Wages, benefits & professional development	2,500	**2,122**	5,303
Supplies, taxes, insurance & shared services allocation	5,000	**52,870**	1,843
Surveys, appraisals, consulting, legal	50,000	**5,112**	176
	57,500	**60,104**	7,322
Infrastructure projects and repairs (JRPH Museum, Holiday Beach)			
Contract construction, insurance, corporate & shared services	357,500	**927,642**	327,593
Wages, benefits & professional development	12,500	**30,720**	40,259
	370,000	**958,363**	367,852
Tree Planting and Habitat Restoration-Private Lands			
Wages, benefits & professional development	160,500	**187,889**	215,477
Plants, contracted construction, engineering & technical resources	207,500	**221,888**	209,971
Supplies, insurance & shared services allocation	112,700	**80,070**	97,568
Vehicle & field equipment usage	49,000	**53,128**	46,653
	529,700	**542,974**	569,668

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(Note 8) 2024 Budget	**2024 Actual**	2023 Actual
Schedule 2 - Conservation Services (Continued)			
Non Mandatory Programs & Services (Continued)			
Holiday Beach Conservation Area (Note 10)			
Revenues			
Admissions, camping & cottage	382,000	**396,460**	365,378
Federal grants	-	**2,237**	1,953
Municipal levies	-	**-**	-
Property / land rental	17,000	**24,070**	27,779
Net transfers to reserves	(13,000)	**(10,550)**	(7,040)
	386,000	**412,217**	388,070
Expenses			
Wages, benefits & professional development	188,700	**191,352**	191,036
Site, capital replacements & major maintenance	17,500	**33,554**	8,814
Utilities, taxes, insurance & corporate allocation	85,500	**80,831**	76,297
Supplies - office, network, events, janitorial	65,300	**76,559**	69,211
Vehicle & field equipment usage	25,500	**24,021**	29,279
Sub contracting & consulting	3,500	**5,899**	13,515
	386,000	**412,216**	388,152
Municipal/Other Restoration Projects and Fee For Service Initiatives			
Wages, benefits & professional development	20,500	**76,419**	35,548
Construction, engineering, equipment & supplies	50,200	**96,674**	79,262
Landowner subsidies	14,000	**78,000**	9,800
Corporate and other service recoveries	14,500	**27,126**	11,359
	99,200	**278,219**	135,969
Conservation Services Non-Mandatory Programs & Services Summary			
Revenues			
Non - mandatory municipal cost apportionment	75,000	**212,505**	115,000
Provincial grants	50,000	**35,470**	77,450
Federal grants	160,000	**330,462**	254,399
Essex Region Conservation Foundation / other grants	68,000	**508,141**	526,174
Self-generated fees	645,200	**809,539**	642,976
Transfer (to)/from deferred revenues	87,200	**(107,015)**	(69,425)
Transfer from reserves	357,000	**571,578**	13,530
	1,442,400	**2,360,679**	1,560,104
Expenses			
Wages & benefits	384,700	**488,502**	487,623
Supplies, services, equipment & other	874,700	**1,587,316**	824,658
Internal shared services allocation	183,000	**176,058**	156,683
	1,442,400	**2,251,875**	1,468,963

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(Note 8) 2024 Budget	**2024 Actual**	2023 Actual
Schedule 2 - Conservation Services (Continued)			
Science & Research			
Mandatory Programs & Services			
Drinking Water Source Protection /Provincial WQ Monitoring Program			
Revenues			
Mandatory cost apportionment	18,350	**22,450**	21,285
Provincial grants	114,400	**123,460**	148,362
Other grants / fees	-	**175**	1,616
Transfer (to)/from Deferred Revenues	-	**4,698**	(20,652)
	132,750	**150,783**	150,612
Expenses			
Wages, benefits & professional development	105,848	**113,949**	116,283
Supplies, advertising, insurance & shared services allocation	22,302	**32,574**	28,172
Committee member per diems	4,600	**4,250**	3,625
	132,750	**150,773**	148,080
Non Mandatory Programs & Services			
Water Quality Programs (Sampling, Report Cards, Agricultural Stewardship)			
Wages, benefits & professional development	30,995	**-**	95,495
Supplies, insurance & shared services allocation	14,400	**14,827**	48,535
Lab / technical services, speciality equipment & software	15,500	**13,163**	13,002
Plant material, construction & landowner subsidies	-	**-**	26,037
Vehicle & field equipment charges	8,060	**5,837**	13,840
	68,955	**33,827**	196,909
Water Quality Term Projects/DRCC (Externally Funded)			
Wages, benefits & professional development	157,573	**297,995**	234,624
Supplies, insurance & shared services allocation	36,428	**153,387**	108,884
Lab / technical services, speciality equipment & software	-	**73,522**	15,840
Plant material, construction & landowner subsidies	10,000	**221,885**	33,395
Vehicle & field equipment charges	3,600	**14,756**	7,667
	207,600	**761,544**	400,410
Municipal Risk Management Services (*Part IV Clean Water Act*)			
Wages, benefits & professional development	9,100	**10,417**	5,973
Supplies, mileage, insurance & shared services allocation	5,500	**6,678**	3,439
	14,600	**17,095**	9,412

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(Note 8) 2024 Budget	**2024 Actual**	2023 Actual
Schedule 2 - Conservation Services (Continued)			
Conservation Services (Water Quality) Non-Mandatory Programs & Services Summary			
Revenues			
Non - mandatory municipal cost apportionment	25,000	**25,000**	73,000
Provincial grants	90,000	**281,786**	163,103
Federal grants	102,100	**652,328**	213,318
Self-generated fees	14,600	**56,744**	44,355
Transfer (to)/from Deferred Revenues	59,455	**(203,751)**	73,019
	291,155	**812,107**	566,795
Expenses			
Wages & benefits	197,095	**305,479**	336,091
Supplies, services, equipment & other	41,560	**429,643**	178,562
Internal shared services allocation	52,500	**77,344**	92,077
	291,155	**812,466**	606,730
Total Conservation Services Expenses	$ 4,617,060	**$ 5,955,176**	$ 3,742,025

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(Note 8) 2024 Budget	**2024 Actual**	2023 Actual
Schedule 3 - Communications, Community Outreach & Museum Operations			
Mandatory Programs & Services			
Corporate Communications			
Revenues			
Mandatory cost apportionment	$ 200,900	**$ 200,900**	$ 181,600
Essex Region Conservation Foundation / other grants	5,000	**2,821**	5,000
	205,900	**203,721**	186,600
Expenses			
Wages, benefits & professional development	188,000	**172,233**	164,561
Supplies, consulting, insurance & shared services allocation	17,900	**27,058**	15,565
	205,900	**199,290**	180,126
Non Mandatory Programs & Services			
Community Outreach, Engagement and Education			
Wages, benefits & professional development	118,000	**135,906**	94,382
Trees and plant material	15,000	**18,847**	4,008
Supplies, insurance & shared services allocation	48,480	**48,554**	45,881
	181,480	**203,307**	144,271
Community Events & Term Grant Projects			
Wages, benefits & professional development	9,000	**19,234**	89,091
Plant materials, event supplies & technical/consulting resources	15,000	**39,232**	316,244
	24,000	**58,466**	405,335
John R Park Homestead Museum			
Revenues			
Municipal cost apportionment-non mandatory	160,112	**160,112**	150,962
Admissions, sales & program fees	134,000	**133,991**	132,840
Government grants	32,688	**38,552**	39,775
Other grants & donations	28,750	**26,691**	25,559
Net transfers to reserves	(15,000)	**(6,360)**	(15,000)
	340,550	**352,986**	334,136
Expenses			
Wages, benefits & professional development	223,000	**232,635**	209,438
Utilities, taxes, insurance & corporate allocation	64,450	**63,357**	66,406
Cost of goods sold	32,100	**24,212**	34,316
Supplies and maintenance - office, site & curatorial	20,400	**31,110**	27,161
Capital replacement and repairs	600	**1,675**	720
	340,550	**352,988**	338,041

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(Note 8) 2024 Budget	**2024 Actual**	2023 Actual
Schedule 3 - Communications, Community Outreach & Museum Operations (Continued)			
Community Outreach Services Non-Mandatory Programs & Services Summary			
Revenues			
Non - mandatory municipal cost apportionment	217,262	**217,262**	185,112
Provincial grants	23,688	**23,688**	23,688
Federal grants	9,000	**14,864**	345,087
Essex Region Conservation Foundation / other grants	93,750	**196,091**	137,018
Self-generated fees	163,000	**168,132**	160,914
Transfer from deferred revenues	54,330	**991**	23,859
Transfer to reserves	(15,000)	**(6,360)**	(15,000)
	546,030	**614,668**	860,678
Expenses			
Wages & benefits	350,000	**387,775**	392,910
Supplies, services, equipment & other	133,980	**168,457**	439,907
Internal shared services allocation	62,050	**58,530**	54,829
	546,030	**614,761**	887,647
Total Communications,Community Outreach & Museum Operations	$ 751,930	**$ 814,051**	$ 1,067,773

Essex Region Conservation Authority
Schedules to Statement of Operations
For the year ended December 31

	(Note 8) 2024 Budget	**2024 Actual**	2023 Actual
Schedule 4 - Corporate Services			
Administration, Finance, HR & IT/(G)IS			
Wages, benefits & professional development	$ 900,500	**$ 989,257**	$ 845,484
Occupancy	138,000	**139,227**	133,862
Office equipment,computers / network & phone	75,700	**53,149**	67,508
Dues & memberships	43,000	**47,821**	42,830
Supplies & miscellaneous	(33,500)	**25,110**	20,918
Professional fees - audit, legal & consulting	88,000	**25,431**	20,062
Board meetings & per diems	17,500	**14,924**	16,020
Travel (staff & members)	7,500	**5,662**	6,649
Retiree benefits	16,000	**18,141**	16,278
Insurance (D&O, main Office)	9,000	**10,000**	9,310
	1,261,700	**1,328,722**	1,178,921
Special Projects (Records, Data, HR)			
Consulting / software / hardware	80,000	**14,043**	-
Wages, benefits & professional development	10,000	**7,550**	
	90,000	**21,593**	-
Schedule 4 - Corporate Services			
Corporate Services Mandatory (General) Programs & Services Summary			
Revenues			
Mandatory municipal cost apportionment	653,300	**653,300**	865,500
Self-generated recoveries / chargebacks	661,000	**666,538**	591,497
Interest & sundry	211,400	**336,841**	262,934
Transfer (to)/from deferred revenues	25,000	**(3,840)**	(25,000)
Transfer to reserves	(199,000)	**(246,446)**	(369,747)
	1,351,700	**1,406,394**	1,325,184
Expenses			
Wages & benefits	910,500	**996,807**	845,484
Supplies, services, equipment & other	441,200	**353,508**	333,438
	1,351,700	**1,350,315**	1,178,921
Supports Provided to Essex Region Conservation Foundation			
Revenues			
Essex Region Conservation Foundation grant	55,000	**57,179**	55,000
Expenses			
Wages, benefits & professional development	55,000	**57,179**	57,401
Total Corporate Services	$ 1,406,700	**$ 1,407,493**	$ 1,236,322
Total Expenses	**$ 8,514,090**	**$ 9,695,123**	**$ 7,489,443**

Essex Region Conservation Authority

Schedule 5 - Continuity of Reserves

	Actual Balance at December 31, 2023	Budgeted Transfers to Reserves	Actual Transfers to Reserves	Budgeted Transfers from Reserves	Actual Transfers from Reserves	Actual Balance at December 31, 2024
Canard River Maintenance	47,857	-	-	-	-	47,857
Civic Centre Suite	228,000	-	-	-	-	228,000
General/Administration/Human Resources	139,685	-	-	45,000	-	139,685
Historic Properties	740,459	25,000	6,360	297,500	619,126	127,693
Holiday Beach Capital Maintenance	12,534	13,000	10,550	-	-	23,084
Infrastructure & Major Maintenance	1,134,202	244,000	646,446	635,500	462,452	1,318,196
Legal & Insurance Claims	50,000	-	-	-	-	50,000
Office Equipment , Computers & Network	46,508	-	-	30,000	-	46,508
Project Grant Matching	100,000	-	-	-	-	100,000
Revenue Stabilization	148,342	-	-	-	-	148,342
Trail Development - CASO	-		71,000	-	-	71,000
Tree Replacement	90,000	-	-	-	-	90,000
Vehicle & Equipment Replacement	142,287	-	-	-	-	142,287
	$ 2,879,874	$ 282,000	$ 734,356	$ 1,008,000	$ 1,081,578	$ 2,532,652