

Algonquin Forestry Authority
Financial Statements
For the year ended March 31, 2024

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Financial Statements
For the year ended March 31, 2024

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Algonquin Forestry Authority Year ended March 31, 2024

Management's Responsibility for Financial Information

Management and the Board of Directors of the Algonquin Forestry Authority are responsible for the financial statements and all other information presented in this Annual Report. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and, where appropriate, include amounts based on Management's best estimates and judgements.

The Algonquin Forestry Authority is dedicated to the highest standards of integrity in its business. To safeguard the Authority's assets, the Authority has a sound and dynamic set of internal financial controls and procedures that balance benefits and costs. Management has developed and maintains financial and management controls, information systems and management practices to provide reasonable assurance of the reliability of financial information in accordance with the *Algonquin Forestry Authority Act*.

The Board of Directors ensures that Management fulfills its responsibilities for financial information and internal control. The Board of Directors meets regularly to oversee the financial activities of the Authority and at least annually to review the financial statements and the external auditors' report thereon and recommends them to the Minister of Natural Resources for approval.

The financial statements have been examined by the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The Independent Auditor's Report outlines the scope of the Auditor's examination and opinion.



July 11, 2024

Tracey Bradley
General Manager



July 11, 2024

Jess Condon
Treasurer



Office of the Auditor General of Ontario
Bureau du vérificateur général de l'Ontario

INDEPENDENT AUDITOR'S REPORT

To the Algonquin Forestry Authority and to the Minister of Natural Resources

Opinion

I have audited the financial statements of the Algonquin Forestry Authority (the Authority), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 related to going concern and using the going concern basis of accounting unless the Authority either intends 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.




Toronto, Ontario
July 11, 2024

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

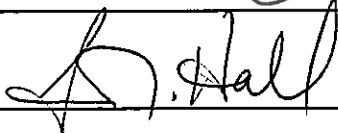
Algonquin Forestry Authority Statement of Financial Position

March 31	General Fund	Forest Renewal Fund	2024	2023
Assets				
Current				
Cash and cash equivalents (Note 7)	\$ 972,105	\$ 1,682,487	\$ 2,654,592	\$ 4,988,635
Accounts receivable (Note 3)	6,407,859	1,115,148	7,523,007	5,257,996
Inventories held for sale	586,947	-	586,947	484,654
Prepaid expenses	74,069	-	74,069	60,273
	<u>8,040,980</u>	<u>2,797,635</u>	<u>10,838,615</u>	<u>10,791,558</u>
Capital assets (Note 4)	408,387	-	408,387	264,384
	<u>8,449,367</u>	<u>2,797,635</u>	<u>\$11,247,002</u>	<u>\$ 11,055,942</u>
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	\$ 1,812,296	\$ -	\$ 1,812,296	\$ 1,807,829
Due to Province of Ontario (Note 2)	496,167	-	496,167	384,875
Deferred contributions (Note 5)	69,605	-	69,605	84,728
	<u>2,378,068</u>	<u>-</u>	<u>2,378,068</u>	<u>2,277,432</u>
Obligation for employee future benefits (Note 6)	79,909	-	79,909	97,541
	<u>2,457,977</u>	<u>-</u>	<u>2,457,977</u>	<u>2,374,973</u>
Net Assets				
Forest Renewal Fund (Note 7)	-	2,797,635	2,797,635	3,015,594
General Fund	5,583,003	-	5,583,003	5,400,991
Invested in capital assets	408,387	-	408,387	264,384
	<u>5,991,390</u>	<u>2,797,635</u>	<u>8,789,025</u>	<u>8,680,969</u>
	<u>\$ 8,449,367</u>	<u>\$ 2,797,635</u>	<u>\$11,247,002</u>	<u>\$ 11,055,942</u>

On behalf of the Board:



Director



Director

Algonquin Forestry Authority
Statement of Operations

For the year ended March 31

	General Fund	Forest Renewal Fund	Total 2024	Total 2023
Revenues				
Product sales	\$ 17,322,222	\$ -	\$ 17,322,222	\$ 15,998,962
Forest renewal fees	-	1,661,207	1,661,207	1,362,134
Standing timber sales	632,303	-	632,303	1,017,672
Other (Note 8)	1,973,044	603,649	2,576,693	2,078,752
	<u>19,927,569</u>	<u>2,264,856</u>	<u>22,192,425</u>	<u>20,457,520</u>
Expenses				
Direct program costs	15,953,637	2,114,565	18,068,202	17,351,179
Crown timber stumpage charges (Note 2)	1,179,659	-	1,179,659	1,360,056
Public access road maintenance	390,123	-	390,123	303,686
Operations planning	305,852	-	305,852	347,896
Wood measurement	63,379	-	63,379	68,769
	<u>17,892,650</u>	<u>2,114,565</u>	<u>20,007,215</u>	<u>19,431,586</u>
Excess of revenues over expenses before items below	<u>2,034,919</u>	<u>150,291</u>	<u>2,185,210</u>	<u>1,025,934</u>
Administrative and other				
Salaries and benefits	1,309,594	327,818	1,637,412	1,451,562
Office supplies and other	87,984	272	88,256	109,884
Office rent	56,286	25,585	81,871	85,241
Insurance	52,060	-	52,060	42,839
Directors' allowance	45,746	-	45,746	41,891
Staff travel and training	32,174	3,611	35,785	27,927
Consulting, legal and miscellaneous	26,110	-	26,110	10,738
Public relations	16,149	-	16,149	16,182
Interest and bank charges	1,461	-	1,461	936
Bad Debt	1,334	-	1,334	101,446
Amortization of capital assets	80,006	10,964	90,970	88,804
	<u>1,708,904</u>	<u>368,250</u>	<u>2,077,154</u>	<u>1,977,450</u>
Excess (deficiency) of revenue over expenses for the year	<u>\$ 326,015</u>	<u>\$ (217,959)</u>	<u>\$ 108,056</u>	<u>\$ (951,516)</u>

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

Algonquin Forestry Authority
Statement of Changes in Net Assets

For the year ended March 31, 2024

	Invested in Capital Assets	Forest Renewal Fund	General Fund	Total
Balance, beginning of year	\$ 264,384	\$ 3,015,594	\$ 5,400,991	\$ 8,680,969
Excess (deficiency) excess of revenues over expenses	(90,970)	(217,959)	416,985	108,056
Interfund transfers	234,973	-	(234,973)	-
Balance, end of year	\$ 408,387	\$ 2,797,635	\$ 5,583,003	\$ 8,789,025

For the year ended March 31, 2023

	Invested in Capital Assets	Restricted Forest Renewal Fund	Unrestricted- General Fund	Total
Balance, beginning of year	\$ 299,484	\$ 3,614,982	\$ 5,718,019	\$ 9,632,485
Excess (deficiency) of revenue over expenses	(88,804)	(599,388)	(263,324)	(951,516)
Interfund transfers	53,704	-	(53,704)	-
Balance, end of year	\$ 264,384	\$ 3,015,594	\$ 5,400,991	\$ 8,680,969

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

Algonquin Forestry Authority Statement of Cash Flows

For the year ended March 31	2024	2023
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 108,056	\$ (951,516)
Items not involving cash and cash equivalents:		
Amortization of capital assets	90,970	88,804
Gain on sale of capital assets	(40,694)	(68,344)
	158,332	(931,056)
Changes in non-cash working capital balances:		
Accounts receivable	(2,265,011)	507,963
Inventories held for sale	(102,293)	(12,155)
Prepaid expenses	(13,796)	(22,354)
Accounts payable and accrued liabilities	4,467	(569,209)
Obligation for employee future benefits	(17,632)	(66,312)
Due to Province of Ontario	111,292	(293,291)
Deferred contributions	(15,123)	71,314
	(2,139,764)	(1,315,100)
Capital activities		
Acquisition of capital assets	(234,973)	(62,135)
Proceeds on sale of capital assets	40,694	76,775
	(194,279)	14,640
Decrease in cash and cash equivalents during the year	(2,334,043)	(1,300,460)
Cash and cash equivalents, beginning of year	4,988,635	6,289,095
Cash and cash equivalents, end of year	\$ 2,654,592	\$ 4,988,635
Comprised of:		
Cash	\$ 2,654,592	\$ 3,980,667
Cash equivalents	-	1,007,968
	\$ 2,654,592	\$ 4,988,635

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

Algonquin Forestry Authority

Notes to Financial Statements

March 31, 2024

Nature and Purpose of the Authority

Algonquin Forestry Authority (the "Authority") is a Crown Agency which was established by the Ontario Government on January 4, 1975 under the Algonquin Forestry Authority Act, 1974. The Authority is responsible for forest management in Algonquin Provincial Park and operates on a not-for-profit basis. The Authority is exempt from income taxes under the Income Tax Act.

1. Significant Accounting Policies

Basis of Accounting

The Authority's financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards, including the 4200 series of standards for government not-for-profit organizations. A statement of remeasurement gains and losses has not been presented as there is nothing to report therein.

Fund Accounting

The General fund accounts for the Authority's revenue generating and administrative activities. The Forest Renewal Fund accounts for the forest management activities, including silvicultural work.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term highly liquid investments with maturities of three months or less.

Inventories held for sale

Inventories held for sale, which consist of harvested wood not yet delivered to customers, are measured at the lower of cost and net realizable value with cost being determined on the first-in, first-out basis. Cost includes all acquisition costs incurred in bringing inventory to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Algonquin Forestry Authority

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Financial Instruments The Authority's financial assets and financial liabilities are accounted for as follows:

Cash is subject to an insignificant risk of change in value, as such, carrying value approximates fair value.

Accounts receivable are recorded at amortized cost less any amount for valuation allowances. Valuation allowances are made to reflect accounts receivable at the lower of amortized cost and the net recoverable value, when collectability and risk of loss exists. Changes in valuation allowances are recognized in the Statement of Operations.

Accounts payable and accrued liabilities, and Due to Province of Ontario are recorded at amortized cost.

The Authority does not use derivative financial instruments.

Capital Assets Capital assets are stated at cost. Amortization is provided on the straight-line basis using the following annual rates:

<u>Asset</u>	<u>Rate</u>
Automotive equipment and trailers	4 years
Portable steel structures	5 years
Technical and data processing equipment	10 years
Furniture and fixtures	10 years
Leasehold improvements	10 years

The cost of bridges and access roads is amortized over the estimated number of operating seasons for which the bridges and roads are to be used, with a maximum amortization period of 10 years. Forest renewal assets (comprised of furniture and fixtures, technical and data processing equipment, automotive equipment and trailers) are amortized on the same basis and at the same rates as the assets mentioned above.

Algonquin Forestry Authority

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Revenue Recognition Revenue from product sales and forest renewal charges are recognized when the wood is delivered, and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed and determinable.

The Authority accounts for contributions, which include government grants, under the deferral method of accounting.

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the period are accrued. Grants related to future periods are deferred and recognized in the subsequent period when the related activity occurs. Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis and at rates corresponding to those of the related capital assets.

Other income is recognized when earned.

Employee future benefits

The Authority provides termination benefits to qualifying employees for services rendered prior to January 1, 2016. The costs of severance entitlements under the Public Service of Ontario Act and unused vacation entitlements earned by employees during the year are accrued for in the financial statements. The costs of any legislated severance are recognized when earned by eligible employees.

Defined contribution plan accounting is applied to a multi-employer defined benefit plan for which the Authority has insufficient information to apply defined benefit plan accounting.

Algonquin Forestry Authority

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Measurement uncertainty

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include determination of the allowance for doubtful accounts receivable, inventory obsolescence, useful lives of capital assets and employee future benefits. Actual results could differ from those estimates. Accounts receivable (see Note 9) are subject to measurement uncertainty due to the Authority's exposure to credit risk from individual customers. These estimates are reviewed periodically and as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

Algonquin Forestry Authority Notes to Financial Statements

March 31, 2024

2. Related party transactions

The Authority, under the provisions of the Algonquin Forestry Authority Act, is subject to the direction and control of the Ministry of Natural Resources ("the Ministry"). During the normal course of operations, the Authority entered in the following related party transactions with the Ministry during the year:

- i. Received funding for the reimbursement of road construction and maintenance costs (see Notes 5 and 8)
- ii. Paid crown timber stumpage charges
- iii. The Province of Ontario is responsible for the cost of non-pension post-retirement benefits (see Note 6c)

All related party balances have been recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

The balance due to Province of Ontario at year end of \$496,167 (2023 - \$384,875) is non-interest bearing with no specific terms of repayment and is the result of unspent funding received in the fiscal year and Crown timber stumpage charges. Crown timber stumpage charges are incurred during the normal course of operations and are paid to the Ministry. Any amounts owing by the Authority at year end are recorded as due to Province of Ontario on the Statement of Financial Position. Year end balances are normally settled in full in the first quarter of the following year.

Total remuneration of the Board members of the Authority was approximately \$45,746 (2023 - \$41,894) during the fiscal year.

3. Accounts Receivable

	2024	2023
Trade receivables	\$ 5,615,994	\$ 4,539,742
Billable stumpage and other	1,907,013	762,959
	7,523,007	5,302,701
Less: allowance for doubtful accounts	-	(44,705)
	\$ 7,523,007	\$ 5,257,996

Algonquin Forestry Authority Notes to Financial Statements

March 31, 2024

4. Capital assets

	2024			2023		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Bridges and access roads	\$ 5,346,799	\$ 5,346,799	\$ -	\$ 5,346,799	\$ 5,346,799	\$ -
Portable steel structures	963,000	892,112	70,888	963,000	876,404	86,596
Forest renewal assets	435,773	389,640	46,133	428,886	381,241	47,645
Automotive equipment	359,100	227,640	131,460	267,864	267,864	-
Technical equipment	193,565	143,972	49,593	193,218	140,933	52,285
Data processing equipment	191,722	107,643	84,079	149,892	95,641	54,251
Furniture and fixtures	44,578	33,231	11,347	33,546	32,450	1,096
Leasehold improvements	52,881	39,003	13,878	52,881	32,354	20,527
Trailers	12,550	11,541	1,009	12,550	10,566	1,984
	<u>\$ 7,599,968</u>	<u>\$ 7,191,581</u>	<u>\$ 408,387</u>	<u>\$ 7,448,636</u>	<u>\$ 7,184,252</u>	<u>\$ 264,384</u>

Algonquin Forestry Authority
Notes to Financial Statements

March 31, 2024

5. Deferred contributions

	Road construction and maintenance	Public access road maintenance	2024 Total	2023 Total
Balance, beginning of year	\$ -	\$ 84,728	\$ 84,728	\$ 13,414
Add: contributions received in year	1,368,775	375,000	1,743,775	1,774,976
Less: amount spent in year	(1,368,775)	(390,123)	(1,758,898)	(1,703,662)
Balance, end of year	\$ -	\$ 69,605	\$ 69,605	\$ 84,728

Algonquin Forestry Authority Notes to Financial Statements

March 31, 2024

6. Employee future benefits

(a) Multi-employer pension plan

The Authority's full-time employees participate in the Public Service Pension Fund ("PSPF") which is a defined benefit pension plan for certain employees of the Province of Ontario and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPF, determines the Authority's annual payments to PSPF. As the sponsor is responsible for ensuring that the pension fund is financially viable, any surpluses or unfunded liabilities arising from the statutory actuarial funding valuations are not assets or obligations of the Authority. The Authority's payments for the year of \$146,816 (2023 - \$149,991) are included in salaries and benefits in the Statement of Operations.

(b) Termination benefits

The Authority provides termination benefits to qualifying employees. All full-time employees hired before April 1, 2014 qualify for a severance payment equal to one week of salary for each year of continuous service with the Authority provided before January 1, 2016, to a maximum of one-half of the employees' annual salary. The total obligation for vested severance payments amounts to \$79,909 (2023 - \$97,541).

(c) Non-pension post-retirement benefits

The cost of other non-pension post-retirement benefits is the responsibility of the Province of Ontario, a related party, and accordingly is not accrued or included in the Statement of Operations.

Algonquin Forestry Authority Notes to Financial Statements

March 31, 2024

7. Forest Renewal Fund

Effective January 11, 2023, the Authority renewed its agreement with the Ministry to perform forest renewal activities, key examples of which are artificial regeneration and tending. Funding, on a cost recovery basis, for these activities is derived from stumpage charges levied under the Crown Forest Sustainability Act and grants from the Forestry Futures Trust. The renewed agreement will expire on March 31, 2042.

The agreement requires the Authority to maintain a minimum balance of \$1,500,000 in the Forest Renewal Fund. At year end a balance of \$2,797,635 (2023 - \$3,015,594) is maintained in cash and cash equivalents and accounts receivable.

The Board of Directors has approved, by resolution, that any loss incurred in the Forest Renewal Fund resulting from forest renewal activity expenses exceeding revenues, net of related capital asset amortization, during the year which cannot be funded by the Forest Renewal Fund without causing the Forest Renewal Fund balance to fall below \$2,500,000 shall be funded by the General Fund. No amount has been transferred during the year (2023 - \$Nil).

Under the agreement, forest renewal fees shall only be used to carry out eligible silvicultural work.

Algonquin Forestry Authority Notes to Financial Statements

March 31, 2024

8. Other revenue

	2024	2023
Ministry reimbursement - road construction and maintenance (i)	\$ 1,368,775	\$ 1,399,976
Ministry reimbursement - public road maintenance	390,123	303,686
Interest income	244,577	148,301
Gain on sale of capital assets	40,694	68,344
Forestry Futures Trust Ontario	530,595	153,965
Other	1,929	4,480
	\$ 2,576,693	\$ 2,078,752

(i) Pursuant to an agreement with the Ministry, the Authority received \$1,368,775 (2023 - \$1,399,976) for the reimbursement of road construction and maintenance costs on eligible primary and branch forest access roads where access to those roads is not limited to the forest industry.

Algonquin Forestry Authority Notes to Financial Statements

March 31, 2024

9. Financial Instrument Risk

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Authority's credit risk arises from its financial assets including cash and accounts receivable. The Authority's accounts receivable are due from various customers and from government agencies. The collectability of the accounts is assessed annually by the Authority and an allowance for doubtful accounts is recorded where appropriate. All cash deposits are held with financial institutions. The amounts outstanding at year end are as follows:

	2024				
	Total	Current	31 - 60 days	61 - 90 days	Over 91 days
Customer receivables	\$ 7,032,939	\$ 3,142,985	\$ 1,659,575	\$ 626,317	\$ 1,604,062
Recoverable expenses	490,068	490,068	-	-	-
Gross receivables	7,523,007	3,633,053	1,659,575	626,317	1,604,062
Less: allowance for doubtful accounts	-	-	-	-	-
Net Receivables	\$ 7,523,007	\$ 3,633,053	\$ 1,659,575	\$ 626,317	\$ 1,604,062
	2023				
	Total	Current	31 - 60 days	61 - 90 days	Over 91 days
Customer receivables	\$ 4,881,152	\$ 4,404,434	\$ 306,386	\$ 161,774	\$ 8,558
Recoverable expenses	421,549	421,549	-	-	-
Gross receivables	5,302,701	4,825,983	306,386	161,774	8,558
Less: allowance for doubtful accounts	(44,705)	-	-	(36,147)	(8,558)
Net Receivables	\$ 5,257,996	\$ 4,825,983	\$ 306,386	\$ 125,627	-

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

Algonquin Forestry Authority Notes to Financial Statements

March 31, 2024

9. Financial Instrument Risk (continued)

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, contractors' performance holdbacks and amounts due to the Province of Ontario. The Authority mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining adequate cash balances in the near-term if unexpected cash outflows arise.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

		2024			
		Within 6 months	6 months to 1 year	1-5 years	>5 Years
Accounts payable					
and accrued liabilities	\$	1,812,296	-	-	-
Due to Province of Ontario		496,167	-	-	-
	\$	2,308,463	-	-	-
		2023			
		Within 6 months	6 months to 1 year	1-5 years	>5 Years
Accounts payable					
and accrued liabilities	\$	1,807,829	-	-	-
Due to Province of Ontario		384,875	-	-	-
	\$	2,192,704	-	-	-

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