

# 2024–25 Annual Report



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## Message from the Chair and the Chief Executive Officer

The 2024–25 fiscal year was an exciting time for the Walkerton Clean Water Centre (the Centre) as it pursued its vision of clean, safe water for everyone in Ontario.

Over the course of the fiscal year, the Centre offered a variety of high-quality courses and delivered this training to more than 8,100 participants across Ontario. This included specialized courses that provided detailed information on topics of importance, and the three mandatory courses required for certification in Ontario — *Entry-Level Course for Drinking Water Operators*; *Operation of Small Drinking Water Systems*; and *Mandatory Certificate Renewal Course (2024-2026)* — which were delivered by the Centre on behalf of the Ministry of the Environment, Conservation and Parks (the Ministry). Courses were provided in classroom, correspondence, e-learning and live virtual formats to improve the accessibility and affordability of training across Ontario. The Centre's quality assurance program ensured that standards were upheld for all training initiatives. The quality assurance index indicated that 96.1 per cent of survey respondents provided overall course ratings of good or excellent.

Our commitment to supporting First Nations drinking water systems has not waned. During the year, the Centre delivered two sessions of *Entry-Level Course for Drinking Water Operators for First Nations*, six sessions of *Managing Drinking Water Systems in First Nations Communities*, and 25 specialized course sessions to help operators improve their skills and knowledge as they continued in their careers. Based on client feedback, we also launched three new courses to meet the needs of operators of drinking water systems in First Nations communities.

The Technology Demonstration Facility continued to serve as a platform for pilot testing as the Centre undertook increasingly complex projects to help clients address their system vulnerabilities and address contaminants of emerging concern. Information and advice were also provided to clients through the Helpline and technical tours, which educated 473 individuals about the equipment and operational requirements necessary to ensure that drinking water is safe.

We would like to take this opportunity to express our gratitude to those who have contributed to the Centre's success: the Ministry who provided financial support and assistance; the Board of Directors who oversaw the Centre's operations; and Centre staff who were dedicated to our mission. Most importantly, we thank the drinking water professionals whose hard work continues to help ensure clean, safe water across Ontario.



Mike Smith  
Chair, Board of Directors



Brian Bates, M.B.A., B.Sc.  
Chief Executive Officer

## Corporate Profile

The Centre, a board-governed operational service agency of the Government of Ontario, was established in October 2004 in response to Associate Chief Justice Dennis O'Connor's recommendations in the Report of the Walkerton Inquiry. The Centre coordinates and provides education, training and information to water system owners, operators, operating authorities and the public, across Ontario.

The Centre delivers a comprehensive range of training, including specialized courses and the three mandatory courses required for certification in Ontario: *Entry-Level Course for Drinking Water Operators*; *Operation of Small Drinking Water Systems*; and *Mandatory Certificate Renewal Course (2024-2026)*. The Centre also collaborates on initiatives to improve drinking water in First Nations communities.

The Technology Demonstration Facility, with its laboratory and water treatment and distribution technologies, facilitates hands-on training and pilot testing providing education, information and advice on water treatment and distribution technologies, operational requirements and environmental issues related to water. The Centre also assesses research gaps and may sponsor research projects that contribute to its objects.

The Centre's Helpline allows clients and the public to contact knowledgeable staff with technical questions related to drinking water treatment, operational requirements or environmental factors, improving the understanding of common drinking water issues.

The Centre focuses on client engagement to effectively meet the needs of drinking water professionals and undertakes research to investigate clients' training needs, preferences, and possible gaps in services. Research results help ensure that programs are tailored to meet clients' needs.

## Mission






We provide system owners, operators, and operating authorities the education, information, and advice they need to provide clean, safe drinking water.

## Vision

Clean, safe water for everyone in Ontario.

## Objects

Ontario Regulation 304/04, made under the *Development Corporations Act*, R.S.O. 1990, chapter D.10, defines the Centre's objects, which are delivered independently or in conjunction with other organizations:

-  To co-ordinate and deliver education and training for owners, operators and operating authorities of drinking water systems.
-  To provide information, education and advice to owners, operators and operating authorities of drinking water systems and to the public about,
  - i. the treatment of water necessary to ensure that drinking water is safe,
  - ii. the equipment and technology used to ensure that drinking water is safe,
  - iii. the operational requirements necessary to ensure that drinking water is safe, and
  - iv. other environmental issues related to drinking water.
-  To sponsor research into any activities related to its objects.
-  To provide advice to the Minister of the Environment, Conservation and Parks (Minister) on research and development priorities to achieve and maintain safe drinking water.
-  To conduct such further activities, consistent with its objects, as are described in any policy direction issued by the Minister or as set out in any agreement with the Minister.

## Accountability and Operations Frameworks

The Centre is governed by Ontario Regulation 304/04, made under the *Development Corporations Act*, R.S.O. 1990, chapter D.10, the Centre's bylaw, and a Memorandum of Understanding between the Minister and the Centre. The Centre is committed to public transparency and accountability to the people of Ontario, and it achieves its objects from within the bounds of all applicable acts, regulations, policies and directives.

As part of the Centre's accountability structure, in accordance with Ontario Regulation 304/04 and the Agencies and Appointments Directive, the Centre must submit an annual report, which includes the Centre's audited financial statements. The Centre submits the report to the Minister, who tables it in the Ontario legislature. Subsequently, the report is posted in English and French on the Centre's website, [www.wcwc.ca](http://www.wcwc.ca).

The Board of Directors is responsible for ensuring that there is an annual external audit of the Centre's operations and financial transactions as required by both Ontario Regulation 304/04 and the Memorandum of Understanding. The annual audit was completed by MNP LLP and is subject to review by the Office of the Auditor General of Ontario. In addition, the Ministry may review the Centre's operations at least once every three years and the Minister may request an additional audit at any time.

In addition to this piece of the accountability framework, the Centre develops and implements policies and procedures to ensure the transparency and accountability of its operations.

## Corporate Governance

The Lieutenant Governor in Council, on the advice of the Minister, appoints the Centre's Board of Directors, comprised of up to 12 members. Members hold office for terms of up to three years and are eligible for reappointment for successive terms. The Board of Directors is accountable to the Ontario legislature through the Minister and, under the leadership of the Chair, is responsible for overseeing the management of the Centre's operations. The Board of Directors met regularly during the 2024–25 fiscal year. Individuals who served on the Board of Directors during the 2024–25 fiscal year included:

### **Mike Smith (Chair)**

Member since: August 29, 2019

Current term: September 15, 2022–September 14, 2025

2024–25 meetings attended: three full-day, three half-day

2024–25 remuneration (excluding expenses): \$3,000.00

### **Scott Carter, CET**

Member since: November 28, 2019

Current term: February 16, 2023–February 15, 2026

2024–25 meetings attended: two full-day, two half-day

2024–25 remuneration (excluding expenses): \$1,100.00

### **Kimberly Mitchell, P.Eng.**

Member since: May 6, 2021

Current term: May 30, 2024–May 29, 2027

2024–25 meetings attended: two full-day, one half-day

2024–25 remuneration (excluding expenses): \$962.50

### **Stephen Spitzig, CPA, CMA (Treasurer)**

Member since: October 12, 2004

Current term: June 20, 2024–June 19, 2027

2024–25 meetings attended: three full-day, three half-day

2024–25 remuneration (excluding expenses): \$2,200.00

### **Alan Boucher**

Member since: May 6, 2021

Current term: May 30, 2024–May 29, 2027

2024–25 meetings attended: three full-day, one half-day

2024–25 remuneration (excluding expenses): \$1,375.00

### **Noel Kerin**

Member since: January 7, 2021

Current term: May 9, 2024–May 8, 2027

2024–25 meetings attended: three full-day, one half-day

2024–25 remuneration (excluding expenses): \$1,375.00

### **Ann Mulvale**

Member since: May 13, 2021

Current term: June 20, 2024–June 19, 2027

2024–25 meetings attended: two full-day, one half-day

2024–25 remuneration (excluding expenses): \$962.50

### **Mitch Twolan**

Member since: May 27, 2021

Current term: May 30, 2024–May 29, 2027

2024–25 meetings attended: three full-day, one half-day

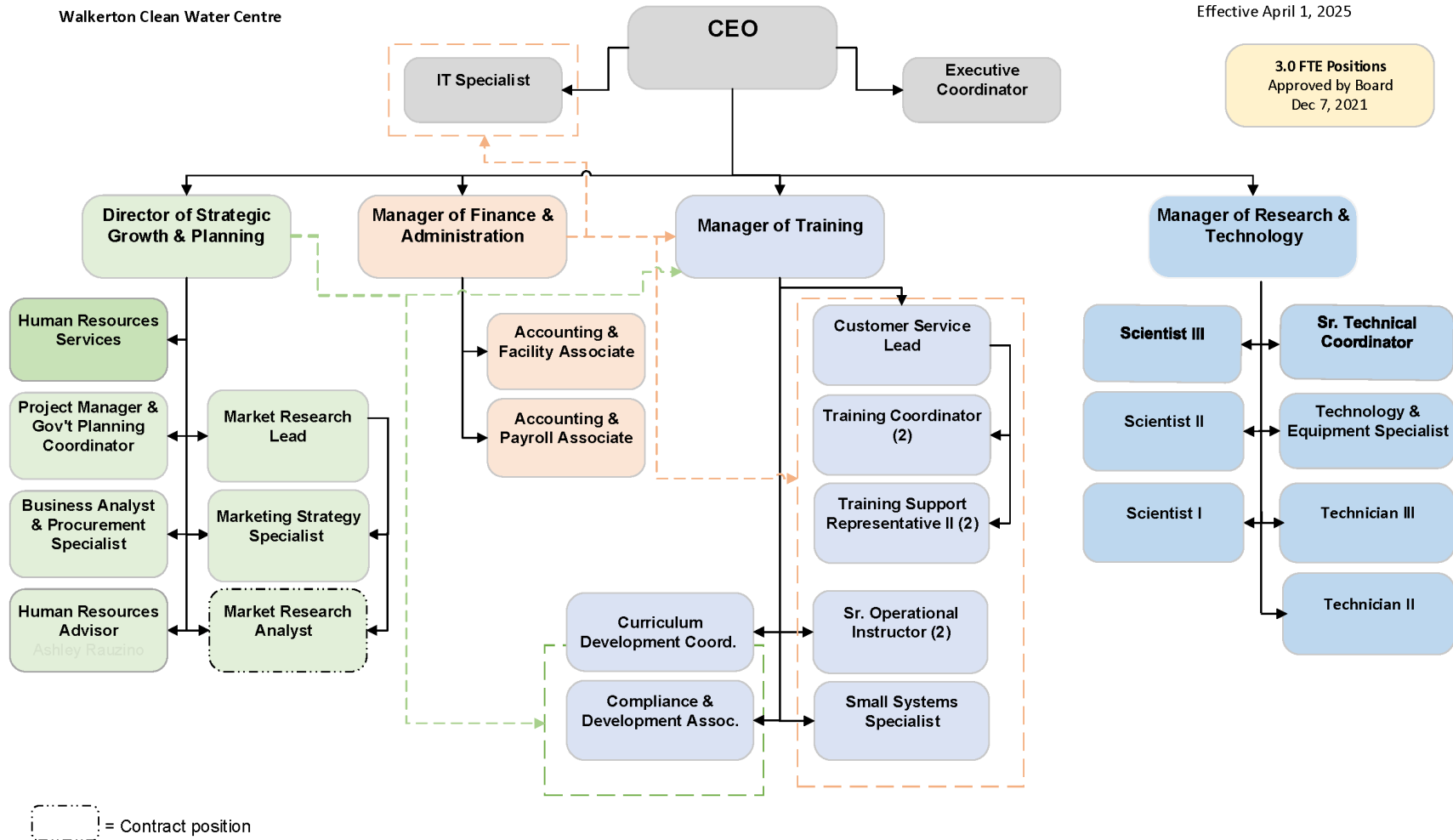
2024–25 remuneration (excluding expenses): \$1,375.00



# Organization Chart

Walkerton Clean Water Centre

Effective April 1, 2025








## Goals and Strategic Directions

The Centre's three-year business plan, which is completed on an annual basis, outlines its direction for the future, while making the best use of available resources to deliver on its goals. During the 2024–25 fiscal year, the Centre continued to focus on foundational programs that meet the needs of its clients and worked towards the goals laid out in a new strategic plan, approved by the Board of Directors in December 2023. These goals include growing e-learning programs and expanding support for First Nations communities.

## Summary of Performance

The letter of direction from the Minister to the board Chair for the 2024–25 fiscal year set out expectations for the Centre to focus on:

-  Coordinating and delivering a comprehensive range of high-quality education and training across Ontario, with a focus on addressing drinking water system vulnerabilities.
-  Delivering relevant training to operators of First Nations drinking water systems throughout the province, supporting initiatives that contribute to the improvement of drinking water for First Nations communities, and making programs available to First Nations managers and community leadership.
-  Providing necessary information and advice to clients provincewide to help ensure that drinking water is safe.
-  Supporting owners and operators of vulnerable drinking water systems to resolve operating challenges through applied research and delivery of pilot testing services.
-  Continuing to expand virtual training and e-learning courses available to drinking water system owners and operators and informing potential participants that these courses are available electronically.

In response to the letter of direction, the Centre provided education and training to drinking water systems owners, operators, operating authorities and the public. A range of high-quality mandatory and specialized training was delivered to more than 8,100 participants. This included the three mandatory courses required for certification in Ontario — *Entry-Level Course for Drinking Water Operators*; *Operation of Small Drinking Water Systems*; and *Mandatory Certificate Renewal Course (2024-2026)* — which were administered and delivered by the Centre on behalf of the Ministry. Since its inception, the Centre has provided training to more than 125,000 participants.

The Centre supported operators and managers of First Nations drinking water systems and community leaders through the delivery of two sessions of *Entry-Level Course for Drinking Water Operators for First Nations*, six sessions of *Managing Drinking Water Systems in First Nations Communities* and 25 specialized course sessions.

Information and advice were provided to clients through the Helpline. This resource is available at no charge to help improve clients' understanding of common water issues.


Through pilot projects, the Centre provided information on source water quality, treatment performance and alternative treatment technologies for vulnerable water systems. Two pilot projects were completed to help clients address their site-specific challenges and six more were underway at the end of the 2024–25 fiscal year.

As part of the Centre’s enhanced focus on client engagement, research was undertaken to examine needs and gaps in provincial services to support drinking water operations in First Nations communities. The Centre also continued to investigate wastewater training needs, gaps and preferences for operators and managers in Ontario. A comprehensive and systematic process was implemented at the Centre to prioritize projects based on direct feedback from operators and system owners, aligning initiatives with their immediate operational priorities.

## Goal: Foundational Programs

### *Performance Indicator: Mandatory and Specialized Training*

#### **Performance Target**

 Train 8,850 participants

#### **Result**

 Training was provided to 8,132 participants

The Centre set an ambitious target to train 8,850 participants during the fiscal year. While the Centre trained a record number of participants, almost 600 more than the previous year, the total number trained was lower than forecast. One major contributor to the shortfall in the number of training participants is the success of the Centre's Maintenancefest events. Maintenancefest is a very popular hands-on training opportunity that allows participants to apply their practical skills. Additionally, it is an intensive two-day event, as opposed to most courses that are completed in one day. As the number of Maintenancefest events increased in response to client requests, and the number of training hours increased in tandem, the total number of training participants did not increase at the same rate. However, the total number of training hours delivered by the Centre increased by 13 per cent over the prior year.

The breakdown of training participants for the fiscal year can be seen on the following page.


Course	Participants 2022–23 Fiscal Year	Participants 2023–24 Fiscal Year	Participants 2024–25 Fiscal Year
<i>Entry-Level Course for Drinking Water Operators</i> (classroom)	375	389	402
<i>Mandatory Certificate Renewal Course (2021-2023)</i> (classroom, correspondence and live virtual)	1,139	598	--*
<i>Mandatory Certificate Renewal Course (2024-2026)</i> (classroom, correspondence, e-learning and live virtual)	-- *	1,095	1,743
<i>Operation of Small Drinking Water Systems</i> (classroom, correspondence and e-learning)	1,604	1,522	1,439
<b>SUBTOTAL: MANDATORY COURSES</b>	<b>3,118</b>	<b>3,604</b>	<b>3,584</b>
Specialized courses **	3,208 **	2,935 **	4,160 **
<i>Entry-Level Course for Drinking Water Operators for First Nations</i>	44	41	13
<i>Managing Drinking Water Systems in First Nations Communities</i>	52	57	33
<i>Municipal Drinking Water Licensing Program</i>	249	361	224
<i>Responsibilities Under the Statutory Standard of Care — Safe Drinking Water Act</i>	1,245	551	118
<b>SUBTOTAL: NON-MANDATORY COURSES</b>	<b>4,798</b>	<b>3,945</b>	<b>4,548</b>
<b>TOTAL</b>	<b>7,916</b>	<b>7,549</b>	<b>8,132</b>

\* This summary illustrates the transition from *Mandatory Certificate Renewal Course (2021–2023)* to *Mandatory Certificate Renewal Course (2024–2026)*, which was launched January 2, 2024. Drinking water system operators require this mandatory course to renew their certification every three years.


\*\* Includes participants from First Nations communities.

## Performance Indicator: Hands-On Courses

### Performance Target

 Offer one new or refreshed hands-on course/module, with two sessions delivered within 12 months of launch

### Result

 Four refreshed hands-on courses and five refreshed hands-on Maintenancefest modules were launched, and a total of 31 sessions were delivered by March 31, 2025

During the 2024–25 fiscal year, the Centre refreshed four hands-on courses and five hands-on Maintenancefest modules: *Leak Detection and Flow Measurement*; *Performing Inspection and Maintenance of Fire Hydrants*; *Water Quality Analyst*; *Basic Chemistry*; *Continuous Free Chlorine Monitoring*; *Maintenance of Valves*; *Chemical Dosing Equipment*; *Leak Detection*; and *Water Metering Awareness*. A total of 31 sessions of these refreshed courses and modules were delivered across Ontario to provide practical experience for operators of small drinking water systems.

The Centre also continued to deliver existing hands-on courses and training events. One popular hands-on training initiative is Maintenancefest, which includes a variety of two-hour training modules led by water professionals. The annual event in Walkerton, Ontario was attended by 100 participants. Maintenancefest events were also delivered in Kingston, Sault Ste. Marie, South Woodlee, and Thunder Bay, Ontario, provided training to a total of 221 participants.

Another popular hands-on course that supports new entrants to the industry is *Operation of Conventional Treatment Processes*. This two-day course was delivered to 116 postsecondary students, 20 more than the previous year. Of these students, 105 were enrolled in one of the Ontario colleges that deliver the Ministry's mandatory *Entry-Level Course for Drinking Water Operators* as part of their curriculum.


Another successful specialized training initiative is the two-day Drinking Water Quality Management Standard Workshop, which was delivered in Cambridge, Cobourg and Sudbury, Ontario to a total of 145 participants. The Centre hosted this workshop as a follow-up to the course, *Drinking Water Quality Management Standard*, allowing quality management standard representatives, utility management and staff, regulators and municipal decision-makers to rotate through interactive breakout sessions facilitated by industry experts.

## ***Performance Indicator: In-Class/Live, Virtual Courses***

### **Performance Target**

 Offer three new or refreshed courses

### **Result**

 One new course and three refreshed courses were launched


The Centre introduced one new course (*Drinking Water Advisories in First Nations Communities*) and one refreshed course (*Mandatory Certificate Renewal Course (2024-2026)*) available through in-class and virtual delivery with a live instructor. The live virtual delivery of these courses will help to improve the affordability and accessibility of training across Ontario. This delivery format is also beneficial for participants due to its interactive nature. The Centre also refreshed two courses available through in-class delivery, *Ozone in Drinking Water Treatment*, and *Ultraviolet Light Treatment for Drinking Water*.

The Centre also delivered two training modules – adapted from the Centre’s *Public Health Inspector* course – to Ministry water compliance officers and summer students working as part of the Ministry’s initiative to provide information to owners of small drinking water systems on the importance of safe drinking water. The first module was delivered virtually with a live instructor, to ensure accessibility across Ontario, and the second module was delivered in-class, allowing participants to complete hands-on activities with small systems equipment. The in-class sessions were held in Guelph, Peterborough, and Ottawa, Ontario.




## ***Performance Indicator: Training Quality – Quality Assurance Index***

### **Performance Target**

-  Maintain a quality assurance index of >0.950




### **Result**

-  The quality assurance index was 0.961 of a maximum score of 1.000

The Centre is committed to training excellence and continuous improvement and maintains a quality assurance index to monitor the satisfaction of training participants. The score was calculated from participants' course evaluations that rated instructors, course content and overall course satisfaction.


The quality assurance index for the 2024–25 fiscal year was 0.961 out of a possible 1.000. The quality assurance index indicates that, for all courses combined, 96.1 per cent of survey respondents provided an overall course rating of good or excellent from the options: very poor; poor; fair; good; and excellent.

A number of other factors also contribute to the Centre's high-quality training:

-  Instructors are required to pass a two-day train-the-trainer workshop that includes a practical evaluation of their ability to deliver training.
-  Participant feedback forms are collected after every training session and compiled to provide a rating for each session.
-  New curricula are developed based on input from a range of sources, including training participants and industry standards.

### ***Performance Indicator: Technical Tours of the Technology Demonstration Facility***

#### **Performance Target**

 Provide technical tours to 350 individuals


#### **Result**

 The Centre provided technical tours to 473 individuals


The Centre's Technology Demonstration Facility reflects the variety of water treatment and distribution technologies used in Ontario. During the 2024–25 fiscal year, 473 individuals — including course participants, industry representatives, postsecondary and high school students — received technical tours focussing on the equipment and operational requirements necessary to ensure that drinking water is safe. The Centre also provided non-technical tours to 220 individuals to share general information about drinking water.

## ***Performance Indicator: Pilot Testing***



### **Performance Target**

 Complete nine pilot projects

### **Result**

 Two pilot projects were completed during the 2024–25 fiscal year and six more remain in progress as of March 31, 2025

Through pilot projects, the Centre provides information on source water quality, treatment performance and alternative treatment technologies for clients across Ontario as they address site-specific challenges. The Centre completed two pilot projects and six more were ongoing at the end of the fiscal year:

-  A drinking water treatment plant of a First Nation community located in Northern Ontario treats raw water containing elevated concentrations of natural organic matter, which creates high levels of disinfection by-products during the chlorine disinfection process. The Centre conducted bench scale testing of natural organic removal technologies followed by simulated distribution system experiments to assess the resulting disinfection by-products formation. These technologies included Granular Activated Carbon (GAC), magnetic ion exchange (MIEX®), and fixed-bed ion exchange (IX).
-  A Northern Ontario First Nation community uses a conventional water treatment process to treat source water containing high levels of natural organic matter (NOM). The community approached the Centre to assist in testing treatment options to reduce the NOM to meet Canadian guidelines for disinfection by-products (trihalomethanes and haloacetic acids). Using samples of raw water shipped to the Centre, bench scale tests were conducted over several seasons to determine the performance of IX, GAC filtration and enhanced coagulation as NOM removal technologies. Simulated distribution system tests showed disinfection by-products below half of the maximum acceptable concentration for both GAC and IX technologies, while the samples treated by enhanced coagulation were below the maximum acceptable concentration but above its half.

Clients who participated in pilot projects can use the results to engage further with professional engineering firms and consultants to address site-specific vulnerabilities. Results may also contribute to the Centre's development of new courses or be used to improve existing training. Pilot project results may also be shared through conference presentations, articles in industry publications and fact sheets.

Although the number of completed pilot projects did not meet the optimistic goal set for the year, the Centre undertook increasingly complex, longer-term projects to support its clients. For example, the Centre continued a pilot project to investigate the performance of biological filtration through a partnership with the United States Environmental Protection Agency (US EPA) Center for


Environmental Solutions and Emergency Response, which provided its patented pilot system for the Centre's use. The pilot project investigated the efficacy of the innovative and cost-effective technology in the biological removal of naturally occurring ammonia from an Ontario water system. Since this process is biological in nature, adequate time must be allotted in the test schedule to allow biology to colonize the media. Furthermore, during project execution, it was determined that pilot plant upgrades were necessary to evidence the concurrent biological removal of manganese, extending the project timeline. Upon completion, project results will be shared with the US EPA to strengthen the mutual understanding of biological filtration processes and increase public knowledge of best practices.

The Centre also continued pilot projects related to emerging issues, such as the removal of per- and polyfluoroalkyl substances. This included building an experimental set-up and identifying and avoiding sources of contamination. These projects, which address complex problems and anticipated concerns, can require more resources, have longer durations due to seasonal sampling requirements, and necessitate more work at clients' sites. The Centre foresees continuance of challenging, longer-term projects to best help clients address their system vulnerabilities and contaminants of emerging concern.

## Goal: Grow E-Learning Programs

### *Performance Indicator: E-Learning*

#### Performance Target

 Introduce three new e-learning courses

#### Result





 Three new e-learning courses were introduced

The Centre introduced three new e-learning courses: *Cours d'éthique à l'intention des apprentis exploitants de réseaux d'eau potable*; *Introduction to First Nations Guidance Documents*; and *Mandatory Certificate Renewal Course (2024-2026)*. These courses, which are available in a self-directed format, help to improve the affordability, flexibility and accessibility of training across Ontario.





## Goal: Expand Support for First Nations Communities

### *Performance Indicator: Support for Operators of First Nations Water Systems*

#### Performance Targets

-  Deliver three sessions of *Entry-Level Course for Drinking Water Operators for First Nations*
-  Deliver five sessions of *Managing Drinking Water Systems in First Nations Communities*
-  Deliver 20 specialized course sessions
-  Develop three new/enhanced courses

#### Results

-  Two sessions of *Entry-Level Course for Drinking Water Operators for First Nations* were delivered
-  Six sessions of *Managing Drinking Water Systems in First Nations Communities* were delivered
-  Twenty-five specialized course sessions were delivered
-  Three new courses developed

The Centre and its collaborator, Keewaytinook Okimakanak, delivered two sessions of *Entry-Level Course for Drinking Water Operators for First Nations*. At the request of clients, two additional sessions that had been planned are being rescheduled for the 2025–26 fiscal year. Each session was a two-week initiative with one week of supervised self-study and one week of hands-on training. The curriculum was tailored specifically to the experience of water system operators in First Nations communities, and training was provided at no cost to participants.

The Centre also delivered six sessions of *Managing Drinking Water Systems in First Nations Communities*. These sessions provided information related to effective water system management, resources and practical tools for Chiefs and councils, managers and supervisors responsible for water systems.

Twenty-five specialized course sessions were also coordinated and delivered to operators of First Nations water systems, surpassing the target. With more operators having completed *Entry-Level Course for Drinking Water Operators for First Nations*, the Centre is seeing increased demand for specialized training as these operators continue their careers in the water industry and improve their skills and knowledge. Going forward, the Centre will continue to provide training to contribute to the improvement of drinking water in First Nations communities.

The Centre also developed three new courses to meet the needs of drinking water system operators in First Nations communities: *Drinking Water Advisories in First Nations Communities*; *Introduction to First Nations Guidance Documents*; and *Watermain Construction and Maintenance*.

## **Analysis of Financial Performance**

### **Responsibility for Financial Information**

The Board of Directors and the Centre's management team are responsible for financial performance of the Centre. The Board of Directors reviewed and approved the financial statements and all information presented in this annual report.

### **External Audit**

MNP LLP audited the Centre's financial statements for the 2024–25 fiscal year. The chartered accountant's responsibility was to express an opinion on whether the financial statements were fairly presented in accordance with public sector accounting standards. The auditor's report outlined the scope of their examination and opinion.

The Board of Directors' Finance and Audit Committee met with the external auditor to review any issues that needed to be identified in the audit and reviewed the audited financial statements and the external auditor's report.

### **Revenue**

During the 2024–25 fiscal year, the Centre generated revenues of \$3,800,730, an increase of approximately 25 per cent from the previous fiscal year, which is the result of increased training, First Nations water program revenues, and abnormally high interest rates on investments. The Centre also received an annual transfer payment of \$3,000,000 from the Government of Ontario during the 2024–25 fiscal year to support its operations.

### **Expenses**

The Centre's internal financial management controls effectively regulated overall expenditures during the 2024–25 fiscal year. Total expenditures for the 2024–25 fiscal year were \$6,837,343, an increase of approximately seven per cent from the previous fiscal year. This increase can be attributed to general inflation and increased training expenses associated with delivering classroom training. To ensure competitiveness and fiscal accountability in training delivery, the Centre uses Vendor of Record agreements with contract instructors and curriculum developers. These vendors provide services related to the development, review and delivery of training materials and ensure flexibility in the delivery of a wide range of subject matter over a large geographical area.

**Balance Sheet**

The Centre continues to be in a strong financial position. The March 31, 2025 net asset balance of \$7,931,642 will enable the Centre to continue to contribute to water education, training and pilot testing across Ontario, and plan effectively for future initiatives.



## **Appendix A: Independent Auditor's Report**

**Walkerton Clean Water Centre**  
**Financial Statements**  
For the year ended March 31, 2025

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## Walkerton Clean Water Centre Statement of Financial Position

March 31	2025	2024
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 9,420,092	\$ 7,805,215
Accounts receivable	521,657	1,374,258
Prepaid expenses	81,645	77,962
Current portion of investments (Note 2)	<u>1,024,329</u>	<u>2,045,058</u>
	11,047,723	11,302,493
<b>Capital assets (Note 3)</b>	<u>1,310,385</u>	<u>1,201,542</u>
	<u>\$ 12,358,108</u>	<u>\$ 12,504,035</u>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 558,684	\$ 343,641
Deferred revenue (Note 4)	<u>3,745,580</u>	<u>4,668,500</u>
	4,304,264	5,012,141
<b>Deferred capital contributions (Note 5)</b>	<u>122,202</u>	<u>15,915</u>
	<u>4,426,466</u>	<u>5,028,056</u>
<b>Commitments (Note 7)</b>		
<b>Net Assets</b>	<u>7,931,642</u>	<u>7,475,979</u>
	<u>\$ 12,358,108</u>	<u>\$ 12,504,035</u>

On behalf of the Board:



Director



Director

Walkerton Clean Water Centre  
Statement of Changes in Net Assets

For the year ended March 31	2025	2024
Balance, beginning of year	\$ 7,475,979	\$ 7,484,585
Excess (shortfall) of revenue over expenses for the year	455,663	(8,606)
Balance, end of year	\$ 7,931,642	\$ 7,475,979

## Walkerton Clean Water Centre Statement of Operations

For the year ended March 31	2025	2024
Revenue (Page 6)	\$ 6,800,730	\$ 6,040,076
Expenses (Page 6)	<u>6,837,343</u>	<u>6,389,072</u>
Shortfall of revenue over expenses before interest and other income	(36,613)	(348,996)
Interest and other income	500,769	345,307
Loss on disposal of capital assets, net	<u>(8,493)</u>	<u>(4,917)</u>
Excess (shortfall) of revenue over expenses for the year	\$ 455,663	\$ (8,606)

## Walkerton Clean Water Centre Schedule of Revenue and Expenses

For the year ended March 31	2025	2024
<b>Revenue</b>		
Province of Ontario transfer payment (Note 6)	\$ 3,000,000	\$ 3,000,000
Province of Ontario transfer payment First Nations Water Program	802,197	433,500
Training registrations	2,998,533	2,606,576
	<u>\$ 6,800,730</u>	<u>\$ 6,040,076</u>
<b>Expenses</b>		
Advertising and promotion	\$ 26,374	\$ 31,198
Amortization of capital assets, net	241,499	250,381
Audit and legal	19,500	16,895
Bad debts	9,643	-
Bank and payroll charges	17,332	18,038
Conferences	30,526	14,604
Consulting services	121,075	108,987
Director fees	9,875	15,225
Employee benefits (Note 9)	897,770	800,339
Insurance	45,660	42,384
Office	133,856	118,893
Professional development	42,792	34,810
Property maintenance (recovery)	101	(591)
Recruitment	11,273	5,660
Rent	722,691	726,399
Repairs and maintenance	95,648	82,084
Research projects	36,534	21,407
Salaries	3,099,120	2,885,026
Sponsorships	11,000	18,305
Subscriptions and memberships	20,505	21,249
Telephone	15,793	13,338
Training	1,157,095	1,045,153
Travel	38,201	72,213
Vehicle	4,367	6,634
Website and communications	29,113	40,441
	<u>\$ 6,837,343</u>	<u>\$ 6,389,072</u>

## Walkerton Clean Water Centre Statement of Cash Flows

For the year ended March 31	2025	2024
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating</b>		
Excess (shortfall) of revenue over expenses	\$ 455,663	\$ (8,606)
Items not involving cash:		
Amortization of capital assets, net	241,499	250,381
Loss on disposal of capital assets	8,493	4,917
	<u>705,655</u>	<u>246,692</u>
Changes in non-cash working capital balances (Note 8)	<u>141,041</u>	<u>3,102,684</u>
	<u>846,696</u>	<u>3,349,376</u>
<b>Investing</b>		
Purchase of investments and interest reinvested	(6,024,329)	(2,045,058)
Redemption of investments	7,045,058	2,027,590
	<u>1,020,729</u>	<u>(17,468)</u>
<b>Capital</b>		
Contributions received for capital purposes	119,210	-
Acquisition of capital assets	(371,758)	(227,937)
	<u>(252,548)</u>	<u>(227,937)</u>
<b>Net increase in cash during the year</b>	<b>1,614,877</b>	<b>3,103,971</b>
<b>Cash, beginning of year</b>	<u><b>7,805,215</b></u>	<u><b>4,701,244</b></u>
<b>Cash, end of year</b>	<b>\$ 9,420,092</b>	<b>\$ 7,805,215</b>



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# Walkerton Clean Water Centre

## Notes to Financial Statements

March 31, 2025

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### 1. Summary of Significant Accounting Policies

#### Nature and Purpose of Organization

The Walkerton Clean Water Centre is an operational service agency of the Province of Ontario and was established on October 1, 2004 under the authority of The Development Corporation Act.

In accordance with the act, the Centre's objects are to:

- a) Coordinate and deliver training for drinking water system owners, operators and operating authorities.
- b) Provide advice to the Minister of the Environment, Conservation and Parks on high-priority research to achieve safe drinking water.
- c) Sponsor drinking water research within the Centre's mandate.
- d) Make technical, scientific and regulatory information related to making safe drinking water more readily available including information about the statutory standard of care.

The Centre is exempt from Federal and Provincial income taxes.

#### Basis of Presentation

The financial statements of the Centre have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board (PSAB for Government NPOs).

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and guaranteed investment certificates with a duration of less than 90 days from the date of acquisition.

#### Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at the estimated fair market value upon donation.

Labour and benefit expenses directly attributable to internally developed course curriculums are capitalized accordingly.

Amortization is based on the estimated useful life of the asset and is calculated with a half year provision as follows:

Computer equipment	- 33% declining balance
Computer software	- 50% declining balance
Course curriculums	- 15% declining balance
Leasehold improvements	- 20% declining balance
Office furniture and equipment	- 20% declining balance
Signs	- 20% declining balance
Technical equipment	- 20% declining balance
Vehicles	- 20% declining balance

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## Walkerton Clean Water Centre Notes to Financial Statements

March 31, 2025

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

**Revenue Recognition**      Transfer payments are recognized when the amount is known, collectability is reasonably assured and stipulations have been met. Revenue from training registrations is recognized when payment is receivable and the course has been completed. Interest revenue is recognized as it is earned over the period of investment. Donation revenue is recognized once the Centre has possession of the goods donated.

Restricted transfer payments for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

**Financial Instruments**      The Centre classifies its financial instruments as either fair value or amortized cost. The Centre's accounting policy for each category is as follows:

#### **Fair Value**

The category includes cash and investments that are quoted in an active market. They are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

When a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

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# Walkerton Clean Water Centre

## Notes to Financial Statements

March 31, 2025

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

#### Amortized Cost

This category includes accounts receivable, and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

#### Use of Estimates

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Areas of key estimation include determination of the allowance for doubtful accounts, estimated useful life of capital assets, and impairment of curriculum rights.

### 2. Investments

	2025	2024
Royal Bank of Canada GIC, 4.00%, due August 2025	\$ 1,024,329	\$ -
Royal Bank of Canada GIC	-	1,040,511
Royal Bank of Canada GIC	-	1,004,547
	1,024,329	2,045,058
Less amounts due within one year included in current assets	1,024,329	2,045,058
	\$ -	\$ -

## Walkerton Clean Water Centre Notes to Financial Statements

March 31, 2025

### 3. Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 384,609	\$ 312,923	\$ 341,284	\$ 288,285
Computer software	159,082	155,841	159,082	152,599
Course curriculums	1,363,968	822,882	1,306,444	840,503
Leasehold improvements	201,273	131,902	201,273	114,559
Office furniture and equipment	389,897	365,185	389,897	359,007
Signs	51,041	49,602	51,041	49,243
Technical equipment	3,504,094	2,984,413	3,382,997	2,872,408
Vehicles	151,163	71,994	135,782	89,654
	<u>\$ 6,205,127</u>	<u>\$ 4,894,742</u>	<u>\$ 5,967,800</u>	<u>\$ 4,766,258</u>
Net book value		<u>\$ 1,310,385</u>		<u>\$ 1,201,542</u>

During the year capital assets amounting to \$395,758 (2024 - \$227,937) were acquired by the centre, of which \$371,758 was acquired by means of cash, and \$24,000 by means of trade-in.

### 4. Deferred Revenue

	First Nations Water Program	First Nations Training	Training Registrations	2025	2024
Balance, beginning of year	\$ 1,446,500	\$ 2,600,000	\$ 622,000	\$ 4,668,500	\$ 2,428,753
Contributions received	-	-	621,612	621,612	3,222,000
Recognized in year	(540,731)	(381,801)	(622,000)	(1,544,532)	(982,253)
Balance, end of year	<u>\$ 905,769</u>	<u>\$ 2,218,199</u>	<u>\$ 621,612</u>	<u>\$ 3,745,580</u>	<u>\$ 4,668,500</u>

The Ministry of the Environment, Conservation and Parks have provided funds for a First Nations Water Program. These funds are to be used in the research, development and implementation of an approach to facilitate the enhanced provision of available services to First Nations drinking water systems and their operators. This is to include the establishment of new or expanded services to First Nations communities.

Additional funding has been received from the Ministry of the Environment, Conservation and Parks for the purpose of training of First Nation operators.

The deferred training registrations are money that has been received for courses that will take place in a later fiscal year.

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## Walkerton Clean Water Centre Notes to Financial Statements

March 31, 2025

### 5. Deferred Capital Contributions

Deferred capital contributions represent restricted contributions received for the purchase of depreciable capital assets. These contributions are recognized as a reduction of amortization expense on the statement of operations calculated on a diminishing balance basis consistent with the amortization rate of the related class of assets.

Changes in the deferred capital contributions balance during the year are as follows:

	2025	2024
Balance, beginning of year	\$ 15,915	\$ 19,540
Contributions received	119,210	-
Amortization of contributions	(12,923)	(3,625)
Balance, end of year	\$ 122,202	\$ 15,915

### 6. Transfer Payments

During the year, the Centre was granted \$3,000,000 (2024 - \$3,000,000) in transfer payments from the Province of Ontario.

### 7. Commitments

Walkerton Clean Water Centre has entered into a lease agreement with Ontario Infrastructure and Lands Corporation. This current lease agreement will end June 2031.

The minimum annual lease payments on the building and equipment for the next 5 fiscal years and thereafter are as follows:

2026	\$ 777,600
2027	\$ 815,792
2028	\$ 835,092
2029	\$ 835,092
2030	\$ 835,092
Thereafter	\$ 1,043,865

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## Walkerton Clean Water Centre Notes to Financial Statements

March 31, 2025

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### 8. Statement of Cash Flows

The change in non-cash working capital balances is made up as follows:

	2025	2024
Accounts receivable	\$ 852,601	\$ 916,569
Prepaid expenses	(3,683)	(7,500)
Accounts payable and accrued liabilities	215,043	(46,132)
Deferred revenue	(922,920)	2,239,747
	<u>\$ 141,041</u>	<u>\$ 3,102,684</u>

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### 9. Pension Plan

The Centre provides pension benefits for all its full-time employees through participation in the Public Service Pension Plan which is a multi-employer defined benefit pension plan administered by the Ontario Pension Board. This plan is accounted for as defined contribution plan, as the Centre has insufficient information to apply defined benefit accounting to the plan. The Centre's contribution related to the pension plan for the period was \$262,332 (2024 - \$229,031) and is included in employee benefits in the statement of revenue and expenditures. As this is a multi-employer pension plan, these contributions are the Centre's pension benefit expenses. No pension liability for this type of plan is included in the Centre's financial statements. The December 31, 2024 information was not available, but as of December 31, 2023, the Ontario Pension Board had a year end deficit of \$5.62 billion per their audited financial statements.

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## Walkerton Clean Water Centre Notes to Financial Statements

March 31, 2025

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### 10. Financial Instrument Risk Management

The Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the Centre's risk exposure and concentrations as at March 31, 2025.

#### Credit Risk

Credit risk is the risk of financial loss to the Centre if a debtor fails to make payments of interest and principal when due. The Centre is exposed to this risk relating to its cash and accounts receivable. The Centre holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Walkerton Clean Water Centre cash accounts are insured up to \$100,000 (2024 - \$100,000).

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk, and equity risk. The Centre is not exposed to significant currency risk or equity risk as it does not transact materially in foreign currency or hold significant equity financial instruments.

#### Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Centre is exposed to this risk through its interest-bearing investments.

At March 31, 2025, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of the guaranteed investment certificates of \$10,000 (2024 - \$20,000).

#### Liquidity Risk

Liquidity risk is the risk that the Centre will not be able to meet all cash outflow obligations as they come due. The Centre mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

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

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