



**Board of Directors**  
**Meeting No. BOD-04-23**  
**Friday, April 28, 2023**  
**10:00 a.m.**

## **Agenda**

**Meeting Location:**

120 Bayview Parkway, Newmarket  
Minutes and agendas are available at [www.LSRCA.on.ca](http://www.LSRCA.on.ca)

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### **Upcoming Events**

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**Board of Directors' Meeting**

Friday, May 26, 2023  
120 Bayview Parkway, Newmarket

**Lake Simcoe Conservation Foundation**

**34<sup>th</sup> Annual Conservation Dinner**

Wednesday June 14, 2023  
The Manor at Carrying Place

**5th Annual Invitational Golf Tournament**

Monday, August 21, 2023  
Oakdale Golf and Country Club

A full listing of events can be found at [www.LSRCA.on.ca](http://www.LSRCA.on.ca)

## I. Acknowledgement of Indigenous Territory

## II. Declarations of Pecuniary Interest and Conflicts of Interest

## III. Approval of Agenda

Pages 1 - 6

**Recommended: That** the content of the Agenda for the April 28, 2023 meeting of the Board of Directors be approved as presented.

## IV. Adoption of Minutes

### a) Board of Directors

Pages 7 - 13

Included in the agenda is a copy of the draft minutes of the Board of Directors' Meeting, No. BOD-03-23, held on Friday, March 24, 2023.

**Recommended: That** the minutes of the Board of Directors' Meeting, No. BOD-03-23, held on Friday, March 24, 2023 be approved as circulated.

## V. Announcements

## VI. Presentations

### a) 2022 Draft Audited Financial Statements

Pages 14 - 66

BDO Canada LLP Partner, Adam Delle Cese, will provide an overview of the audit of the Conservation Authority's 2022 draft financial statements for the period ending December 31, 2022.

**Recommended: That** the presentation by BDO Canada LLP Partner, Adam Delle Cese, regarding the audit of the Conservation Authority's 2022 draft financial statements for the period ending December 31, 2022 be received for information.

Staff Report No. 18-23-BOD regarding the 2022 Draft Audited Financial Statements is included in the agenda.

**Recommended: That** Staff Report No. 18-23-BOD regarding the Conservation Authority's 2022 Draft Audited Financial Statements be received; and

**Further that** the 2022 Draft Audited Financial Statements be approved; and

**Further that** the Appropriations to and from Reserves as outlined in Schedule 8 – Statement of Continuity of Reserves of the 2022 Draft Audited Financial Statements be approved; and

**Further that** the pending 2022 Audited Financial Statements be distributed to the Minister of Natural Resources and Forestry, the Conservation Authority's banker, and be made available on the Conservation Authority's website.

**b) Top Restoration Projects of 2022 and Planned Projects for 2023**

Pages 67 - 68

Manager, Restoration Services, Christa Sharp, will provide a presentation on the Conservation Authority's Restoration Program and the top projects completed in 2022, as well as planned projects for 2023. This presentation will be provided at the meeting and will be available on the Conservation Authority's website following the meeting.

**Recommended: That** the presentation by Manager, Restoration Services, Christa Sharp, regarding the Conservation Authority's Restoration Program and the top projects completed in 2022, as well as planned projects for 2023 be received for information.

Staff Report No. 19-23-BOD regarding the Fourth Quarter 2022 Unaudited Financial Report is included in the agenda.

**Recommended: That** Staff Report No. 19-23-BOD regarding the Conservation Authority's Restoration Program and Projects be received for information.

## **VII. Hearings**

There are no Hearings scheduled for this meeting.

## **VIII. Deputations**

There are no Deputations scheduled for this meeting.

## **IX. Determination of Items Requiring Separate Discussion**

(Reference Pages 4 and 5 of the agenda)

## **X. Adoption of Items Not Requiring Separate Discussion**

## **XI. Consideration of Items Requiring Separate Discussion**

## XII. Closed Session

The Board will move to Closed Session to deal with a confidential human resources matter.

**Recommended: That** the Board move to Closed Session to deal with a confidential human resources matter; and

**Further that** the Chief Administrative Officer remain in the meeting for the discussion.

The Board will rise from Closed Session and report findings.

**Recommended: That** the Board rise from Closed Session and report findings.

### a) Confidential Human Resources Matter

Confidential Staff Report No. 23-23-BOD will be sent to Board members prior to the meeting.

**Recommended: That** Confidential Staff Report No. 23-23-BOD regarding a confidential human resources matter be received; and

**Further That** the recommendations within the report be approved.

## XIII. Other Business

### Next Meeting

The next meeting of the Board of Directors will be held on Friday, May 26, 2023. This meeting will be held in person at the Conservation Authority's Newmarket offices located at 120 Bayview Parkway, Newmarket.

## XIV. Adjournment

### Agenda Items

#### 1. Correspondence

There are no Correspondence items included in this agenda.

**Recommended: That** no Correspondence items be received.

#### 2. 2023 Provincial Funding Agreements Summary - Lake Simcoe Protection Plan

Pages 69 - 71

**Recommended: That** Staff Report No. 20-23-BOD regarding recently secured Provincial funding in support of the Lake Simcoe Protection Plan be received for information.

### 3. Update on Purchasing of Off-lease Equipment and Vehicles

Pages 72 - 74

**Recommended: That** Staff Report No. 21-23-BOD regarding changes in the replacement of certain aging assets be received; and

**Further That** the Chief Administrative Officer be authorized to draw from the Asset Management reserve, as necessary, to facilitate the purchase of off-lease office equipment and vehicles, where financially prudent for the Conservation Authority.

### 4. SPO3 Stormwater Pond Retrofit, City of Barrie

Pages 75 - 77

**Recommended: That** Staff Report No. 22-23-BOD regarding the SPO3 Stormwater Pond Retrofit in the City of Barrie be received; and

**Further that** funding for the project through the Conservation Authority's Offsetting Cash in Lieu funds and Restoration Assistance as outlined in this report be approved.

# Lake Simcoe Region Conservation Authority

## Board of Directors' Meeting

Board of Directors' Meeting No. BOD-03-23

Friday, March 24, 2023

120 Bayview Parkway, Newmarket

### Meeting Minutes

#### Board Members Present

Regional Chairman W. Emmerson (Chair), Councillor P. Ferragine (Vice Chair), Councillor S. Bell, Councillor F. Drodge, Councillor A. Eek, Regional Councillor B. Garrod, Mayor R. Greenlaw, Mayor V. Hackson, Councillor S. Harrison-McIntyre, Councillor D. Le Roy, Mayor I. Lovatt, Councillor C. Pettingill, Mayor M. Quirk, Councillor C. Riepma, Councillor M. Thompson, Councillor E. Yeo

#### Board Members Absent

Councillor B. Hamilton, Deputy Mayor and Regional Councillor T. Vegh

#### Staff Present

R. Baldwin, T. Barnett, A. Brown, M. Critch, A. Cullen, D. Goodyear, G. MacMillan, S. McKinnon, G Peat, P. Strong, C. Taylor, B. Thompson, K. Toffan, K. Yemm

### I. Land Acknowledgement

Chair Emmerson acknowledged the Lake Simcoe watershed as traditional Indigenous territory and thanked all generations of Indigenous peoples for their enduring and unwavering care for this land and water.

### II. Declarations of Pecuniary Interest or Conflict of Interest

None noted for the meeting.

### III. Approval of Agenda

Moved by: B. Garrod

Seconded by: M. Quirk

BOD-034-23 **Resolved That** the content of the Agenda for the March 24, 2023 meeting of the Board of Directors be approved as circulated. **Carried**

## IV. Adoption of Minutes

### a) Board of Directors' Meeting

Moved by: C. Pettingill

Seconded by: C. Riepma

BOD-035-23 **Resolved That** the minutes of the Board of Directors' Meeting, No. BOD-02-23, held on Friday, February 24, 2023 be approved as circulated. **Carried**

## V. Announcements

- a) CAO Baldwin advised that the Source to Stream Conference was recently held with over 700 participants in attendance. The conference included great presentations by Conservation Authority staff, Chandler Eves on stormwater pond maintenance and monitoring and Pete Shuttleworth on a dam removal project in Kettleby, as well as a panel discussion by David Lembcke on environmental compliance approvals.

## VI. Presentations

### a) Watershed Planning

Integrated Watershed Management Specialist, Pam Strong, provided an overview of watershed planning, noting that among the first plans was the Upper Holland Conservation Report in 1953, with subsequent plans completed in the 1980s and 1990s. A subwatershed plan describes the current state, identifies stressors, and develops recommendations to address stressors and improve overall watershed health. More current plans were a coordinated effort covering the watershed, which were developed between 2010 and 2017 and have seen many successful collaborations and achieved close to 90% of their recommendations. As watershed conditions change and new technologies become available, staff are developing a more modernized approach allowing for streamlining of the process, enabling plans to remain more up to date. Ms. Strong shared the Conservation Authority's new webpage in development, noting next steps include developing site content, goal setting and recommendations, and the completion of a watershed-based resource management strategy.

To view this presentation, please click this link: [Watershed Planning Presentation](#)

Moved by: F. Drodge

Seconded by: S. Harrison-McIntyre

BOD-036-23 **Resolved That** the presentation by Integrated Watershed Management Specialist, Pam Strong, regarding watershed planning be received for information. **Carried**

**b) Fourth Quarter 2022 Unaudited Financial Report and 2023 Proposed Capital and Operating Budget**

General Manager, Corporate and Financial Services/CFO, Mark Critch, provided an overview of the 2022 unaudited financial results, as well as the 2023 proposed Capital and Operating Budget, noting a small year-end operational surplus position. He reviewed the various drivers contributing to the surplus and updated on reserve activity.

Next, Mr. Critch reviewed the budget process, noting the budget was built based on the assumptions approved by the Board in June 2022, as well as working with municipal funding partners. As of March 24<sup>th</sup>, 7 of the 9 funding partners had approved the ask for 2023, with the two remaining approvals expected within the following week. He reviewed the Conservation Authority's 2023 annual priorities, which include:

1. Managing and implementing legislative changes in Bills 229 (2020) and Bill 23 (2022);
2. Continuing to develop the Diversity, Equity, Inclusion and Belonging framework;
3. Developing a management plan and conducting community consultation for Lake Simcoe Conservation Preserve;
4. Advancing design and construction of new Scanlon Creek Nature Centre;
5. Advancing business development opportunities for climate change and stormwater management;
6. Assessing and implementing necessary network security solutions; and
7. Implementing corporate records management and asset management financial strategies.

To view this presentation, please click this link: [2022 Financial Results and 2023 Budget Presentation](#)

Moved by: E. Yeo

Seconded by: A. Eek

BOD-037-23 **Resolved That** the presentation by General Manager, Corporate and Financial Services/CFO, Mark Critch, regarding the Fourth Quarter 2022 Unaudited Financial Report and the 2023 Proposed Budget be received for information. **Carried**

Included in the agenda was Staff Report No. 10-23-BOD regarding the Fourth Quarter 2022 Unaudited Financial Report.

Moved by: E. Yeo

Seconded by: A. Eek

BOD-038-23 **Resolved That** the Staff Report No. 10-23-BOD regarding the Conservation Authority's Fourth Quarter Unaudited Financial Report for the period ending December 31, 2022 be received for information. **Carried**



Included in the agenda was Staff Report No. 11-23-BOD regarding the 2023 Proposed Capital and Operating Budget.

Moved by: P. Ferragine

Seconded by: V. Hackson

BOD-039-23 **Resolved That** Staff Report No. 11-23-BOD regarding the Conservation Authority's 2023 Proposed Capital and Operating Budget be received; and

**Further that** the 2023 Proposed Capital and Operating Budget and all projects therein be adopted; and

**Further that** staff be authorized to enter into agreements and/or execute documents with private sector organizations, non-governmental organizations or governments and their agencies for the undertaking of projects for the benefit of the Conservation Authority and funded by the sponsoring organization or agency, including projects that have not been provided for in the approved budget; and

**Further that** as required by Ontario Regulation 139/96 (formerly O.S. 231/97), this recommendation and the accompanying budget documents, including the schedule of matching and non-matching levies, be approved by weighted vote. **Carried**

A weighted vote was taken for the approval of the 2023 Capital and Operating Budget, the results of which can be found in the table below:

Representative	Partner Municipality	YEA	NAY	CVA
Councillor Sherri Bell	Township of Ramara	X		0.91%
Councillor Fred Drodge	Town of Innisfil	X		4.53%
Councillor Avia Eek	York Region (King)	X		9.34%
Regional Chairman Wayne Emmerson (Chair)	York Region (at Large)	X		9.34%
Councillor Peter Ferragine (Vice Chair)	Town of Bradford West Gwillimbury	X		5.20%
Regional Councillor Bruce Garrod	Durham Region (Uxbridge)	X		1.92%
Mayor Randy Greenlaw	Township of Oro-Medonte	X		0.98%
Mayor Virginia Hackson	York Region (East Gwillimbury)	X		9.34%
Councillor Bryn Hamilton	City of Barrie	Absent		8.22%
Councillor Shira Harrison-McIntyre	Town of New Tecumseth	X		0.48%
Councillor David Le Roy	Durham Region (Scugog)	X		1.92%

<b>Representative</b>	<b>Partner Municipality</b>	<b>YEA</b>	<b>NAY</b>	<b>CVA</b>
Mayor Iain Lovatt	York Region (Whitchurch-Stouffville)	X		9.34%
Councillor Cria Pettingill	Durham Region (Brock)	X		1.92%
Mayor Margaret Quirk	York Region (Georgina)	X		9.34%
Councillor Clare Riepma	City of Barrie	X		8.22%
Councillor Michael Thompson	York Region (Aurora)	X		9.34%
Deputy Mayor and Regional Councillor Tom Vegh	York Region (Newmarket)	Absent		9.34%
Councillor Emmett Yeo	City of Kawartha Lakes	X		0.35%
	<b>Total</b>			<b>100.00%</b>

### **c) Summary Overview regarding Bill 229**

CAO Rob Baldwin reviewed the changes to the Conservation Authorities Act brought about in Schedule 6 of Bill 229 - Protect, Support and Recover from COVID-19 Act (Budget Measures), 2020, which received royal assent in December 2020. Phase 1 included a categorization of programs and services into three categories: Category 1 - Mandatory Programs and services; Category 2 - Programs and activities undertaken by a conservation authority which are funded by a member municipality require that an agreement be in place; and Category 3 – Non-mandatory but considered critical in effective watershed management and serving the needs of key municipal partners and communities. Also included in Phase 1 is Transition Plans and Agreements for Programs and Services, which covers having a transition plan in place to implement Phase 1 and 2, complete with timelines and approaches. The final element for Phase 1 is Rules and Conduct in Conservation Areas, which involves consolidating several regulations into one regulation for all conservation authorities around public use, prohibited activities, and permitted activities. Phase 2 brought about additional information requirements, including maintaining a governance webpage available to the public with Board member information, administrative by-laws, municipal funding agreements, annual auditor's report, as well as Board meeting schedule, agendas and minutes. Other requirements include a fee classes policy, determination of amounts owed by specific municipalities, as well as changes to the budgetary process.

To view this presentation, please click this link: [Overview of Bill 229 Presentation](#)

Moved by: D. Le Roy

Seconded by: S. Bell

BOD-040-23 **Resolved That** the presentation by CAO Rob Baldwin regarding changes to the Conservation Authorities Act resulting from Bill 229 be received for information.

**Carried**

Included in the agenda was Staff Report No. 12-23-BOD regarding changes to the Conservation Authorities Act resulting from Bill 229.

Moved by: D. Le Roy

Seconded by: S. Bell

BOD-041-23 **Resolved That** Staff Report No. 12-23-BOD regarding a summary and overview of Bill 229 be received for information. **Carried**

## VII. Hearings

There were no Hearings at this meeting.

## VIII. Deputations

There were no Deputations at this meeting.

## IX. Determination of Items Requiring Separate Discussion

No items were identified under items requiring separate discussion.

## X. Adoption of Items not Requiring Separate Discussion

Items No. 1 - 5 were identified under items not requiring separate discussion.

Moved by: R. Greenlaw

Seconded by: C. Riepma

BOD-042-23 **Resolved That** the following recommendations respecting the matters listed as "Items Not Requiring Separate Discussion" be adopted as submitted to the Board, and staff be authorized to take all necessary action required to give effect to same. **Carried**

### 1. Correspondence

BOD-043-23 **Resolved That** no Correspondence Items be received. **Carried**

### 2. Monitoring Report – Planning and Development Applications for the period January 1 through December 31, 2022

BOD-044-23 **Resolved That** Staff Report No. 13-23-BOD regarding monitoring of planning and development applications for the period January 1 through December 31, 2022 be received for information. **Carried**

### **3. Conservation Authorities Act Transition – Quarterly Progress Report No. 4 - March 2023**

BOD-045-23 **Resolved That** Staff Report No. 14-23-BOD regarding the Conservation Authority Transition Quarterly Progress Report No. 4 be received; and

**Further that** the March 2023 Conservation Authority Transition Quarterly Progress No. 4 be approved for submission to the Ministry of Natural Resources and Forestry.

**Carried**

### **4. Chair and Vice Chair Exception Request under Section 17(1.3) of the Conservation Authorities Act**

BOD-046-23 **Resolved That** Staff Report No. 15-23-BOD regarding the requirement for an exception request for the current Chair and Vice Chair of the Board of Directors for 2023 be received; and

**Further That** the Board of Directors Request the Minister of Natural Resources and Forestry to grant an exception under Section 17(1.3) of the Conservation Authorities Act for Chair Wayne Emmerson and Vice-Chair Peter Ferragine to continue in their Board roles for 2023. **Carried**

### **5. 2023 Conservation Awards Program and Ceremony**

BOD-047-23 **Resolved That** Staff Report No. 16-23-BOD regarding the 2023 Conservation Awards Program and Ceremony be received for information. **Carried**

## **XI. Consideration of Items Requiring Separate Discussion**

No items required separate discussion.

## **XII. Closed Session**

The Board moved to Closed Session to deal with a confidential legal matter.

Moved by: F. Drodge

Seconded by: C. Pettingill

BOD-048-23 **Resolved That** the Board move to Closed Session to deal with a confidential legal matter; and

**Further that** the Chief Administrative Officer, members of the Executive Leadership Team and the Director, Development Services remain in the meeting for the discussion. **Carried**

The Board rose from Closed Session to report findings.

Moved by: B. Garrod

Seconded by: M. Thompson

BOD-049-23 **Resolved That** the Board rise from Closed Session and report findings.  
**Carried**

**a) Confidential Legal Matter**

Moved by: M. Quirk

Seconded by: D. Le Roy

BOD-050-23 **Resolved That** Confidential Staff Report No. 17-23-BOD regarding a confidential legal matter be received for information. **Carried**

**XIII. Other Business**

- a) Chair Emmerson noted that the next meeting will be held on Friday, April 28, 2023. There will also be a Source Protection Authority meeting that day beginning at 9:00a, with the Board meeting following at approximately 10:00a. Both meetings will be held in person at the Newmarket Administrative Offices.

**XIV. Adjournment**

Moved by: E. Yeo

Seconded by: P. Ferragine

BOD-051-23 **Resolved That** the meeting be adjourned at 11:10 a.m. **Carried**

Original to be signed by:

Original to be signed by:

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Regional Chairman Wayne Emmerson  
Chair

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Rob Baldwin  
Chief Administrative Officer

## Staff Report

To: Board of Directors

From: Katherine Toffan, Manager of Finance

Date: April 14, 2023

### Subject

2022 Draft Audited Financial Statements

### Recommendation

**That** Staff Report No. 18-23-BOD regarding the Conservation Authority's 2022 Draft Audited Financial Statements be received; and

**Further that** the 2022 Draft Audited Financial Statements be approved; and

**Further that** the Appropriations to and from Reserves as outlined in Schedule 8 – Statement of Continuity of Reserves of the 2022 Draft Audited Financial Statements be approved; and

**Further that** the pending 2022 Audited Financial Statements be distributed to the Minister of Natural Resources and Forestry, the Conservation Authority's banker, and be made available on the Conservation Authority's website.

### Purpose of this Staff Report:

The purpose of this Staff Report No. 18-23-BOD is to update the Board of Directors regarding the review and adoption of the Conservation Authority's 2022 Draft Audited Statements and to receive approval for all recommended reserve appropriations.

### Background:

The 2022 audit began with a preliminary review of the financial procedures in November 2022, followed by the final audit process taking place during March 2023, with final discussions following in April. The audit process under the auditing standard CAS 560 – Subsequent Events will be completed upon approval by the Board of Directors of the final 2022 Audited Financial Statements. The Conservation Authority's auditors, BDO Canada LLP, will attend the April Board of Directors' meeting to present the audit findings.

### Issues:

The draft audited financial statements are presented in Attachment 1. There have been no financial changes to the information since the last update and presentation on March 24, 2023.

Also included in Attachment 1 is BDO Canada LLP's final audit report to the Board of Directors. This outlines the auditor's approach to the audit, materiality levels and the audit findings. It is important to note that there were no internal control deficiencies or unadjusted differences identified through the 2022 audit process. BDO Canada LLP's opinion is that the 2022 financial statements present fairly, in all material respects, the financial position of the Conservation Authority as at December 31, 2022.

### Relevance to Conservation Authority Policy:

It is a requirement under S.38 (1) of the *Conservation Authorities Act* that an annual audit on all accounts and transactions be carried out "by a person licensed under the *Public Accounting Act, 2004*". In keeping with the Conservation Authority's policy, the audited financial statements have been prepared for the Board of Directors' review on April 28, 2023.

### Impact on Conservation Authority Finances:

The detailed outline of the reserve (draws) and transfers that are summarized in Schedule 8 – Statement of Continuity of Reserves of the audited statements is below. This outline was previously provided in the Fourth Quarter 2022 Financial Update – Draft Unaudited Results report that was received by the Board on March 24, 2023.

	2022 Budget	2022 Results
<b>Draft Appropriations to/(from) Reserve for 2022:</b>		
<b>Surplus/(Deficit) from Operations:</b>		
Transfer Offsetting Program operational surplus – Restoration	-	454,711
Transfer Offsetting Program operational surplus - Corporate	-	261,254
Operational Surplus	-	21,314
<b>Sub-total: Changes from Operations (excluding capital asset entries outlined below)</b>		<b>737,279</b>
<b>Surplus/(Deficit) from Budgeted Reserve Decisions:</b>		
Approved Draw from Asset Management	(630,648)	(207,724)
Approved Draw from Rate Stabilization	(100,670)	(8,155)
Approved Draw from Working Capital	(300,000)	(31,895)
Reserve Transfer for Asset Management	901,010	813,824
Reserve Transfer for Interest Income	10,000	218,244
Reserve Transfer to Working Capital	7,000	7,000
Reserve Transfer to Rate Stabilization	45,381	45,328

<b>Sub-total: Changes from Budgeted Reserve Decisions (excluding capital asset entries outlined below)</b>	<b>(67,927)</b>	<b>836,622</b>
<b>Net Change in Reserves</b>	-	<b>1,573,901</b>
Net Change in Tangible Capital Assets and Capital Leases	-	6,421,509
<b>2022 Net Surplus</b>	-	<b>7,995,410</b>

### Summary and Recommendations:

It is therefore **Recommended That** Staff Report No. 18-23-BOD regarding the Conservation Authority's 2022 Draft Audited Financial Statements be received; and **Further that** the 2022 Draft Audited Financial Statements be approved; and **Further that** the Appropriations to and from Reserves as outlined in Schedule 8 – Statement of Continuity of Reserves of the 2022 Draft Audited Financial Statements be approved; and **Further that** the pending 2022 Audited Financial Statements be distributed to the Minister of Natural Resources and Forestry, the Conservation Authority's banker, and be made available on the Conservation Authority's website.

### Pre-Submission Review:

This Staff Report has been reviewed by the General Manager, Corporate & Financial Services/CFO and the Chief Administrative Officer.

Signed by:

Signed by:

Mark Critch  
General Manager, Corporate and Financial  
Services, CFO

Rob Baldwin  
Chief Administrative Officer

### Attachments:

1. 2022 Draft Audited Financial Statements and Final Audit Report to the Board



Lake Simcoe Region Conservation Authority  
**DRAFT Financial Statements**  
**Year ended December 31, 2022**

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## Independent Auditor's Report

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To the Members of Lake Simcoe Region Conservation Authority

### Opinion

We have audited the financial statements of Lake Simcoe Region Conservation Authority, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lake Simcoe Region Conservation Authority as at December 31, 2022, 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 Lake Simcoe 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing Lake Simcoe 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 Lake Simcoe Region Conservation Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Lake Simcoe 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 judgement 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 Lake Simcoe 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 Lake Simcoe 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 Lake Simcoe 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.

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario  
April 28, 2023

Lake Simcoe Region Conservation Authority  
**DRAFT Statement of Financial Position**

<b>Year Ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 25,793,038	\$ 18,189,413
Accounts receivable and other assets (Note 4)	1,544,225	1,968,598
	<b>\$ 27,337,263</b>	<b>\$ 20,158,011</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 777,880	\$ 981,008
Obligations under capital lease (Note 5)	11,267	5,812
Deferred revenue (Note 6)	21,493,841	15,704,654
Vacation pay and lieu time accruals	130,471	115,144
	<b>22,413,459</b>	<b>16,806,618</b>
<b>Net Financial Assets</b>	<b>4,923,804</b>	<b>3,351,393</b>
<b>Non-Financial Assets</b>		
Inventory of supplies and prepaid expenses	132,251	142,665
Tangible capital assets (net) (Schedule 10)	18,463,662	12,030,249
	<b>18,595,913</b>	<b>12,172,914</b>
<b>Accumulated Surplus</b> (Schedule 9)	<b>\$ 23,519,717</b>	<b>\$ 15,524,307</b>
Contingent liabilities (Note 10)		

On behalf of the Board

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Chair

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Chief Administrative Officer/Secretary/Treasurer

See accompanying notes to the financial statements.

Lake Simcoe Region Conservation Authority  
**DRAFT Statement of Operations**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
General levy	\$ 4,089,415	\$ <b>4,089,788</b>	\$ 4,048,795
Special capital levy & municipal partners	8,622,322	<b>5,909,144</b>	5,612,893
Provincial & federal funding	2,268,692	<b>1,770,219</b>	1,509,406
Revenue generated by authority	8,391,875	<b>6,141,504</b>	4,714,721
Other revenue & contributions	77,354	<b>6,981,452</b>	245,024
<b>Total Revenue:</b>	<b>23,449,658</b>	<b>24,892,107</b>	<b>16,130,839</b>
<b>Expenses:</b>			
Corporate services (Schedule 1)	6,838,046	<b>5,067,848</b>	4,506,927
Ecological management (Schedule 2)	3,475,986	<b>2,296,845</b>	2,598,117
Education & engagement (Schedule 3)	687,935	<b>678,920</b>	636,246
Greenspace services (Schedule 4)	1,199,831	<b>7,652,173</b>	1,052,431
Planning & development services (Schedule 5)	5,608,128	<b>4,714,547</b>	3,207,302
Water risk management (Schedule 6)	6,437,726	<b>3,775,957</b>	2,334,233
Watershed studies & strategies (Schedule 7)	1,397,336	<b>1,292,913</b>	1,338,031
<b>Total Gross Expenses:</b>	<b>25,644,988</b>	<b>25,479,203</b>	<b>15,673,287</b>
<b>Expenses included above related to:</b>			
Tangible capital assets	-	<b>6,910,957</b>	503,618
Internal fee for service	2,127,403	<b>2,071,217</b>	1,131,059
Expenses before amortization	23,517,585	<b>16,497,029</b>	14,038,610
Amortization	-	<b>399,668</b>	385,358
	23,517,585	<b>16,896,697</b>	14,423,968
<b>Net surplus (deficit) for the year</b>	<b>\$ (67,927)</b>	<b>\$ 7,995,410</b>	<b>\$ 1,706,871</b>

See accompanying notes to the financial statements.

Lake Simcoe Region Conservation Authority  
**DRAFT Statement of Changes in Net Financial Assets**

<b>Year Ended December 31</b>	2022 Budget (Note 3)	<b>2022 Actual</b>	2021 Actual
Net surplus (deficit) for the year	\$ (67,927)	<b>\$ 7,995,410</b>	\$ 1,706,871
Acquisition of tangible capital assets - net	-	<b>(6,910,957)</b>	(503,618)
Acquisition of capital leases	-	<b>(11,904)</b>	-
Disposal of tangible capital assets	-	<b>89,780</b>	34,591
Amortization of tangible capital assets	-	<b>399,668</b>	385,358
Change in inventory and prepaid expenses	-	<b>10,414</b>	(281)
Increase (decrease) in net financial assets	(67,927)	<b>1,572,411</b>	1,622,921
Net financial assets, beginning of year	3,351,393	<b>3,351,393</b>	1,728,472
Net financial assets, end of year	\$ 3,283,466	<b>\$ 4,923,804</b>	\$ 3,351,393

See accompanying notes to the financial statements.

Lake Simcoe Region Conservation Authority  
**DRAFT Statement of Cash Flows**

<b>Year Ended December 31</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Operations:</b>		
Net surplus for the year	<b>\$ 7,995,410</b>	\$ 1,706,871
Items not involving cash		
Amortization	<b>399,668</b>	385,358
Change in non-cash operating balances		
Decrease in accounts receivable and other assets	<b>424,373</b>	537,254
(Increase) decrease in inventory and prepaid expenses	<b>10,414</b>	(281)
Increase (decrease) in accounts payable and accrued liabilities	<b>(203,128)</b>	18,779
Increase (decrease) in obligations under capital lease	<b>5,455</b>	(10,144)
Increase in vacation pay and lieu time accruals	<b>15,327</b>	26,702
Increase in deferred revenue	<b>5,789,187</b>	7,050,605
	<b>14,436,706</b>	9,715,144
<b>Capital Transactions:</b>		
Disposition of tangible capital assets	<b>89,780</b>	34,591
Addition to tangible capital assets	<b>(6,922,861)</b>	(503,618)
	<b>(6,833,081)</b>	(469,027)
Net Increase in cash and cash equivalents	<b>7,603,625</b>	9,246,117
Cash and cash equivalents, beginning of year	<b>18,189,413</b>	8,943,296
Cash and cash equivalents, end of year	<b>\$ 25,793,038</b>	\$ 18,189,413

See accompanying notes to the financial statements.

# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### **1. Nature of operations**

The Lake Simcoe Region Conservation Authority (the "Authority") was established on September 6, 1951 by Order-in-Council No. OC-1723-51, in accordance with Section 3(1) of the Conservation Authorities Act of Ontario. The objective of the Authority, as stated by the Conservation Authorities Act R.S.O. 1990 is "to provide for the organization and delivery of programs and services that further the conservation, restoration, development and management of natural resources in watersheds in Ontario".

### **2. Summary of significant accounting policies**

#### **Management responsibility**

The financial statements of the Authority are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### **Basis of accounting**

Revenue and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the year in which they have been earned and incurred, respectively, whether or not such transactions have been settled by the receipt or payment of money.

Various revenue and expense items flow through the statement of financial activities based on their general nature in relation to operating activities. To the extent that these revenue and expense items relate to specific reserve balances, these items are reflected on Schedule 8 – Statement of Continuity of Reserves.

#### **Cash and cash equivalents**

The Authority considers deposits in banks and short-term investments with maturities of three month or less as cash and cash equivalents. Cash and cash equivalents comprise cash on hand, demand deposits and short-term cashable investments.

#### **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.



# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### 2. Summary of significant accounting policies *(continued)*

#### **Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and recognized as revenue. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives commencing once the asset is available for productive use as follows:

- Land improvements – 20 years
- Building and Building Improvements – 20 to 40 years
- Furniture and Fixtures – 20 to 25 years
- Machinery and Equipment – 4 to 10 years
- Vehicles – 5 to 10 years
- Computers and Computer Software – 4 to 10 years
- Infrastructure – 20 to 55 years

#### **Leased Tangible Capital Assets**

A lease that transfers substantially all of the benefits and risks of ownership to the lessee is recorded as a tangible capital asset and the incurrence of a lease obligation. At inception, a tangible capital asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments, excluding executory costs, and the leased property's fair value at the beginning of the lease. The discount rate used to determine the present value of the lease payments is the lower of the rate of incremental borrowing or the interest rate implicit in the lease.

Leased tangible capital assets are amortized on a straight-line basis as follows:

- Office Equipment - 4 years

#### **Vacation pay and lieu time liability**

Vacation credits earned but not taken and lieu time entitlements are accrued as earned.

#### **Reserves**

Reserves for future expenses and contingencies are established and approved for use as required at the discretion of the Board of Directors. Increases or decreases in these reserves are made by appropriations to or from operations.

# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### **2. Summary of significant accounting policies (*continued*)**

#### **Government transfers**

Government transfers and municipal levies are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Government transfers and municipal levies are recognized as deferred revenue when transfer stipulations give rise to a liability. Government transfers and municipal levies are recognized in the statement of operations as the stipulation liabilities are settled.

#### **Restricted revenue**

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor and are recognized as revenue when used for the purpose specified.

Other grants, donations and contributions, amounts received from Lake Simcoe Region Conservation Foundation and authority-generated revenue are recognized when the related services are performed.

#### **Use of estimates**

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements include accounts receivable, estimated provisions for accrued liabilities, the estimated useful lives of tangible capital assets and valuation of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### **Retirement benefits and other employee benefit plans**

The Authority is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Authority has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Authority records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### 2. Summary of significant accounting policies *(continued)*

#### Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the Authority is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

#### Financial instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Authority's financial assets comprise of cash and cash equivalents including investments which are recorded at fair value; and accounts receivable which are recorded at amortized cost. The Authority's financial liabilities comprise of accounts payable and accrued liabilities which are recorded at amortized cost.

### 3. Budget figures

The approved budget for 2022 is provided for comparison purposes on the statement of operations. Certain programs or specific projects budgeted for in the year were not completed as at December 31 and therefore a direct comparison of actual versus budget amounts for expenditures may not be appropriate.

Lake Simcoe Region Conservation Authority  
**DRAFT Notes to the Financial Statements**

December 31, 2022

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**3. Budget figures (continued)**

The 2022 budget was approved by the Board of Directors when the municipal levy was set on February 25, 2022. The 2022 budgeted figures are unaudited.

**4. Accounts receivable and other assets**

	<b>2022</b>	2021
Accounts receivable	<b>\$ 1,431,561</b>	\$ 1,902,495
Due from Lake Simcoe Conservation Foundation	<b>103,803</b>	48,383
Government remittances receivable	<b>8,861</b>	17,720
	<b>\$ 1,544,225</b>	\$ 1,968,598

**5. Obligations Under Capital Leases**

	<b>2022</b>	2021
Obligation under a capital lease for a Sharp MX4070N Copier, maturing May 2022 with monthly payments of \$280.	<b>\$ -</b>	\$ 1,115
Obligation under a capital lease for a Sharp MX4070N Copier, maturing February 2022 with monthly payments of \$290.	-	579
Obligation under a capital lease for a Sharp MX4071 Copier, maturing April 2023 with monthly payments of \$275.	<b>1,102</b>	4,118
Obligation under a capital lease for a Sharp MX4071 Copier, maturing May 2026 with monthly payments of \$248.	<b>10,165</b>	-
	<b>\$ 11,267</b>	\$ 5,812

Future minimum lease payments under the capital leases for subsequent years are as follows:

2023	\$ 4,075
2024	2,976
2025	2,976
2026	1,240
	<b>\$ 11,267</b>

Lake Simcoe Region Conservation Authority  
**DRAFT Notes to the Financial Statements**

December 31, 2022

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**6. Deferred revenue**

Deferred revenue consists of funds held for the following projects and programs:

	<u>2022</u>	<u>2021</u>
<b>Government and Other Funding</b>		
Ministry of the Environment, Conservation and Parks	\$ 313,560	\$ 658,681
Cash in lieu and compensation funds	16,586,076	11,836,888
Forestry & Greenspace Projects	25,001	-
Water Science & Monitoring Projects	84,340	-
Restoration Projects	494,659	505,593
Planning and Regulations	1,119,858	510,209
<b>Special Capital Programs</b>		
Facility Management	217,717	197,434
Governance	27,131	27,131
Human Resource Management	80,515	71,179
Information Management	309,040	120,544
Ecosystem Science & Monitoring	36,667	86,286
Forestry Services	141,281	131,220
Ecological Restoration & Regeneration	771,834	398,827
Greenspace Maintenance & Management	27,874	12,337
Flood Management & Warning	319,410	411,187
Water Management & Restoration	415,645	334,907
Water Science & Monitoring	36,296	53,028
Climate Change Adaptation	63,006	61,985
Watershed & Subwatershed Planning	226,296	161,744
Research & Innovation	197,635	125,474
	<u>\$ 21,493,841</u>	<u>\$ 15,704,654</u>

These amounts are recognized as revenue as directly related expenses are incurred.

Lake Simcoe Region Conservation Authority  
**DRAFT Notes to the Financial Statements**

December 31, 2022

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**7. Expenses by Object**

	<b>2022</b>	<b>2021</b>
Administration	\$ 2,071,165	\$ 1,131,057
Construction and restoration	736,020	563,843
Consulting and other professional fees	1,383,323	1,054,247
Grants	916,345	370,383
Insurance	221,368	178,795
Interest and bank charges	79,533	65,673
Land	6,488,280	-
Loss on disposal of capital assets	89,780	3,511
Office	817,830	849,807
Program related expenses	323,425	190,172
Repairs and maintenance	127,068	70,850
Training	76,610	32,819
Utilities and property taxes	323,844	156,901
Vehicle expenses	128,304	127,692
Wages and benefits	11,696,308	10,877,537
	<b>\$ 25,479,203</b>	<b>\$ 15,673,287</b>

**8. Credit facility**

The Authority maintains an operating line facility with an operating limit of \$500,000 which bears interest at prime, 6.45% (2021 - 2.45%), and is due on demand. As of December 31, 2022, no balance was payable under this facility (2021 - \$Nil).

**9. Pension agreement**

The Authority makes contributions to the Ontario Municipal Employees Retirement System (“OMERS”) which is a multi-employer plan, on behalf of full-time members of staff and eligible part time staff. The plan is a defined benefit pension 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.

OMERS provide pension services to approximately 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130.3 billion in respect of benefits accrued for service with actuarial assets at that date of \$123.6 billion indicating an actuarial funding deficit of \$6.7 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint

# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### 9. Pension agreement (*continued*)

responsibility of Ontario municipal organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the Authority to OMERS for 2022 were \$880,168 (2021 - \$849,469).

### 10. Contingent liabilities

Certain unresolved legal claims are outstanding against the Authority at December 31, 2022. No amounts have been accrued in the financial statements for any potential losses arising from these claims as the Authority anticipates any individual settlements will not exceed the limits of insurance coverage or the outcomes are not determined at this time.

### 11. Related party transactions

The Lake Simcoe Region Conservation Authority exercises economic interest over the Lake Simcoe Conservation Foundation as the Foundation was established to raise funds and obtain resources for the exclusive use of the Authority. During the year, the Authority received \$195,689 (2021 - \$432,008) from the Foundation towards specific program deliverables. Additionally, the Authority received from the Foundation \$165,999 (2021 - \$141,133) for expense reimbursement of Foundation related expenses. These transactions are measured at cost.

### 12. Financial instruments risks

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Authority's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Authority's receivables are from government resources.

#### Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Authority will not have sufficient funds to settle a transaction on the due date. The Authority is exposed to this risk mainly in respect of its accounts payable. The Authority mitigates this risk by ensuring that it always has sufficient cash to allow it to meet its liabilities when they become due.

Lake Simcoe Region Conservation Authority  
**DRAFT Notes to the Financial Statements**

December 31, 2022

**DRAFT Schedule 1 – Corporate Services**

Year Ended December 31	2022 Budget (Note 3)	2022 Actual	2021 Actual
<b>Revenue:</b>			
General Levy	\$ 2,775,961	\$ <b>2,776,334</b>	\$ 2,702,672
Special Capital Levy & Municipal Partners	1,097,861	<b>878,844</b>	921,008
Provincial & Federal Funding	6,157	<b>1,962</b>	1,962
Revenue Generated by Authority	947,776	<b>394,902</b>	340,161
Other Revenue & Contributions	43,000	<b>265,217</b>	35,937
<b>Total Revenue:</b>	4,870,755	<b>4,317,259</b>	4,001,740
<b>Expenses:</b>			
Corporate Communications	859,733	<b>713,703</b>	706,622
Facility Management	2,023,731	<b>760,112</b>	679,196
Financial Management	1,308,643	<b>1,108,760</b>	1,027,179
Governance	637,334	<b>648,578</b>	577,318
Human Resource Management	580,392	<b>621,002</b>	428,355
Information Management	1,428,213	<b>1,215,693</b>	1,088,257
<b>Total Gross Expenses:</b>	6,838,046	<b>5,067,848</b>	4,506,927
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	<b>329,010</b>	247,858
Internal Fee for Service	2,042,793	<b>2,026,123</b>	1,045,108
Expenses before Amortization	4,795,253	<b>2,712,715</b>	3,213,961
Amortization	-	<b>307,058</b>	385,358
	4,795,253	<b>3,019,773</b>	3,599,319
Net surplus for the year	\$ 75,502	\$ <b>1,297,486</b>	\$ 402,421



Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 2 – Ecological Management**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
General Levy	\$ 6,130	\$ 6,130	\$ 6,070
Special Capital Levy & Municipal Partners	2,262,298	1,463,005	1,446,552
Provincial & Federal Funding	405,080	290,069	344,974
Revenue Generated by Authority	806,218	678,675	766,700
Other Revenue & Contributions	30,854	48,529	123,153
<b>Total Revenue:</b>	<b>3,510,580</b>	<b>2,486,408</b>	<b>2,687,449</b>
<b>Expenses:</b>			
Ecosystem Science & Monitoring	978,532	947,190	906,119
Forestry Services	717,718	681,833	549,472
Restoration & Regeneration	1,779,736	667,822	1,142,526
<b>Total Gross Expenses:</b>	<b>3,475,986</b>	<b>2,296,845</b>	<b>2,598,117</b>
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	35,163	-
Internal Fee for Service	-	22,856	17,107
Expenses before Amortization	3,475,986	2,238,826	2,581,010
Amortization	-	19,586	-
	3,475,986	2,258,412	2,581,010
Net surplus for the year	\$ 34,594	\$ 227,996	\$ 106,439

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 3 – Education & Engagement**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
General Levy	\$ 339,888	\$ <b>339,888</b>	\$ 336,511
Provincial & Federal Funding	-	<b>2,100</b>	-
Revenue Generated by Authority	284,880	<b>422,697</b>	282,050
Other Revenue & Contributions	-	<b>175</b>	5,800
<b>Total Revenue:</b>	<b>624,768</b>	<b>764,860</b>	<b>624,361</b>
<b>Expenses:</b>			
Community Programming	151,903	<b>85,613</b>	67,380
School Programming	536,032	<b>593,307</b>	568,866
<b>Total Gross Expenses:</b>	<b>687,935</b>	<b>678,920</b>	636,246
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	<b>610</b>	8,960
Internal Fee for Service	63,167	-	40,843
Expenses before Amortization	624,768	<b>678,310</b>	586,443
Amortization	-	<b>1,054</b>	-
	624,768	<b>679,364</b>	586,443
Net surplus for the year	\$ -	\$ <b>85,496</b>	\$ 37,918

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 4 – Greenspace Services**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
General Levy	\$ 372,105	\$ 372,105	\$ 414,125
Special Capital Levy & Municipal Partners	435,968	380,159	441,530
Provincial & Federal Funding	8,390	18,177	-
Revenue Generated by Authority	190,425	51,017	129,152
Other Revenue & Contributions	3,500	6,626,428	64,773
<b>Total Revenue:</b>	<b>1,010,388</b>	<b>7,447,886</b>	<b>1,049,580</b>
<b>Expenses:</b>			
Management	1,005,407	987,641	731,567
Property Services	50,000	-	56,199
Securement	144,424	6,664,532	264,665
<b>Total Gross Expenses:</b>	<b>1,199,831</b>	<b>7,652,173</b>	<b>1,052,431</b>
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	6,493,453	127,343
Internal Fee for Service	21,443	22,238	4,000
Expenses before Amortization	1,178,388	1,136,482	921,088
Amortization	-	38,029	-
	1,178,388	1,174,511	921,088
Net surplus (deficit) for the year	\$ (168,000)	\$ 6,273,375	\$ 128,492

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 5 – Planning & Development Services**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
General Levy	\$ 495,211	\$ 495,211	\$ 490,292
Special Capital Levy & Municipal Partners	412,869	412,869	405,264
Provincial & Federal Funding	22,413	22,413	22,413
Revenue Generated by Authority	4,652,024	3,574,467	2,734,703
Other Revenue & Contributions	-	14,932	7,861
<b>Total Revenue:</b>	<b>5,582,517</b>	<b>4,519,892</b>	<b>3,660,533</b>
<b>Expenses:</b>			
Development Planning	2,834,034	2,543,609	1,640,076
Permitting & Enforcement	2,774,094	2,170,938	1,567,226
<b>Total Gross Expenses:</b>	<b>5,608,128</b>	<b>4,714,547</b>	<b>3,207,302</b>
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	5,563	1,018
Expenses before Amortization	5,608,128	4,708,984	3,206,284
Amortization	-	1,341	-
	5,608,128	4,710,325	3,206,284
Net surplus (deficit) for the year	\$ (25,611)	\$ (190,433)	\$ 454,249

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 6 – Water Risk Management**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
General Levy	\$ 100,120	\$ <b>100,120</b>	\$ 99,125
Special Capital Levy & Municipal Partners	3,463,942	<b>1,935,292</b>	1,443,986
Provincial & Federal Funding	1,370,215	<b>978,343</b>	698,851
Revenue Generated by Authority	1,510,552	<b>1,014,313</b>	456,056
Other Revenue & Contributions	-	<b>25,686</b>	7,253
<b>Total Revenue:</b>	<b>6,444,829</b>	<b>4,053,754</b>	<b>2,705,271</b>
<b>Expenses:</b>			
Flood Management & Warning	866,701	<b>568,703</b>	438,665
Source Water Protection	840,052	<b>683,798</b>	573,097
Water Management & Restoration	4,011,367	<b>1,936,514</b>	725,878
Water Science & Monitoring	719,606	<b>586,942</b>	596,593
<b>Total Gross Expenses:</b>	<b>6,437,726</b>	<b>3,775,957</b>	<b>2,334,233</b>
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	<b>47,158</b>	118,440
Internal Fee for Service	-	-	24,000
Expenses before Amortization	6,437,726	<b>3,728,799</b>	2,191,793
Amortization	-	<b>29,552</b>	-
	6,437,726	<b>3,758,351</b>	2,191,793
Net surplus for the year	\$ 7,103	\$ <b>295,403</b>	\$ 513,478

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 7 – Watershed Studies & Strategies**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
Special Capital Levy & Municipal Partners	\$ 949,384	\$ <b>838,975</b>	\$ 954,553
Provincial & Federal Funding	456,437	<b>457,155</b>	441,205
Revenue Generated by Authority	-	<b>5,433</b>	5,898
Other Revenue	-	<b>485</b>	247
<b>Total Revenue:</b>	<b>1,405,821</b>	<b>1,302,048</b>	<b>1,401,903</b>
<b>Expenses:</b>			
Climate Change Adaptation	196,371	<b>197,450</b>	191,102
Research & Innovation	551,016	<b>516,655</b>	578,225
Watershed Subwatershed Planning	649,949	<b>578,808</b>	568,704
<b>Total Expenses before Amortization:</b>	<b>1,397,336</b>	<b>1,292,913</b>	<b>1,338,031</b>
Amortization	-	<b>3,048</b>	-
	<b>1,397,336</b>	<b>1,295,961</b>	<b>1,338,031</b>
Net surplus for the year	\$ 8,485	\$ <b>6,087</b>	\$ 63,872

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 8 – Statement of Continuity of Reserves**

Year Ended December 31

<b>Reserve Category</b>	<b>Opening Balance January 1, 2022</b>	<b>Appropriations to/(from) Reserve</b>	<b>Ending Balance December 31, 2022</b>
Asset Management	\$ 735,047	\$ 613,100	\$ 1,348,147
Working Capital	460,318	(24,895)	435,423
Rate Stabilization	2,308,728	975,380	3,284,108
Restricted	33,903	10,316	44,219
<b>Grand Total</b>	<b>\$ 3,537,996</b>	<b>\$ 1,573,901</b>	<b>\$ 5,111,897</b>

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 9 – Schedule of Accumulated Surplus**

<b>Year Ended December 31</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
Opening Accumulated Surplus	\$ 15,524,307	\$ 13,817,436
Current Year Surplus	7,995,410	1,706,871
Ending Accumulated Surplus	<b>23,519,717</b>	15,524,307
<b>Accumulated Surplus consists of:</b>		
Tangible Capital Assets (net)	18,463,662	12,030,249
Unfunded Capital Leases	(55,842)	(43,938)
Reserves (Schedule 8)	5,111,897	3,537,996
Ending Accumulated Surplus	<b>\$ 23,519,717</b>	<b>\$ 15,524,307</b>



Lake Simcoe Region Conservation Authority

DRAFT Schedule 10 – Schedule of Tangible Capital Assets

December 31, 2022

	Land	Land Improvements	Building & Building Improvements	Computer & Computer Software	Furniture & Fixtures	Machinery & Equipment	Vehicles	Infrastructure	Work in Process	2022	2021
<b>Cost</b>											
Opening Balance	\$ 5,932,374	\$ 733,930	\$ 7,844,544	\$ 1,047,232	\$ 407,967	\$ 859,340	\$ 407,967	\$ 433,458	\$ 103,911	\$ 17,770,723	\$ 17,591,836
Additions	6,488,280	-	112,082	175,029	6,953	103,217	27,722	5,174	94,577	7,013,034	503,618
Disposals	(17,716)	-	-	(67,288)	(56,461)	(57,333)	-	(102,877)	(90,173)	(391,848)	(324,731)
Ending Balance	12,402,938	733,930	7,956,626	1,154,973	358,459	905,224	435,689	335,755	108,315	24,391,909	17,770,723
<b>Accumulated Amortization</b>											
Opening Balance	-	197,631	3,254,795	964,931	222,873	591,888	308,597	199,759	-	5,740,474	5,645,256
Amortization	-	30,620	200,581	48,509	19,773	66,383	25,366	8,436	-	399,668	385,358
Disposals	-	-	-	(67,288)	(38,193)	(57,333)	-	(49,081)	-	(211,895)	(290,140)
Ending Balance	-	228,251	3,455,376	946,152	204,453	600,938	333,963	159,114	-	5,928,247	5,740,474
Net Book Value	\$12,402,938	\$ 505,679	\$ 4,501,250	\$ 208,821	\$ 154,006	\$ 304,286	\$ 101,726	\$ 176,641	\$ 108,315	\$ 18,463,662	\$ 12,030,249

Lake Simcoe Region Conservation Authority  
**DRAFT Financial Statements**  
**Year ended December 31, 2022**

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## Independent Auditor's Report

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To the Members of Lake Simcoe Region Conservation Authority

### Opinion

We have audited the financial statements of Lake Simcoe Region Conservation Authority, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lake Simcoe Region Conservation Authority as at December 31, 2022, 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 Lake Simcoe 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing Lake Simcoe 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 Lake Simcoe Region Conservation Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Lake Simcoe 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 judgement 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 Lake Simcoe 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 Lake Simcoe 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 Lake Simcoe 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.

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario  
April 28, 2023

Lake Simcoe Region Conservation Authority  
**DRAFT Statement of Financial Position**

<b>Year Ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 25,793,038	\$ 18,189,413
Accounts receivable and other assets (Note 4)	1,544,225	1,968,598
	<b>\$ 27,337,263</b>	<b>\$ 20,158,011</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 777,880	\$ 981,008
Obligations under capital lease (Note 5)	11,267	5,812
Deferred revenue (Note 6)	21,493,841	15,704,654
Vacation pay and lieu time accruals	130,471	115,144
	<b>22,413,459</b>	<b>16,806,618</b>
<b>Net Financial Assets</b>	<b>4,923,804</b>	<b>3,351,393</b>
<b>Non-Financial Assets</b>		
Inventory of supplies and prepaid expenses	132,251	142,665
Tangible capital assets (net) (Schedule 10)	18,463,662	12,030,249
	<b>18,595,913</b>	<b>12,172,914</b>
<b>Accumulated Surplus</b> (Schedule 9)	<b>\$ 23,519,717</b>	<b>\$ 15,524,307</b>
Contingent liabilities (Note 10)		

On behalf of the Board

\_\_\_\_\_  
 Chair

\_\_\_\_\_  
 Chief Administrative Officer/Secretary/Treasurer

See accompanying notes to the financial statements.

Lake Simcoe Region Conservation Authority  
**DRAFT Statement of Operations**

Year Ended December 31	2022 Budget (Note 3)	2022 Actual	2021 Actual
<b>Revenue:</b>			
General levy	\$ 4,089,415	\$ <b>4,089,788</b>	\$ 4,048,795
Special capital levy & municipal partners	8,622,322	<b>5,909,144</b>	5,612,893
Provincial & federal funding	2,268,692	<b>1,770,219</b>	1,509,406
Revenue generated by authority	8,391,875	<b>6,141,504</b>	4,714,721
Other revenue & contributions	77,354	<b>6,981,452</b>	245,024
<b>Total Revenue:</b>	23,449,658	<b>24,892,107</b>	16,130,839
<b>Expenses:</b>			
Corporate services (Schedule 1)	6,838,046	<b>5,067,848</b>	4,506,927
Ecological management (Schedule 2)	3,475,986	<b>2,296,845</b>	2,598,117
Education & engagement (Schedule 3)	687,935	<b>678,920</b>	636,246
Greenspace services (Schedule 4)	1,199,831	<b>7,652,173</b>	1,052,431
Planning & development services (Schedule 5)	5,608,128	<b>4,714,547</b>	3,207,302
Water risk management (Schedule 6)	6,437,726	<b>3,775,957</b>	2,334,233
Watershed studies & strategies (Schedule 7)	1,397,336	<b>1,292,913</b>	1,338,031
<b>Total Gross Expenses:</b>	25,644,988	<b>25,479,203</b>	15,673,287
<b>Expenses included above related to:</b>			
Tangible capital assets	-	<b>6,910,957</b>	503,618
Internal fee for service	2,127,403	<b>2,071,217</b>	1,131,059
Expenses before amortization	23,517,585	<b>16,497,029</b>	14,038,610
Amortization	-	<b>399,668</b>	385,358
	23,517,585	<b>16,896,697</b>	14,423,968
Net surplus (deficit) for the year	\$ (67,927)	\$ <b>7,995,410</b>	\$ 1,706,871

See accompanying notes to the financial statements.

Lake Simcoe Region Conservation Authority  
**DRAFT Statement of Changes in Net Financial Assets**

<b>Year Ended December 31</b>	2022 Budget (Note 3)	<b>2022 Actual</b>	2021 Actual
Net surplus (deficit) for the year	\$ (67,927)	<b>\$ 7,995,410</b>	\$ 1,706,871
Acquisition of tangible capital assets - net	-	<b>(6,910,957)</b>	(503,618)
Acquisition of capital leases	-	<b>(11,904)</b>	-
Disposal of tangible capital assets	-	<b>89,780</b>	34,591
Amortization of tangible capital assets	-	<b>399,668</b>	385,358
Change in inventory and prepaid expenses	-	<b>10,414</b>	(281)
Increase (decrease) in net financial assets	(67,927)	<b>1,572,411</b>	1,622,921
Net financial assets, beginning of year	3,351,393	<b>3,351,393</b>	1,728,472
Net financial assets, end of year	\$ 3,283,466	<b>\$ 4,923,804</b>	\$ 3,351,393

See accompanying notes to the financial statements.

Lake Simcoe Region Conservation Authority  
**DRAFT Statement of Cash Flows**

<b>Year Ended December 31</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Operations:</b>		
Net surplus for the year	<b>\$ 7,995,410</b>	\$ 1,706,871
Items not involving cash		
Amortization	<b>399,668</b>	385,358
Change in non-cash operating balances		
Decrease in accounts receivable and other assets	<b>424,373</b>	537,254
(Increase) decrease in inventory and prepaid expenses	<b>10,414</b>	(281)
Increase (decrease) in accounts payable and accrued liabilities	<b>(203,128)</b>	18,779
Increase (decrease) in obligations under capital lease	<b>5,455</b>	(10,144)
Increase in vacation pay and lieu time accruals	<b>15,327</b>	26,702
Increase in deferred revenue	<b>5,789,187</b>	7,050,605
	<b>14,436,706</b>	9,715,144
<b>Capital Transactions:</b>		
Disposition of tangible capital assets	<b>89,780</b>	34,591
Addition to tangible capital assets	<b>(6,922,861)</b>	(503,618)
	<b>(6,833,081)</b>	(469,027)
Net Increase in cash and cash equivalents	<b>7,603,625</b>	9,246,117
Cash and cash equivalents, beginning of year	<b>18,189,413</b>	8,943,296
Cash and cash equivalents, end of year	<b>\$ 25,793,038</b>	\$ 18,189,413

See accompanying notes to the financial statements.



# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### 1. Nature of operations

The Lake Simcoe Region Conservation Authority (the "Authority") was established on September 6, 1951 by Order-in-Council No. OC-1723-51, in accordance with Section 3(1) of the Conservation Authorities Act of Ontario. The objective of the Authority, as stated by the Conservation Authorities Act R.S.O. 1990 is "to provide for the organization and delivery of programs and services that further the conservation, restoration, development and management of natural resources in watersheds in Ontario".

### 2. Summary of significant accounting policies

#### Management responsibility

The financial statements of the Authority are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### Basis of accounting

Revenue and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the year in which they have been earned and incurred, respectively, whether or not such transactions have been settled by the receipt or payment of money.

Various revenue and expense items flow through the statement of financial activities based on their general nature in relation to operating activities. To the extent that these revenue and expense items relate to specific reserve balances, these items are reflected on Schedule 8 – Statement of Continuity of Reserves.

#### Cash and cash equivalents

The Authority considers deposits in banks and short-term investments with maturities of three month or less as cash and cash equivalents. Cash and cash equivalents comprise cash on hand, demand deposits and short-term cashable investments.

#### Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### 2. Summary of significant accounting policies *(continued)*

#### Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and recognized as revenue. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives commencing once the asset is available for productive use as follows:

- Land improvements – 20 years
- Building and Building Improvements – 20 to 40 years
- Furniture and Fixtures – 20 to 25 years
- Machinery and Equipment – 4 to 10 years
- Vehicles – 5 to 10 years
- Computers and Computer Software – 4 to 10 years
- Infrastructure – 20 to 55 years

#### Leased Tangible Capital Assets

A lease that transfers substantially all of the benefits and risks of ownership to the lessee is recorded as a tangible capital asset and the incurrence of a lease obligation. At inception, a tangible capital asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments, excluding executory costs, and the leased property's fair value at the beginning of the lease. The discount rate used to determine the present value of the lease payments is the lower of the rate of incremental borrowing or the interest rate implicit in the lease.

Leased tangible capital assets are amortized on a straight-line basis as follows:

- Office Equipment - 4 years

#### Vacation pay and lieu time liability

Vacation credits earned but not taken and lieu time entitlements are accrued as earned.

#### Reserves

Reserves for future expenses and contingencies are established and approved for use as required at the discretion of the Board of Directors. Increases or decreases in these reserves are made by appropriations to or from operations.

# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### **2. Summary of significant accounting policies (*continued*)**

#### **Government transfers**

Government transfers and municipal levies are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Government transfers and municipal levies are recognized as deferred revenue when transfer stipulations give rise to a liability. Government transfers and municipal levies are recognized in the statement of operations as the stipulation liabilities are settled.

#### **Restricted revenue**

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor and are recognized as revenue when used for the purpose specified.

Other grants, donations and contributions, amounts received from Lake Simcoe Region Conservation Foundation and authority-generated revenue are recognized when the related services are performed.

#### **Use of estimates**

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements include accounts receivable, estimated provisions for accrued liabilities, the estimated useful lives of tangible capital assets and valuation of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### **Retirement benefits and other employee benefit plans**

The Authority is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Authority has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Authority records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### 2. Summary of significant accounting policies (*continued*)

#### Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the Authority is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

#### Financial instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Authority's financial assets comprise of cash and cash equivalents including investments which are recorded at fair value; and accounts receivable which are recorded at amortized cost. The Authority's financial liabilities comprise of accounts payable and accrued liabilities which are recorded at amortized cost.

### 3. Budget figures

The approved budget for 2022 is provided for comparison purposes on the statement of operations. Certain programs or specific projects budgeted for in the year were not completed as at December 31 and therefore a direct comparison of actual versus budget amounts for expenditures may not be appropriate.

Lake Simcoe Region Conservation Authority  
**DRAFT Notes to the Financial Statements**

December 31, 2022

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**3. Budget figures (continued)**

The 2022 budget was approved by the Board of Directors when the municipal levy was set on February 25, 2022. The 2022 budgeted figures are unaudited.

**4. Accounts receivable and other assets**

	<b>2022</b>	2021
Accounts receivable	<b>\$ 1,431,561</b>	\$ 1,902,495
Due from Lake Simcoe Conservation Foundation	<b>103,803</b>	48,383
Government remittances receivable	<b>8,861</b>	17,720
	<b>\$ 1,544,225</b>	\$ 1,968,598

**5. Obligations Under Capital Leases**

	<b>2022</b>	2021
Obligation under a capital lease for a Sharp MX4070N Copier, maturing May 2022 with monthly payments of \$280.	<b>\$ -</b>	\$ 1,115
Obligation under a capital lease for a Sharp MX4070N Copier, maturing February 2022 with monthly payments of \$290.	-	579
Obligation under a capital lease for a Sharp MX4071 Copier, maturing April 2023 with monthly payments of \$275.	<b>1,102</b>	4,118
Obligation under a capital lease for a Sharp MX4071 Copier, maturing May 2026 with monthly payments of \$248.	<b>10,165</b>	-
	<b>\$ 11,267</b>	\$ 5,812

Future minimum lease payments under the capital leases for subsequent years are as follows:

2023	\$ 4,075
2024	2,976
2025	2,976
2026	1,240
	<b>\$ 11,267</b>

Lake Simcoe Region Conservation Authority  
**DRAFT Notes to the Financial Statements**

December 31, 2022

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**6. Deferred revenue**

Deferred revenue consists of funds held for the following projects and programs:

	<u>2022</u>	<u>2021</u>
<b>Government and Other Funding</b>		
Ministry of the Environment, Conservation and Parks	\$ 313,560	\$ 658,681
Cash in lieu and compensation funds	16,586,076	11,836,888
Forestry & Greenspace Projects	25,001	-
Water Science & Monitoring Projects	84,340	-
Restoration Projects	494,659	505,593
Planning and Regulations	1,119,858	510,209
<b>Special Capital Programs</b>		
Facility Management	217,717	197,434
Governance	27,131	27,131
Human Resource Management	80,515	71,179
Information Management	309,040	120,544
Ecosystem Science & Monitoring	36,667	86,286
Forestry Services	141,281	131,220
Ecological Restoration & Regeneration	771,834	398,827
Greenspace Maintenance & Management	27,874	12,337
Flood Management & Warning	319,410	411,187
Water Management & Restoration	415,645	334,907
Water Science & Monitoring	36,296	53,028
Climate Change Adaptation	63,006	61,985
Watershed & Subwatershed Planning	226,296	161,744
Research & Innovation	197,635	125,474
	<u>\$ 21,493,841</u>	<u>\$ 15,704,654</u>

These amounts are recognized as revenue as directly related expenses are incurred.

# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### 7. Expenses by Object

	2022	2021
Administration	\$ 2,071,165	\$ 1,131,057
Construction and restoration	736,020	563,843
Consulting and other professional fees	1,383,323	1,054,247
Grants	916,345	370,383
Insurance	221,368	178,795
Interest and bank charges	79,533	65,673
Land	6,488,280	-
Loss on disposal of capital assets	89,780	3,511
Office	817,830	849,807
Program related expenses	323,425	190,172
Repairs and maintenance	127,068	70,850
Training	76,610	32,819
Utilities and property taxes	323,844	156,901
Vehicle expenses	128,304	127,692
Wages and benefits	11,696,308	10,877,537
	<u>\$ 25,479,203</u>	<u>\$ 15,673,287</u>

### 8. Credit facility

The Authority maintains an operating line facility with an operating limit of \$500,000 which bears interest at prime, 6.45% (2021 - 2.45%), and is due on demand. As of December 31, 2022, no balance was payable under this facility (2021 - \$Nil).

### 9. Pension agreement

The Authority makes contributions to the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer plan, on behalf of full-time members of staff and eligible part time staff. The plan is a defined benefit pension 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.

OMERS provide pension services to approximately 500,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of \$130.3 billion in respect of benefits accrued for service with actuarial assets at that date of \$123.6 billion indicating an actuarial funding deficit of \$6.7 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint

# Lake Simcoe Region Conservation Authority

## DRAFT Notes to the Financial Statements

December 31, 2022

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### 9. Pension agreement (*continued*)

responsibility of Ontario municipal organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the Authority to OMERS for 2022 were \$880,168 (2021 - \$849,469).

### 10. Contingent liabilities

Certain unresolved legal claims are outstanding against the Authority at December 31, 2022. No amounts have been accrued in the financial statements for any potential losses arising from these claims as the Authority anticipates any individual settlements will not exceed the limits of insurance coverage or the outcomes are not determined at this time.

### 11. Related party transactions

The Lake Simcoe Region Conservation Authority exercises economic interest over the Lake Simcoe Conservation Foundation as the Foundation was established to raise funds and obtain resources for the exclusive use of the Authority. During the year, the Authority received \$195,689 (2021 - \$432,008) from the Foundation towards specific program deliverables. Additionally, the Authority received from the Foundation \$165,999 (2021 - \$141,133) for expense reimbursement of Foundation related expenses. These transactions are measured at cost.

### 12. Financial instruments risks

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Authority's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Authority's receivables are from government resources.

#### Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Authority will not have sufficient funds to settle a transaction on the due date. The Authority is exposed to this risk mainly in respect of its accounts payable. The Authority mitigates this risk by ensuring that it always has sufficient cash to allow it to meet its liabilities when they become due.



Lake Simcoe Region Conservation Authority  
**DRAFT Notes to the Financial Statements**

December 31, 2022

**DRAFT Schedule 1 – Corporate Services**

Year Ended December 31	2022 Budget (Note 3)	2022 Actual	2021 Actual
<b>Revenue:</b>			
General Levy	\$ 2,775,961	\$ <b>2,776,334</b>	\$ 2,702,672
Special Capital Levy & Municipal Partners	1,097,861	<b>878,844</b>	921,008
Provincial & Federal Funding	6,157	<b>1,962</b>	1,962
Revenue Generated by Authority	947,776	<b>394,902</b>	340,161
Other Revenue & Contributions	43,000	<b>265,217</b>	35,937
<b>Total Revenue:</b>	4,870,755	<b>4,317,259</b>	4,001,740
<b>Expenses:</b>			
Corporate Communications	859,733	<b>713,703</b>	706,622
Facility Management	2,023,731	<b>760,112</b>	679,196
Financial Management	1,308,643	<b>1,108,760</b>	1,027,179
Governance	637,334	<b>648,578</b>	577,318
Human Resource Management	580,392	<b>621,002</b>	428,355
Information Management	1,428,213	<b>1,215,693</b>	1,088,257
<b>Total Gross Expenses:</b>	6,838,046	<b>5,067,848</b>	4,506,927
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	<b>329,010</b>	247,858
Internal Fee for Service	2,042,793	<b>2,026,123</b>	1,045,108
Expenses before Amortization	4,795,253	<b>2,712,715</b>	3,213,961
Amortization	-	<b>307,058</b>	385,358
	4,795,253	<b>3,019,773</b>	3,599,319
Net surplus for the year	\$ 75,502	\$ <b>1,297,486</b>	\$ 402,421

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 2 – Ecological Management**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
General Levy	\$ 6,130	\$ 6,130	\$ 6,070
Special Capital Levy & Municipal Partners	2,262,298	1,463,005	1,446,552
Provincial & Federal Funding	405,080	290,069	344,974
Revenue Generated by Authority	806,218	678,675	766,700
Other Revenue & Contributions	30,854	48,529	123,153
<b>Total Revenue:</b>	<b>3,510,580</b>	<b>2,486,408</b>	<b>2,687,449</b>
<b>Expenses:</b>			
Ecosystem Science & Monitoring	978,532	947,190	906,119
Forestry Services	717,718	681,833	549,472
Restoration & Regeneration	1,779,736	667,822	1,142,526
<b>Total Gross Expenses:</b>	<b>3,475,986</b>	<b>2,296,845</b>	<b>2,598,117</b>
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	35,163	-
Internal Fee for Service	-	22,856	17,107
Expenses before Amortization	3,475,986	2,238,826	2,581,010
Amortization	-	19,586	-
	3,475,986	2,258,412	2,581,010
Net surplus for the year	\$ 34,594	\$ 227,996	\$ 106,439

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 3 – Education & Engagement**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
General Levy	\$ 339,888	\$ <b>339,888</b>	\$ 336,511
Provincial & Federal Funding	-	<b>2,100</b>	-
Revenue Generated by Authority	284,880	<b>422,697</b>	282,050
Other Revenue & Contributions	-	<b>175</b>	5,800
<b>Total Revenue:</b>	<b>624,768</b>	<b>764,860</b>	<b>624,361</b>
<b>Expenses:</b>			
Community Programming	151,903	<b>85,613</b>	67,380
School Programming	536,032	<b>593,307</b>	568,866
<b>Total Gross Expenses:</b>	<b>687,935</b>	<b>678,920</b>	636,246
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	<b>610</b>	8,960
Internal Fee for Service	63,167	-	40,843
Expenses before Amortization	624,768	<b>678,310</b>	586,443
Amortization	-	<b>1,054</b>	-
	624,768	<b>679,364</b>	586,443
Net surplus for the year	\$ -	\$ <b>85,496</b>	\$ 37,918

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 4 – Greenspace Services**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
General Levy	\$ 372,105	\$ 372,105	\$ 414,125
Special Capital Levy & Municipal Partners	435,968	380,159	441,530
Provincial & Federal Funding	8,390	18,177	-
Revenue Generated by Authority	190,425	51,017	129,152
Other Revenue & Contributions	3,500	6,626,428	64,773
<b>Total Revenue:</b>	<b>1,010,388</b>	<b>7,447,886</b>	<b>1,049,580</b>
<b>Expenses:</b>			
Management	1,005,407	987,641	731,567
Property Services	50,000	-	56,199
Securement	144,424	6,664,532	264,665
<b>Total Gross Expenses:</b>	<b>1,199,831</b>	<b>7,652,173</b>	<b>1,052,431</b>
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	6,493,453	127,343
Internal Fee for Service	21,443	22,238	4,000
Expenses before Amortization	1,178,388	1,136,482	921,088
Amortization	-	38,029	-
	1,178,388	1,174,511	921,088
<b>Net surplus (deficit) for the year</b>	<b>\$ (168,000)</b>	<b>\$ 6,273,375</b>	<b>\$ 128,492</b>

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 5 – Planning & Development Services**

<b>Year Ended December 31</b>	2022 Budget (Note 3)	<b>2022 Actual</b>	2021 Actual
<b>Revenue:</b>			
General Levy	\$ 495,211	\$ <b>495,211</b>	\$ 490,292
Special Capital Levy & Municipal Partners	412,869	<b>412,869</b>	405,264
Provincial & Federal Funding	22,413	<b>22,413</b>	22,413
Revenue Generated by Authority	4,652,024	<b>3,574,467</b>	2,734,703
Other Revenue & Contributions	-	<b>14,932</b>	7,861
<b>Total Revenue:</b>	5,582,517	<b>4,519,892</b>	3,660,533
<b>Expenses:</b>			
Development Planning	2,834,034	<b>2,543,609</b>	1,640,076
Permitting & Enforcement	2,774,094	<b>2,170,938</b>	1,567,226
<b>Total Gross Expenses:</b>	5,608,128	<b>4,714,547</b>	3,207,302
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	<b>5,563</b>	1,018
Expenses before Amortization	5,608,128	<b>4,708,984</b>	3,206,284
Amortization	-	<b>1,341</b>	-
	5,608,128	<b>4,710,325</b>	3,206,284
Net surplus (deficit) for the year	\$ (25,611)	\$ <b>(190,433)</b>	\$ 454,249

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 6 – Water Risk Management**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
General Levy	\$ 100,120	\$ <b>100,120</b>	\$ 99,125
Special Capital Levy & Municipal Partners	3,463,942	<b>1,935,292</b>	1,443,986
Provincial & Federal Funding	1,370,215	<b>978,343</b>	698,851
Revenue Generated by Authority	1,510,552	<b>1,014,313</b>	456,056
Other Revenue & Contributions	-	<b>25,686</b>	7,253
<b>Total Revenue:</b>	<b>6,444,829</b>	<b>4,053,754</b>	<b>2,705,271</b>
<b>Expenses:</b>			
Flood Management & Warning	866,701	<b>568,703</b>	438,665
Source Water Protection	840,052	<b>683,798</b>	573,097
Water Management & Restoration	4,011,367	<b>1,936,514</b>	725,878
Water Science & Monitoring	719,606	<b>586,942</b>	596,593
<b>Total Gross Expenses:</b>	<b>6,437,726</b>	<b>3,775,957</b>	<b>2,334,233</b>
<b>Expenses included above related to:</b>			
Tangible Capital Assets	-	<b>47,158</b>	118,440
Internal Fee for Service	-	-	24,000
Expenses before Amortization	6,437,726	<b>3,728,799</b>	2,191,793
Amortization	-	<b>29,552</b>	-
	6,437,726	<b>3,758,351</b>	2,191,793
Net surplus for the year	\$ 7,103	\$ <b>295,403</b>	\$ 513,478

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 7 – Watershed Studies & Strategies**

<b>Year Ended December 31</b>	<b>2022 Budget (Note 3)</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
<b>Revenue:</b>			
Special Capital Levy & Municipal Partners	\$ 949,384	\$ <b>838,975</b>	\$ 954,553
Provincial & Federal Funding	456,437	<b>457,155</b>	441,205
Revenue Generated by Authority	-	<b>5,433</b>	5,898
Other Revenue	-	<b>485</b>	247
<b>Total Revenue:</b>	1,405,821	<b>1,302,048</b>	1,401,903
<b>Expenses:</b>			
Climate Change Adaptation	196,371	<b>197,450</b>	191,102
Research & Innovation	551,016	<b>516,655</b>	578,225
Watershed Subwatershed Planning	649,949	<b>578,808</b>	568,704
<b>Total Expenses before Amortization:</b>	1,397,336	<b>1,292,913</b>	1,338,031
Amortization	-	<b>3,048</b>	-
	1,397,336	<b>1,295,961</b>	1,338,031
Net surplus for the year	\$ 8,485	\$ <b>6,087</b>	\$ 63,872

Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 8 – Statement of Continuity of Reserves**

**Year Ended December 31**

<b>Reserve Category</b>	<b>Opening Balance January 1, 2022</b>	<b>Appropriations to/(from) Reserve</b>	<b>Ending Balance December 31, 2022</b>
Asset Management	\$ 735,047	\$ 613,100	\$ 1,348,147
Working Capital	460,318	(24,895)	435,423
Rate Stabilization	2,308,728	975,380	3,284,108
Restricted	33,903	10,316	44,219
<b>Grand Total</b>	<b>\$ 3,537,996</b>	<b>\$ 1,573,901</b>	<b>\$ 5,111,897</b>



Lake Simcoe Region Conservation Authority  
**DRAFT Schedule 9 – Schedule of Accumulated Surplus**

<b>Year Ended December 31</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
Opening Accumulated Surplus	\$ 15,524,307	\$ 13,817,436
Current Year Surplus	7,995,410	1,706,871
Ending Accumulated Surplus	<b>23,519,717</b>	15,524,307
<b>Accumulated Surplus consists of:</b>		
Tangible Capital Assets (net)	18,463,662	12,030,249
Unfunded Capital Leases	(55,842)	(43,938)
Reserves (Schedule 8)	5,111,897	3,537,996
Ending Accumulated Surplus	<b>\$ 23,519,717</b>	<b>\$ 15,524,307</b>

Lake Simcoe Region Conservation Authority

DRAFT Schedule 10 – Schedule of Tangible Capital Assets

December 31, 2022

	Land	Land Improvements	Building & Building Improvements	Computer & Computer Software	Furniture & Fixtures	Machinery & Equipment	Vehicles	Infrastructure	Work in Process	2022	2021
<b>Cost</b>											
Opening Balance	\$ 5,932,374	\$ 733,930	\$ 7,844,544	\$ 1,047,232	\$ 407,967	\$ 859,340	\$ 407,967	\$ 433,458	\$ 103,911	\$ 17,770,723	\$ 17,591,836
Additions	6,488,280	-	112,082	175,029	6,953	103,217	27,722	5,174	94,577	7,013,034	503,618
Disposals	(17,716)	-	-	(67,288)	(56,461)	(57,333)	-	(102,877)	(90,173)	(391,848)	(324,731)
Ending Balance	12,402,938	733,930	7,956,626	1,154,973	358,459	905,224	435,689	335,755	108,315	24,391,909	17,770,723
<b>Accumulated Amortization</b>											
Opening Balance	-	197,631	3,254,795	964,931	222,873	591,888	308,597	199,759	-	5,740,474	5,645,256
Amortization	-	30,620	200,581	48,509	19,773	66,383	25,366	8,436	-	399,668	385,358
Disposals	-	-	-	(67,288)	(38,193)	(57,333)	-	(49,081)	-	(211,895)	(290,140)
Ending Balance	-	228,251	3,455,376	946,152	204,453	600,938	333,963	159,114	-	5,928,247	5,740,474
Net Book Value	\$12,402,938	\$ 505,679	\$ 4,501,250	\$ 208,821	\$ 154,006	\$ 304,286	\$ 101,726	\$ 176,641	\$ 108,315	\$ 18,463,662	\$ 12,030,249

## Staff Report

**To:** Board of Directors

**From:** Christa Sharp, Manager, Restoration Services

**Date:** April 18, 2023

### Subject

Top Restoration Projects of 2022

### Recommendation

**That** Staff Report No. 19-23-BOD regarding the Conservation Authority's Restoration Program and Projects be received for information.

### Purpose of this Staff Report

The purpose of this Staff Report No. 19-23-BOD is to advise the Board regarding of the Conservation Authority's Restoration Program and the top projects completed in 2022, as well as planned projects for 2023.

### Background

The Conservation Authority completed or funded over 90 projects across the Lake Simcoe watershed in 2022. From stormwater retrofits, low impact development features, to community action projects, creating wetland habitat and agricultural projects, we continue to make critical on-the-ground improvements to the Lake Simcoe watershed. These projects are tracked for Key Performance Indicators, and some of these accomplishments include over 35,000 trees and shrubs planted, over 2,000 metres of streambank restored, over 25 hectares of land restored, and over 180 kg per year of Phosphorus reduced in Lake Simcoe. Every year, favourite projects are selected for presentation to the Board of Directors. For 2022, these projects include:

- ✓ Stormwater pond redesigns in Aurora and Barrie
- ✓ Innisfil Beach Park wetland and stream restoration
- ✓ Bradford low impact development parking lot retrofit
- ✓ Five designs for upcoming restoration projects
- ✓ Clean water diversion
- ✓ Community action
- ✓ Tree plantings
- ✓ Tile outlet control structures
- ✓ Cover crops
- ✓ Removal of invasive species

There are over 80 projects in progress for 2023, and staff look forward to working with all of the great watershed partners to continue with the great successes seen in 2022.

## Issues

The restoration program may experience some funding or program shifts as we look towards 2024 and the full Conservation Authority transition of programs and services. Many restoration activities will be considered mandatory Category 1 programs while other restoration activities will either operate within Category 2 or 3 programs. These details are currently being formalized as part of the transition process. The restoration program as a whole is critical in restoring and managing the Lake Simcoe watershed.

## Relevance to Conservation Authority Policy

The Conservation Authority's vision is a healthy lake, healthy land, healthy life for generations to come. Strategic Direction One, watershed health and climate resilience, is achieved through nature-based restoration solutions and an increase in protected areas on rural, urban and agricultural lands. The development and implementation of the offsetting policies assist in achieving this goal by providing a consistent approach to enhancement and restoration throughout the watershed.

## Impact on Conservation Authority Finances

This update will not impact Conservation Authority finances.

## Summary and Recommendations

It is therefore **Recommended That** Staff Report No. 19-23-BOD regarding the Conservation Authority's Restoration Program and Projects be received for information.

## Pre-Submission Review

This Staff Report has been reviewed by the General Manager, Development, Engineering and Restoration and the Chief Administrative Officer.

Signed by:

Glenn MacMillan  
General Manager, Development,  
Engineering and Restoration

Signed by:

Rob Baldwin  
Chief Administrative Officer

## Staff Report

To: Board of Directors

From: Don Goodyear, General Manager, Integrated Watershed Management

Date: April 14, 2023

### Subject

2023 Provincial Funding Agreements Summary - Lake Simcoe Protection Plan

### Recommendation

**That** Staff Report No. 20-23-BOD regarding recently secured Provincial funding in support of the Lake Simcoe Protection Plan be received for information.

### Purpose of this Staff Report:

The purpose of this Staff Report No. 20-23-BOD is to provide the Board of Directors with a summary of recently established funding agreements with the Ministry of Environment, Conservation, Parks in support of achieving outcomes of the Lake Simcoe Protection Plan.

### Background:

Since 2012, the Conservation Authority has entered into numerous agreements with the Province for the delivery of projects that support implementation of the Lake Simcoe Protection Plan. In late-2022, staff began negotiations to establish new and amended agreements up to the 2023/24 fiscal year, and in some cases through 2025. Amendments to existing agreements are undertaken to incorporate new tasks and adjust timelines as well as funding amounts. As a result of these negotiations, the Conservation Authority has established three new agreements and amended two existing agreements. Following is a summary of the agreements, which advance initiatives supporting environmental monitoring, watershed planning, restoration, and research and innovation.

#### **Lake Simcoe Tributary Monitoring and Study of Phosphorus and Dissolved Oxygen (new):**

The primary objective of this project is to undertake the sampling and analysis necessary to calculate annual phosphorus loads to Lake Simcoe. Additionally, this project will investigate the observed disconnect between phosphorus loads and the dissolved oxygen concentrations. An improved understanding of changes to lake ecology will assist with adaptive management.

Timeframe: March 2023 to March 2025. Provincial funding: \$749,711.73

#### **Emerging Contaminants Water and Sediment Quality Study (new):**

The sediment and surface water of Lake Simcoe tributaries as well as the lake nearshore zone can become polluted with contaminants originating from natural and anthropogenic sources. In

partnership with the Province, contaminants have been sampled twice previously in 2004 and 2015. This project will improve understanding of changing concentrations of contaminants, identify emerging issues and support the overall adaptive management approach of the Lake Simcoe Protection Plan.

Timeframe: March 2023 to April 2024. Provincial funding: \$69,114.21

**Promoting Urban Stormwater Restoration (new):**

This project includes two components. The first involves supporting watershed municipalities in the adoption of stormwater management best practices through low impact development working group sessions, database enhancements to advance stormwater asset management, and knowledge sharing. The second involves advancing the planning and design of three innovative stormwater management projects within the watershed.

Timeframe: March 2023 to March 2025. Provincial funding: \$389,647.37

**Winter de-icer best management practice project (amended):**

This existing agreement to promote winter de-icing best practices focused on private parking lot managers has been amended to replace a Region of Waterloo study with a case study on the adoption of liquids in winter road maintenance by the Town of East Gwillimbury. This case study will describe East Gwillimbury's new approach, assessing the impacts their shift has had on chloride application, on cost to the municipality, as well as impacts to public safety.

Timeframe: March 2021 to February 2024. Provincial funding (total): \$199,555.65

**Stormwater Phosphorus Export Model project (amended):**

This existing agreement to assess the influence of catchment maturity on the chemical properties of stormwater runoff has been amended to add an additional monitoring season to improve confidence in analysis.

Timeframe: April 2021 to April 2024. Provincial funding (total): \$163,628.71

**Issues:**

Partnerships with the Province through these agreements help advance shared priorities and embodies the Conservation Authority's mission of collaborating to protect and restore the Lake Simcoe watershed with innovative research, policy and action. Improving water quality and flood resilience through innovative stormwater management projects by the Restoration team provides direct benefit to the watershed, and refining our understanding of lake and watershed stressors and responses to them through enhanced monitoring and research is foundational to adaptive management. The outcomes from each agreement enable the Conservation Authority to better protect and restore the Lake Simcoe watershed.

**Relevance to Conservation Authority Policy:**

All agreements will be undertaken in compliance with any related Conservation Authority policy.

**Impact on Conservation Authority Finances:**

Revenue from the new and amended agreements is \$429,450.42 for 2023, which will be incorporated into a forthcoming budget restatement, and \$729,463.91 for 2024 and beyond. In accordance with individual agreements, funds will be used to support expenses such as staff salary, equipment, and consultant services. Staff salaries for all new agreements are charged at full cost recovery rates that account for non-billable hours such as vacation. Each agreement also includes an overhead administration charge of 18% of staff salary.

**Summary and Recommendations:**

Negotiations with the Province have resulted in three new agreements and two amended agreements in support of the Lake Simcoe Protection Plan. The agreements augment existing Conservation Authority programs such as Restoration Services, Watershed Planning, Research and Innovation and Environmental Science and Monitoring, significantly increasing capacity and outcomes.

It is therefore **Recommended That** Staff Report No. 20-23-BOD regarding recently secured Provincial funding in support of the Lake Simcoe Protection Plan be received for information.

**Pre-Submission Review:**

This Staff Report has been reviewed by the Chief Administrative Officer.

Signed by:

Signed by:

Don Goodyear  
General Manager, Integrated Watershed  
Management

Rob Baldwin  
Chief Administrative Officer

## Staff Report

**To:** Board of Directors

**From:** Mark Critch, General Manager of Corporate and Financial Services/CFO

**Date:** April 17, 2023

### Subject

Update on Purchasing for Off-lease Equipment and Vehicles

### Recommendation

**That** Staff Report No. 21-23-BOD regarding changes in the replacement of certain aging assets be received; and

**Further That** the Chief Administrative Officer be authorized to draw from the Asset Management reserve, as necessary, to facilitate the purchase of off-lease office equipment and vehicles, where financially prudent for the Conservation Authority.

### Purpose of this Staff Report

The purpose of this Staff Report No. 21-23-BOD is to seek the Board of Directors' approval to purchase three (3) off lease vehicles (Chevrolet Silverado 1500's) and one (1) off lease printer (Sharp), utilizing asset management reserve funding. These lease vs buy discussions were held in the first quarter and therefore not included in the 2023 Budget.

### Background

The Conservation Authority regularly evaluates lease vs buy options for all new and replacement assets for program and service delivery. In previous years, leasing was the most cost-effective way of procuring vehicles and office equipment. In early 2023, program and finance staff reviewed options around leased vehicles and printers and determined that due to the reduced usage through the COVID 19 pandemic and related hybrid return to work, along with significantly different financing terms, buying out the vehicles and printer is the most financially prudent decision. Below is the individual vehicle comparison:

Options	Current Lease	Proposed Lease	Change in Lease Costs	3 Year Cost Comparison	5 Year Cost Comparison*
Lease	\$516/month	\$980/month	\$464; up 90%	\$35,280	\$53,280
Buy				\$37,106	\$37,106
Lease vs Buy				(\$1,826)**	\$16,174**

\*estimated midpoint of \$750/month for lease cost in years 4 and 5

\*\* does not include value of the vehicles that could be sold off after initially buying them



The three vehicles are currently like new, have low kilometres and should last an additional five years. The comparison above, along with any potential resale value after five years, makes the purchase of the vehicles quite favourable.

Similarly, with staff being out of the office during the COVID 19 pandemic and returning in the hybrid work model, the usage of printers has been well below expectations. This has helped lower operating costs for the past three years (contributed to surpluses) and significantly changes end of term evaluation criteria. Below is the lease vs buy comparison for the Sharp printer:

Options	Current Lease	New Lease	Change in Lease Costs	3 Year Cost Comparison	5 Year Cost Comparison
Lease	\$305/month	\$350/month	\$45; up 15%	\$12,600	\$21,000
Buy for \$2,700				\$7,200*	\$10,200*
Lease vs Buy				\$5,400	\$10,800

\*includes an estimated \$1,500/year for parts and maintenance (included in lease costs)

With printing down over 50% through the current lease term, these machines are expected to last another 3 to 5 years. Returning the machine for a new lease would be more expensive with little to no benefit of a newer machine.

## Issues

Board approval is required for an unbudgeted draw from reserves of this magnitude.

## Relevance to Conservation Authority Policy

The Conservation Authority's Procurement policy allows for staff to source out equipment and vehicles through lease or purchase, depending on the market conditions that would be most advantageous. The Conservation Authority has done both in the past, with a financial evaluation to support each individual decision.

Staff did not anticipate such significant in-year market shifts that would enable such a savings by owing the equipment. Board approval is required for an unbudgeted draw from reserves, which will be required in 2023. The maximum draw from the asset management reserves would be \$115,000 for the purchase of three (3) Chevrolet Silverado 1500s and one (1) Sharp printer, with staff looking to utilize deferred funding, in-year surplus (if available) and budgeted lease payments to cover at least \$35,000.

## Impact on Conservation Authority Finances

The 2023 Budget was approved on the basis of leasing the vehicles and equipment over the course of the year. In re-evaluating the leases as they came due in the first quarter, staff

realized that the market pricing and interest rates had changed the lease vs buy decision completely.

Asset management draws will be required to purchase the three (3) vehicles and one (1) printer). Finance staff are recommending this draw from reserves in 2023 and will work with program staff to “re-pay” the asset management reserves over the course of the next 3-5 years, essentially replacing the funds used for the purchase.

### Summary and Recommendations

Market conditions over the last 2-3 years have provided both challenges and opportunities for the Conservation Authority. Program and finance staff continue to work together to make the best decisions possible in sourcing equipment and vehicle needs. Board approval is required to utilize in-year asset management reserve draws that will enable longer term savings to the Conservation Authority with full repayment of the reserves over the next 3-5 years. Any additional opportunities arising in the future will be evaluated on an individual, case-by-case basis.

It is therefore **Recommended That** Staff Report No. 21-23-BOD regarding changes in the replacement of certain aging assets be received; and **Further That** the Chief Administrative Officer be authorized to draw from the Asset Management reserve, as necessary, to facilitate the purchase of off-lease office equipment and vehicles, where financially prudent for the Conservation Authority.

### Pre-Submission Review

This Staff Report has been reviewed by the General Manager, Corporate and Financial Services/CFO and the Chief Administrative Officer.

Signed by:

Mark Critch

General Manager, Corporate and Financial  
Services/CFO

Signed by:

Rob Baldwin

Chief Administrative Officer

## Staff Report

**To:** Board of Directors

**From:** Christa Sharp, Manager, Restoration Services

**Date:** April 18, 2023

### Subject

SPO3 Stormwater Pond Retrofit, City of Barrie

### Recommendation

**That** Staff Report No. 22-23-BOD regarding the SPO3 Stormwater Pond Retrofit in the City of Barrie be received; and

**Further that** funding for the project through the Conservation Authority's Offsetting Cash in Lieu funds and Restoration Assistance as outlined in this report be approved.

### Purpose of this Staff Report

The purpose of this Staff Report No. 22-23-BOD is to obtain Board approval for funding through the Conservation Authority's Offsetting Cash in Lieu and Restoration Assistance Programs for the SPO3 Stormwater pond retrofit project in the City of Barrie.

### Background

Funding is required to support the initiatives to improve localized stormwater and water quality by retrofitting a dry pond to a wet pond with a forebay and main cell. This will be achieved through the implementation of a treatment train approach that includes the improvement to the stormwater pond and bypass channel and the installation of an oil/grit separator running in parallel.

The environmental benefits resulting from this retrofit project will include:

- 57.36 kg/year of additional phosphorus reduction,
- Reduction of thermal impacts to Sophia creek, and
- Addressing runoff from 81.92-hectare drainage area.

The Conservation Authority's support for this project is a cash contribution of up to \$791,743 towards the implementation of the above-listed initiatives and \$10,000 of in-kind staff time to participate in construction meetings and site inspections.

The funders and respective grant amount are as follows:

- Lake Simcoe Conservation Foundation: \$50,000 (approved by the Lake Simcoe Conservation Foundation Board);
- Lake Simcoe Region Conservation Authority (Phosphorus Offsetting): \$721,743;
- Lake Simcoe Region Conservation Authority (Restoration Assistance): \$20,000; and
- Lake Simcoe Region Conservation Authority in-kind: \$10,000.

Funding includes features to be constructed in accordance with approved drawings and all applicable government agencies' criteria. This project is anticipated to be completed before December 31, 2024.

## Issues

Larger scale projects such as this one significantly improve stormwater quality and quantity in their respective local areas. Conservation Authority staff are pleased to see and assist in developing large scale innovative stormwater retrofit projects with municipal partners while also contributing to the overall cost, reducing the burden on municipalities.

## Relevance to Conservation Authority Policy

The Conservation Authority's vision is a healthy lake, healthy land, healthy life for generations to come. Strategic Direction One, watershed health and climate resilience, is achieved through nature-based restoration solutions and an increase in protected areas on rural, urban and agricultural lands. The development and implementation of the offsetting cash in lieu and restoration assistance program assist in achieving this goal by providing a consistent approach to enhancement and restoration throughout the watershed.

## Impact on Conservation Authority Finances

This update will not impact Conservation Authority finances. This project has been approved by the internal review committee to ensure the project meets the objectives of the program and the finances are available to fund the project.

## Summary and Recommendations

It is therefore **Recommended That** Staff Report No. 22-23-BOD regarding the SPO3 Stormwater Pond Retrofit in the City of Barrie be received; and **Further that** funding for the project through the Authorities Offsetting Cash in Lieu funds and Restoration Assistance as outlined in this report be approved.



## **Pre-Submission Review**

This Staff Report has been reviewed by the General Manager, Development, Engineering and Restoration and the Chief Administrative Officer.

Signed by:

Glenn MacMillan  
General Manager, Development,  
Engineering and Restoration

Signed by:

Rob Baldwin  
Chief Administrative Officer