

**Central Lake Ontario  
Conservation Authority  
Non-Consolidated Financial Statements  
For the year ended December 31, 2018**

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## Independent Auditor's Report

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To the Members of Central Lake Ontario Conservation Authority

### Qualified Opinion

We have audited the non-consolidated financial statements of Central Lake Ontario Conservation Authority (the Authority), which comprise the non-consolidated statement of financial position as at December 31, 2018, and the non-consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, a summary of significant accounting policies and notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2018, and its results of operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

As explained in Note 7 to the non-consolidated financial statements, the Authority exercises control over Central Lake Ontario Conservation Fund. These financial statements have been prepared on a non-consolidated basis, which constitutes a departure from Canadian public sector accounting standards. This is a result of a decision taken by management in a prior year. If these financial statements had been prepared on a consolidated basis, cash would have been increased by \$41,463 (2017 - \$18,271), temporary investments would have been increased by \$1,807,373 (2017 - \$2,178,216), accounts receivable - other would have been increased by \$63 (2017 - \$40), accounts payable would have been increased by \$3,026 (2017 - \$2,950), deferred revenue would have been increased by \$23,007 (2017 - \$23,007), deferred contributions would have been increased by \$323,080 (2017 - \$669,470) and accumulated surplus would have been increased by \$1,499,786 (2017 - \$1,501,100). Our opinion on the non-consolidated financial statements for the year ended December 31, 2017 was modified accordingly because of the effects of this departure from Canadian public sector accounting standards.

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

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

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

Chartered Professional Accountants, Licensed Public Accountants

Oshawa, Ontario  
REPORT DATE

**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Non-Consolidated Statement of Financial Position**

**December 31** **2018** **2017**

**Financial assets**

Cash	\$ 944,914	\$ 243,894
Temporary investments (Note 1)	4,248,651	3,925,876
Accounts receivable		
Government grants and projects	194,482	479,757
Other	611,462	313,668
	<b>5,999,509</b>	<b>4,963,195</b>

**Liabilities**

Accounts payable and accrued liabilities	408,085	375,752
Vehicle loan	36,515	43,147
Deferred revenue (Note 2)	1,233,762	956,560
Employee future benefits payable (Note 3)	769,881	693,852
Vacation pay liability	100,733	75,156
Sick leave entitlements (Note 4)	401,875	381,943
	<b>2,950,851</b>	<b>2,526,410</b>

**Net Financial Assets**

**3,048,658** **2,436,785**

**Non-financial assets**

Prepaid expenses	53,169	61,647
Tangible capital assets (Note 9)	30,338,035	30,382,277
Construction in progress	814	11,031
	<b>30,392,018</b>	<b>30,454,955</b>

**Accumulated surplus** (Note 5) **\$ 33,440,676** **\$ 32,891,740**

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Non-Consolidated Statement of Operations**

<b>For the year ended December 31</b>	2018	2018	2017
	Budget (Note 6)	Actual	Actual
<b>Revenue</b>			
Government grants			
Transfer payments	\$ 125,000	\$ 124,833	\$ 124,833
Provincial other	10,200	62,656	6,196
Federal	37,900	67,952	228,201
Municipal levy	3,822,155	3,822,155	3,728,933
Special regional levy	207,500	192,801	50,000
Other grants	6,000	6,304	-
Authority generated	3,177,680	3,567,777	3,297,866
Gain on disposition of tangible capital assets	-	2,475	1,272
	<u>7,386,435</u>	<u>7,846,953</u>	<u>7,437,301</u>
<b>Expenses (Note 10)</b>			
Corporate services	1,466,520	1,655,367	1,484,701
Watershed management and monitoring	1,110,790	1,126,028	1,115,821
Environmental plan review and regulations	1,568,965	1,474,605	1,400,666
Community engagement	763,080	780,266	760,608
C.A. land management	1,160,855	1,313,421	1,101,149
Oak Ridges Moraine Groundwater Program	911,600	948,330	856,636
	<u>6,981,810</u>	<u>7,298,017</u>	<u>6,719,581</u>
<b>Annual surplus</b>	<u>\$ 404,625</u>	<u>\$ 548,936</u>	<u>\$ 717,720</u>
<b>Accumulated surplus, beginning of year</b>		<b>\$ 32,891,740</b>	\$ 32,174,020
<b>Annual surplus</b>		<u>548,936</u>	717,720
<b>Accumulated surplus, end of year</b>		<b>\$ 33,440,676</b>	\$ 32,891,740

**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Non-Consolidated Statement of Changes in Net Financial Assets**

<b>For the year ended December 31</b>	2018 Budget (Note 6)	2018 Actual	2017 Actual
<b>Annual Surplus</b>	\$ 404,625	\$ 548,936	\$ 717,720
Acquisition of tangible capital assets	(404,625)	(314,511)	(631,225)
Amortization	-	351,865	315,805
Gain on disposition of tangible capital assets	-	(2,475)	(1,272)
Proceeds on disposal of tangible capital assets	-	9,363	17,127
Construction in progress	-	10,217	(11,031)
	(404,625)	54,459	(310,596)
Change in prepaid expenses	-	8,478	(15,503)
<b>Change in net financial assets</b>	-	611,873	391,621
<b>Net financial assets, beginning of year</b>	2,436,785	2,436,785	2,045,164
<b>Net financial assets, end of year</b>	\$ 2,436,785	\$ 3,048,658	\$ 2,436,785

The accompanying summary of significant accounting policies and notes are an integral part of these non-consolidated financial statements.

**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Non-Consolidated Statement of Cash Flows**

**For the year ended December 31** **2018** **2017**

**Cash provided by (used in)**

**Cash flows from operating activities**

Annual surplus	\$ 548,936	\$ 717,720
Items not involving cash		
Amortization	351,865	315,805
Gain on disposition of tangible capital assets	(2,475)	(1,272)
Changes in non-cash operating balances		
Accounts receivable		
Government grants and projects	285,275	(134,880)
Other	(297,794)	(156,763)
Prepaid expenses	8,478	(15,503)
Accounts payable and accrued liabilities	32,333	53,121
Deferred revenue	277,202	77,159
Employee future benefits payable	76,029	66,677
Vacation pay liability	25,577	4,617
Sick leave entitlements	19,932	35,937
	<b>1,325,358</b>	<b>962,618</b>

**Capital transactions**

Acquisition of tangible capital assets	(282,842)	(631,225)
Land acquired by private donation	(31,669)	-
Proceeds on disposition of tangible capital assets	9,363	17,127
Construction in progress	10,217	(11,031)
	<b>(294,931)</b>	<b>(625,129)</b>

**Cash flows from financing activity**

Proceeds from vehicle loan	-	44,167
Repayment of vehicle loan	(6,632)	(1,020)
	<b>(6,632)</b>	<b>43,147</b>

**Net change in cash and cash equivalents**

**1,023,795** **380,636**

**Cash and cash equivalents, beginning of year**

**4,169,770** **3,789,134**

**Cash and cash equivalents, end of year**

**\$ 5,193,565** **\$ 4,169,770**

**Represented by:**

Cash	\$ 944,914	\$ 243,894
Short-term deposits with maturities of three months or less (Note 1)	4,248,651	3,925,876
	<b>\$ 5,193,565</b>	<b>\$ 4,169,770</b>

The accompanying summary of significant accounting policies and notes are an integral part of these non-consolidated financial statements.

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**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Summary of Significant Accounting Policies**

**December 31, 2018**

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**Management Responsibility  
and Basis of Presentation**

The non-consolidated financial statements of the entity are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board.

**Nature of Business**

The Central Lake Ontario Conservation Authority was established on July 17, 1958 by Order-in-Council No. 2389/58 in accordance with the Conservation Authorities Act of Ontario. The objects of the Authority as stated by the Conservation Authorities Act R.S.O. 1990 are "to establish and undertake, in the area over which it has jurisdiction, a program designed to further the conservation, restoration, development and management of natural resources other than gas, oil, coal and minerals".

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and investments in commercial paper from chartered banks with maturities of three months or less.

**Tangible Capital Assets**

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of tangible capital assets. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset as follows:

Land improvements	5 - 50 years
Building and building improvements	5 - 50 years
Infrastructure	8 - 50 years
Machinery and equipment	3 - 25 years
Computer hardware and software	3 - 10 years
Vehicles	5 - 15 years
Furniture and fixtures	10 years



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**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Summary of Significant Accounting Policies**

**December 31, 2018**

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<b>Reserves</b>	Certain amounts, as approved by the Board of Directors, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective reserve when approved.
<b>Revenue Recognition</b>	Municipal revenues are recognized in the year they are levied to member municipalities. Other revenues are recognized when they are invoiced and collection is reasonably assured.
<b>Government Transfers</b>	Government transfers 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. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.
<b>Use of Estimates</b>	The preparation of non-consolidated 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, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. The principal estimates and judgments used in the preparation of these non-consolidated financial statements are the estimated useful life of tangible capital assets, impairment of tangible capital assets and the estimates involved in employee future benefits and sick leave entitlements. Actual results could differ from management's best estimates as additional information becomes available in the future.

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**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Summary of Significant Accounting Policies**

**December 31, 2018**

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**Employee Future Benefits**

The Authority provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits for retirees. The Authority has adopted the following policies with respect to accounting for these employee benefits:

(i) The costs of employee future benefit plans are actuarially determined using their professional estimate of salary escalation, insurance and health care cost trends, long-term inflation rates and discount rates.

For employee future benefits that vest or accumulate over the periods of service provided by employees, such as life insurance and health benefits for retirees, the cost is actuarially determined using the projected benefit method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

(ii) 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 the 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.

Draft -- Summary of Significant Accounting Policies

**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Notes to Non-Consolidated Financial Statements**

**December 31, 2018**

**1. Temporary Investments**

Temporary investments are comprised of Guaranteed Investment Certificates from chartered banks with effective interest rates ranging from 1.45% to 1.65% and which mature between January 2019 and February 2019.

**2. Deferred Revenue**

Effective for 2014 onwards, all grants previously deferred, which do not have an explicit stipulation, have been recognized as revenue. At the year end, the Authority had received but not earned revenue in the amount of \$1,233,762.

	<b>2018</b>	<b>2017</b>
Balance, beginning of year	\$ <b>956,560</b>	\$ 879,401
Contributions received	<b>1,254,392</b>	1,009,051
Amounts recognized to revenue	<b>(977,190)</b>	(931,892)
	<b>\$ 1,233,762</b>	\$ 956,560

Year end balances consist of the following:

	<b>2018</b>	<b>2017</b>
Facility fees and deposits	\$ <b>5,210</b>	\$ 3,780
Fill Sites	<b>177,565</b>	167,790
YPDT - CTC	<b>98,037</b>	101,431
Plan review fees	<b>918,524</b>	649,133
Other	<b>34,426</b>	34,426
	<b>\$ 1,233,762</b>	\$ 956,560

**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Notes to Non-Consolidated Financial Statements**

**December 31, 2018**

**3. Employee Future Benefits Payable**

At December 31, 2018, the Authority's accrued benefit liability relating to post retirement benefit plans is as follows:

	<b>2018</b>	<b>2017</b>
<b>Accrued benefit liability</b> , beginning of year	<b>\$ 693,852</b>	\$ 627,175
Current service costs	<b>55,080</b>	49,810
Interest cost on obligation	<b>23,254</b>	22,681
Employer contribution	<b>(1,911)</b>	(2,118)
Amortized gains and losses	<b>(394)</b>	(3,696)
<b>Accrued benefit liability</b> , end of year	<b>\$ 769,881</b>	\$ 693,852

(i) Ontario Municipal Employees Retirement System (OMERS)

OMERS provides pension services to almost half a million 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, 2018. The results of the valuation disclosed total actuarial liabilities of \$100,081 million in respect of benefits accrued for service with actuarial assets at that date of \$95,890 million indicating an actuarial deficit of \$4,191 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint 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 2018 were \$435,681 (2017 - \$399,959).

(ii) Retirement Life Insurance and Health Care Benefits

The Authority continues to provide life insurance (reduced by 50% for early retirees), dental and health care benefits to certain employee groups after retirement for 5 years or age 65, whichever comes first. The Authority provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are based on an actuarial valuation prepared by an independent firm. The date of the last actuarial valuation was as at December 31, 2018.

The accrued benefit obligations for employee future benefit plans as at December 31, 2018 are based on an actuarial valuations for accounting purposes as at December 31, 2018. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Authority's best estimates of expected rates of:

**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Notes to Non-Consolidated Financial Statements**

**December 31, 2018**

**3. Employee Future Benefits Payable (continued)**

	2018	2017
Salary escalation (*)	<b>3.50%</b>	3.50%
Insurance and health care costs escalation	<b>4.5-6.5%</b>	4.0-8.5%
Discount on accrued benefit obligations	<b>3.25-3.75%</b>	3.25-3.75%

(\*) Salary escalation is based on long-term projections for inflation, real wages and increases for merit. Actual salaries are paid according to a payroll grid. The overall grid rates increased by 1.95% (2017 - 1.50%) over the prior year.

**4. Sick Leave Entitlements**

The Authority provides permanent employees with sick leave credits of 1.5 days per month of service, which accumulates if unused and is available for use in the event that the employee becomes ill. No benefits are payable on retirement or termination of employment. The sick leave entitlement estimates the use of accumulated sick leave prior to retirement.

At December 31, 2018, the Authority's accrued sick leave entitlement is as follows:

	2018	2017
<b>Sick leave entitlements</b> , beginning of year	<b>\$ 381,943</b>	\$ 346,006
Current service costs	<b>32,670</b>	31,085
Interest cost on obligation	<b>11,610</b>	11,229
Benefits paid during the year	<b>(21,941)</b>	(3,248)
Amortized gains and losses	<b>(2,407)</b>	(3,129)
<b>Sick leave entitlements</b> , end of year	<b>\$ 401,875</b>	\$ 381,943

**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Notes to Non-Consolidated Financial Statements**

**December 31, 2018**

**5. Accumulated Surplus**

The Authority segregates its accumulated surplus in the following categories:

	<u>2018</u>	<u>2017</u>
Surplus - investment in tangible capital assets (a)	\$ 30,338,035	\$ 30,382,277
Surplus - investment in asset under construction	814	11,031
	<u>30,338,849</u>	<u>30,393,308</u>
Reserve funds:		
Working capital (b)	2,321,367	1,979,181
Vehicles and equipment (c)	266,428	133,108
Land operations (d)	189,900	120,000
Land acquisition (e)	54,070	4,070
Forest management (f)	124,497	124,497
Rogers capital project (g)	131,755	123,812
Schillings land acquisition (h)	13,810	13,764
Total reserves	<u>3,101,827</u>	<u>2,498,432</u>
Accumulated surplus	<u>\$ 33,440,676</u>	<u>\$ 32,891,740</u>

**a) Investment in Tangible Capital Assets**

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

**b) Reserve for Working Capital**

This reserve was established to provide operating funds. No provincial funds are included in this reserve.

**c) Reserve for Replacement of Vehicles and Equipment**

This reserve was established for the purchase and replacement of vehicles and equipment. No provincial funds are included in this reserve.

**d) Reserve for Land Operations**

This reserve was established from the surplus from construction contracts. The funds will be used towards future land operations. There are no provincial funds included in this reserve.

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**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Notes to Non-Consolidated Financial Statements**

**December 31, 2018**

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**5. Accumulated Surplus (continued)**

**e) Reserve for Land Acquisition**

This reserve was established from the sale of properties in the Municipality of Clarington. No provincial funds are included in this reserve.

**f) Forest Management Reserve**

The reserve was established from the net revenue from timber sales on Authority properties for future management costs relating to Authority forest properties.

**g) Reserve for Rogers Capital Project**

The reserve was established from the surplus from the Rogers project. The funds will be used towards future capital improvements to the Rogers project.

**h) Reserve for Schillings Land Acquisition**

A condition of the Nature Conservancy of Canada/OQO funding agreement requires CLOCA to establish an endowment fund for the property equivalent to 15% of the land value (\$13,500). The endowment fund is to be invested in such a way as to produce an investment return in the capital which will be used for stewardship of the land.

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**6. Budget Figures (Unaudited)**

The 2018 budget amounts approved by the Board of Directors on May 15, 2018 were not prepared on a basis consistent with that used to report actual results under Public Sector Accounting Standards. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current revenues to \$Nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statement of operations and changes in net financial assets represent the budget adopted by the Authority on May 15, 2018 adjusted for the acquisition of tangible capital assets of \$404,625.

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**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Notes to Non-Consolidated Financial Statements**

**December 31, 2018**

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**7. Reporting Entity**

The Authority exercises control over the Central Lake Ontario Conservation Fund (the "Fund") by virtue of its common board members. The Fund was established to raise funds and obtain resources for the exclusive use of the Authority. The Fund is incorporated without share capital and is a registered charity under the Income Tax Act. Included in accounts receivable at December 31, 2018 is \$1,552 (2017 - \$1,476) owing from the Fund.

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**8. Segmented Reporting**

The Public Sector Accounting Handbook Section PS 2700, Segment Disclosures, establishes standards on defining and disclosing segments in a government's financial statements. Government organizations that apply these standards are encouraged to provide the disclosures established by this section when their operations are diverse enough to warrant such disclosures. The Authority's operations are not diverse enough to warrant these disclosures.

Draft -- Subject to Change



**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Notes to Non-Consolidated Financial Statements**

**December 31, 2018**

**9. Tangible Capital Assets**

	<b>2018</b>								
	Land	Building & Building	Infrastructure	Machinery & Equipment	Computer Hardware & Software	Vehicles	Furniture & Fixtures	Total	
	Land Improvements	Improvements							
Cost, beginning of year	\$24,214,006	\$ 1,527,261	\$ 5,752,205	\$ 1,086,172	\$ 764,361	\$ 419,105	\$ 508,492	\$ 122,301	\$ <b>34,393,903</b>
Additions	31,669	-	103,312	8,141	26,805	63,562	81,022	-	<b>314,511</b>
Disposals	-	-	-	-	-	(9,892)	(61,898)	-	<b>(71,790)</b>
Cost, end of year	<u>24,245,675</u>	<u>1,527,261</u>	<u>5,855,517</u>	<u>1,094,313</u>	<u>791,166</u>	<u>472,775</u>	<u>527,616</u>	<u>122,301</u>	<u><b>34,636,624</b></u>
Accumulated amortization, beginning of year	-	807,444	1,401,791	617,186	509,329	344,299	218,737	112,840	<b>4,011,626</b>
Amortization Disposals	-	55,103	128,660	42,039	39,485	30,178	54,046	2,354	<b>351,865</b>
	-	-	-	-	-	(9,892)	(55,010)	-	<b>(64,902)</b>
Accumulated amortization, end of year	-	<u>862,547</u>	<u>1,530,451</u>	<u>659,225</u>	<u>548,814</u>	<u>364,585</u>	<u>217,773</u>	<u>115,194</u>	<u><b>4,298,589</b></u>
Net carrying amount, end of year	<u>\$24,245,675</u>	<u>\$ 664,714</u>	<u>\$ 4,325,066</u>	<u>\$ 435,088</u>	<u>\$ 242,352</u>	<u>\$ 108,190</u>	<u>\$ 309,843</u>	<u>\$ 7,107</u>	<u><b>\$ 30,338,035</b></u>

**Central Lake Ontario Conservation Authority**  
**(Established under the Conservation Authorities Act of Ontario)**  
**Notes to Non-Consolidated Financial Statements**

**December 31, 2018**

**9. Tangible Capital Assets (continued)**

	2017								
	Land	Land	Building &	Infrastructure	Machinery &	Computer	Vehicles	Furniture &	Total
	Improvements	Improvements	Building		Equipment	Hardware		Fixtures	
			Improvements			& Software			
Cost, beginning of year	\$24,214,006	\$ 1,371,075	\$ 5,651,911	\$ 995,244	\$ 714,008	\$ 385,294	\$ 436,187	\$ 113,601	\$33,881,326
Additions		156,186	100,294	104,008	70,566	33,811	157,660	8,700	631,225
Disposals	-	-	-	(13,080)	(20,213)	-	(85,355)	-	(118,648)
Cost, end of year	24,214,006	1,527,261	5,752,205	1,086,172	764,361	419,105	508,492	122,301	34,393,903
Accumulated amortization, beginning of year	-	758,068	1,276,747	593,238	489,744	320,685	250,844	109,288	3,798,614
Amortization	-	49,376	125,044	36,253	38,796	23,614	39,170	3,552	315,805
Disposals	-	-	-	(12,305)	(19,211)	-	(71,277)	-	(102,793)
Accumulated amortization, end of year	-	807,444	1,401,791	617,186	509,329	344,299	218,737	112,840	4,011,626
Net carrying amount, end of year	\$24,214,006	\$ 719,817	\$ 4,350,414	\$ 468,986	\$ 255,032	\$ 74,806	\$ 289,755	\$ 9,461	\$30,382,277

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**Central Lake Ontario Conservation Authority**  
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**10. Expenses by Object**

	<u>2018</u>	<u>2017</u>
Wages and benefits	\$ 5,373,017	\$ 5,072,410
Members' expense	7,076	10,090
Professional fees and insurance	140,539	142,425
Corporate communications	7,713	7,888
Office equipment and supplies	38,323	66,103
Conservation area maintenance and planning	235,589	193,989
Head office utilities and office maintenance	125,908	122,661
Computer and geomatics	51,517	55,918
Amortization	351,865	315,805
Program related expenses	713,562	520,003
Vehicle and equipment	71,925	56,243
Property management	180,983	156,046
	<u>\$ 7,298,017</u>	<u>\$ 6,719,581</u>

Draft -- Subject to Change