

CENTRAL LAKE ONTARIO CONSERVATION FUND

AGENDA

Tuesday, May 14, 2024

HYBRID MEETING LOCATION: VIRTUAL THROUGH TEAMS (ACCESS DETAILS TO BE PROVIDED)
OR 100 WHITING AVENUE, OSHAWA, AUTHORITY'S ADMINISTRATIVE OFFICE, BOARDROOM

CIRCULATION LIST

Authority	Elizabeth Roy, Chair	Authority	C. Darling, Chief Administrative Officer
Members:	Bob Chapman, Vice Chair	Staff:	B. Boardman, Executive/Accounting Administrator/ Recording Secretary
	Marilyn Crawford		R. Catulli, Director, Corporate Services
	Sami Elhajjeh		J. Davidson, Director, Watershed Planning & Natural Heritage
	Bruce Garrod		L. Hastings, Communications Specialist
	Ron Hooper		D. Hope, Conservation Lands & Education Manager
	Rick Kerr		C. Jones, Director, Planning & Regulation
	Chris Leahy		P. Sisson, Director, Engineering, Field Operations & Education
	Tito-Dante Marimpietri		L.Vaja, Executive Assistant/Health & Safety Administrator
	Ian McDougall		R. Wilmot, Information Management & Technology Manager
	Rhonda Mulcahy		
	John Neal		
	David Pickles		
	Maleeha Shahid	Others:	Elizabeth Bartosek, BDO Canada LLP
	Corinna Trail		Adam Delle Cese, BDO Canada LLP

AGENDA ITEM:

SUPPORTING DOCUMENTS

1. **DECLARATIONS of interest by members on any matters herein contained**
2. **ADOPTION OF MINUTES** of January 16, 2024 pg. F1
3. **AUDITED FINANCIAL STATEMENTS**
(1) Staff Report #F002-24 pg. F3
Re: DRAFT 2023 Financial Statements, Central Lake Ontario Conservation Fund
4. **NEW AND UNFINISHED BUSINESS**
5. **ADJOURNMENT**

CENTRAL LAKE ONTARIO CONSERVATION FUND

MINUTES NO. 1

Tuesday, January 16, 2024

HYBRID MEETING LOCATION: VIRTUAL THROUGH TEAMS (ACCESS DETAILS PROVIDED)
OR 100 WHITING AVENUE, OSHAWA, AUTHORITY'S ADMINISTRATIVE OFFICE, BOARDROOM

Members Present: Elizabeth Roy – Chair
Bob Chapman – Vice Chair
Marilyn Crawford
Sami Elhajjeh
Bruce Garrod
Ron Hooper
Rick Kerr
Chris Leahy
Tito-Dante Marimpietri
Ian McDougall
Rhonda Mulcahy
John Neal
David Pickles
Maleeha Shahid

Staff Present: C. Darling, Chief Administrative Officer
B. Boardman, Executive/Accounting Administrator
R. Catulli, Director, Corporate Services
J. Davidson, Director, Watershed Planning & Natural Heritage
L. Hastings, Communications Specialist
D. Hope, Conservation Lands & Education Manager
C. Jones, Director, Planning & Regulation
P. Sisson, Director, Engineering, Field Operations & Education
L.Vaja, Executive Assistant/Health & Safety Administrator/ Recording Secretary
R. Wilmot, Information Management & Technology Manager

Others: K. Jull, Gardiner Roberts LLP
S. Provenzano, Guest
Ontario Land Owners, Guest

Absent: Corinna Traill

The Chair called the meeting to order at 5:24 p.m.

DECLARATIONS of interest by members on any matters herein contained - *None*

ADOPTION OF MINUTES of October 17, 2023 (Agenda pg. F1)

Res. #F1 Moved by M. Crawford
Seconded by R. Hooper

THAT the Central Lake Ontario Conservation Fund minutes of October 17, 2023 be adopted as circulated.

CARRIED

AUDITED FINANCIAL STATEMENTS

(1) Staff Report #F001-24 (Agenda pg. F26)
Re: BDO Canada Audit of Financial Statements for the Year Ended December 31, 2023

Res. #F2 Moved by R. Mulcahy
Seconded by C. Leahy

THAT the letter from Adam Delle Cese, BDO Dunwoody Canada LLP be received; and THAT Adam Delle Cese, BDO Dunwoody Canada, be advised that the Board of Directors is not aware of any matters related to increased risk, fraud, or errors on behalf of management processes.

CARRIED

Cont'd

OFFICERS & DIRECTORS

Res. #F3 Moved by R. Kerr
Seconded by M. Shahid

THAT the Officers of the Central Lake Ontario Conservation Fund for 2024 be confirmed as follows:

Chair: Elizabeth Roy

Vice-Chair Bob Chapman

Secretary: Chris Darling

Treasurer: Rose Catulli

CARRIED

Res. #F4 Moved by B. Chapman
Seconded by R. Hooper

THAT the Directors of the Central Lake Ontario Conservation Fund for 2024 be confirmed as follows:

Directors: Elizabeth Roy Tito-Dante Marimpietri

Bob Chapman Ian McDougall

Marilyn Crawford Rhonda Mulcahy

Sami Elhajjeh John Neal

Bruce Garrod David Pickles

Ron Hooper Maleeha Shahid

Rick Kerr Corinna Traill

Chris Leahy

CARRIED

OTHER BUSINESS - None

ADJOURNMENT

Res. #F5 Moved by R. Kerr
Seconded by C. Leahy

THAT the meeting adjourn.

CARRIED

The meeting adjourned at 5:26 p.m.

ELIZABETH ROY, CHAIR

CHRIS DARLING, CHIEF ADMINISTRATIVE OFFICER

DATE: May 14, 2024
FILE: ACFE27
S.R.: F002-24
MEMO TO: Chair and Members, CLOC Fund Board of Directors
FROM: Rose Catulli, Director of Corporate Services
SUBJECT: **DRAFT 2023 Financial Statements, Central Lake Ontario Conservation Fund**

APPROVED BY C.A.O. 

Attached are the 2023 Audited Financial Statements and the auditor's letter to the Board of Directors and Management.

The Fund revenues consisted of \$69,000 (2022 - \$60,000) in deferred contributions relating to the Roger's fund, and interest earned \$2,539 (2022 - \$849). Distributions amounted to \$81,842 (2022 - \$63,074), which represents audit fees (\$2,596), legal fees for the creation of a new entity (\$10,245) and an averaging 3.5% Distribution Quota (\$69,000) for the Roger's endowment resulting in a net operating deficiency of \$10,303 (2022 - \$2,225).

RECOMMENDATION:

***THAT the auditor's letter to the Board be received; and,
THAT the Audited Financial Statements for the year ended December 31, 2023, be approved as presented.
THAT BDO Canada be appointed as CLOCA Auditors for the year ending December 31, 2024.***

Attach.

**Central Lake Ontario
Conservation Fund
Financial Statements**
For the year ended December 31, 2023

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Independent Auditor's Report

To the Members of Central Lake Ontario Conservation Fund

Opinion

We have audited the financial statements of Central Lake Ontario Conservation Fund (the Fund), which comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, operations 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 the Fund as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 the Fund 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 accounting standards for not-for-profit organizations, 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Fund'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 Fund 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
Month DD, 2024

Central Lake Ontario Conservation Fund Statement of Financial Position

December 31	2023	2022
Assets		
Current		
Cash and short-term Investments (Note 2)	\$ 1,795,375	\$ 1,904,374
Accounts receivable	201	171
	\$ 1,795,576	\$ 1,904,545
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 18,470	\$ 5,628
Deferred contributions (Note 3)	270,546	382,054
Deferred revenue (Note 4)	23,301	23,301
	312,317	410,983
Net assets restricted for endowment purposes (Note 3)	1,500,000	1,500,000
Unrestricted net assets	(16,741)	(6,438)
	1,483,259	1,493,562
	\$ 1,795,576	\$ 1,904,545

On behalf of the Board:

Director

**Central Lake Ontario Conservation Fund
Statement of Changes in Net Assets**

For the year ended December 31	Restricted for Endowment Purposes	Unrestricted	2023 Total	2022 Total
Balance, beginning of the year	\$ 1,500,000	\$ (6,438)	\$ 1,493,562	\$ 1,495,787
Deficiency of revenues over expenses	-	(10,303)	(10,303)	(2,225)
Balance, end of the year	\$ 1,500,000	\$ (16,741)	\$ 1,483,259	\$ 1,493,562

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

**Central Lake Ontario Conservation Fund
Statement of Operations**

For the year ended December 31	2023	2022
Revenue		
Deferred contributions recognized	\$ 69,000	\$ 60,000
Interest	2,539	849
	<hr/> 71,539	<hr/> 60,849
Expenses		
Donations	69,000	60,000
Professional fees	12,842	3,074
	<hr/> 81,842	<hr/> 63,074
Deficiency of revenue over expenses	<hr/> (10,303)	<hr/> (2,225)

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

Central Lake Ontario Conservation Fund Statement of Cash Flows

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating Activities		
Deficiency of revenue over expenses	\$ (10,303)	\$ (2,225)
Changes in non-cash working capital balances		
Accounts receivable	(30)	(171)
Accounts payable and accrued liabilities	12,842	3,049
Deferred revenue	-	202
Deferred contributions	(111,508)	(442,960)
	<u>(108,999)</u>	<u>(442,105)</u>
Investing Activities		
Decrease in short-term investments	175,915	491,377
	<u>66,916</u>	<u>49,272</u>
Net increase in cash	66,916	49,272
Cash, beginning of the year	<u>273,686</u>	<u>224,414</u>
Cash, end of the year	\$ 340,602	\$ 273,686
Represented by:		
Cash - unrestricted	\$ 57,235	\$ 54,726
Cash - restricted	283,367	218,960
	<u>\$ 340,602</u>	<u>\$ 273,686</u>

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

Central Lake Ontario Conservation Fund

Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies

Nature of Business

The Central Lake Ontario Conservation Fund was established on May 6, 1997 under letters patent as a corporation without share capital. The corporation's registered charitable number is 87804 9360 RR0001.

The purpose of the Fund is to generate revenue, through fundraising and donations, which will be used exclusively by the Central Lake Ontario Conservation Authority, for the purposes of preserving, protecting, restoring and improving the natural resources and environment of the Central Lake Ontario watersheds. The Authority exercises control over the Central Lake Ontario Conservation Fund by virtue of its common board members.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

Revenues and expenses are recorded on the accrual basis of accounting. The Fund follows the deferral method of accounting for contributions. Endowment contributions are recognized as direct increases in net assets in the current period. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

In Kind Donations

Receipts are provided for in kind donations as per guidelines established by Canada Revenue Agency. In kind donations are supported by appraisals when required for land and personal property.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances and short-term deposits with maturities of three months or less from the date of acquisition.

Contributions Receivable

Contributions receivable are recognized as an asset when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured.

Central Lake Ontario Conservation Fund Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Central Lake Ontario Conservation Fund Notes to Financial Statements

December 31, 2023

2. Cash and Short-term investments

	2023	2022
Cash - unrestricted	\$ 57,235	\$ 54,726
Cash - restricted	283,367	218,960
Preferred Shares - restricted	1,454,773	1,630,688
	\$ 1,795,375	\$ 1,904,374

Preferred shares are quoted at market value.

3. Deferred Contributions

Changes in the deferred contribution balance are as follows:

	2023	2022
Balance, beginning of year	\$ 382,054	\$ 825,014
Restricted investment income (loss)	(42,509)	(382,960)
Amount recognized in the year	(69,000)	(60,000)
Balance, beginning of year	\$ 270,545	\$ 382,054

In 2014, the Fund received a \$2,000,000 contribution that is subject to externally imposed restrictions. \$1,500,000 of the balance must be maintained permanently and is restricted for endowment purposes. The remaining balance and the investment income earned from the total contribution is restricted to cover the costs of managing and administering a property owned by Central Lake Ontario Conservation Authority, an organization which exercises control over the Fund by virtue of its common board members.

4. Deferred Revenue

At the year end, the Fund had received but not earned revenue in the amount of \$23,301 (2022 - \$23,301) from projects. Revenue will be brought into income as project expenditures are incurred.

5. Related Party Transactions

The Central Lake Ontario Conservation Authority exercises control over 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. During the year, the Fund contributed \$69,000 (2022 - \$60,000) towards projects in the Authority and the Authority paid \$12,842 (2022 - \$3,074) in professional fees on the Fund's behalf.

Central Lake Ontario Conservation Fund Notes to Financial Statements

December 31, 2023

6. 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 Fund 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.

All of the Fund's cash and short-term investments are held at one of the major financial institutions and one investment company.

There have not been any changes in the risk from the prior year.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund is exposed to other price risk through its investments in preferred shares.

There have not been any changes in the risk from the prior year.
