

**Central Lake Ontario Conservation Authority**  
**Non-Consolidated Financial Statements**  
For the year ended December 31, 2022

**Contents**

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## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS


The accompanying financial statements of Central Lake Ontario Conservation Authority (the "Authority") are the responsibility of the Authority's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Authority's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

Members meet with Management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Authority. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.

  
\_\_\_\_\_  
Chair  
Elizabeth Roy

  
\_\_\_\_\_  
Vice Chair  
Bob Chapman

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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, 2022, 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 non-consolidated financial statements.

In our opinion, except for the 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 non-consolidated financial position of the Authority as at December 31, 2022, and its non-consolidated results of operations, non-consolidated changes in net financial assets and its non-consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Qualified Opinion

As explained in Note 9 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 \$273,686 (2021 - \$224,414), temporary investments would have been increased by \$1,630,688 (2021 - \$2,122,065), accounts receivable would have been increased by \$171, accounts payable would have been increased by \$5,628 (2021 - \$2,579), deferred revenue would have been increased by \$23,301 (2021 - \$23,099), deferred contributions would have been increased by \$382,055 (2021 - \$825,015), accumulated surplus would have been increased by \$1,493,562 (2021 - \$1,495,787), revenue would have been increased by \$60,849 (2021 - \$50,000) and expenses would have been increased by \$63,074 (2021 - \$51,105). Our opinion on the non-consolidated financial statements for the year ended December 31, 2021 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 non-consolidated 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 non-consolidated 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 non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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.

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## Independent Auditor's Report (continued)

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

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

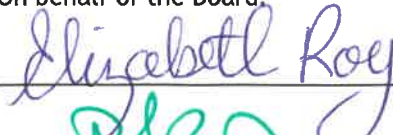

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario  
May 16, 2023

**Central Lake Ontario Conservation Authority  
Non-Consolidated Statement of Financial Position**

December 31	2022	2021
<b>Financial assets</b>		
Cash and temporary investments (Note 2)	\$ 3,053,405	\$ 6,522,899
Short-term investments (Note 3)	3,749,760	-
Accounts receivable		
Government grants and projects	1,568,284	1,474,223
Other	693,658	396,478
	<u>9,065,107</u>	<u>8,393,600</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	659,812	946,425
Vehicle loan	9,988	16,620
Deferred revenue (Note 4)	1,890,374	1,584,844
Employee future benefits payable	870,833	838,932
Vacation pay liability	122,848	130,451
Sick leave entitlements (Note 6)	375,986	368,162
	<u>3,929,841</u>	<u>3,885,434</u>
<b>Net Financial Assets</b>	<u>5,135,266</u>	<u>4,508,166</u>
<b>Non-financial assets</b>		
Prepaid expenses	89,054	122,725
Tangible capital assets (Note 12)	31,861,886	30,473,785
Construction in progress	30,843	59,486
	<u>31,981,783</u>	<u>30,655,996</u>
<b>Accumulated surplus (Note 7)</b>	<u>\$ 37,117,049</u>	<u>\$ 35,164,162</u>

On behalf of the Board:

  
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\_\_\_\_\_

Director

Director

## Central Lake Ontario Conservation Authority Non-Consolidated Statement of Operations

For the year ended December 31	2022 Budget (Note 8)	2022 Actual	2021 Actual
<b>Revenue</b>			
Government grants			
Municipal levy	\$ 4,274,135	\$ 4,274,135	\$ 4,169,890
Special regional levy	930,000	881,467	405,269
Federal	73,100	123,130	88,712
Transfer payments	64,445	64,445	64,445
Other grants	50,000	51,000	50,000
Provincial other	150,000	176,182	35,000
Authority generated	4,138,560	4,537,242	4,165,121
Gain on disposition of tangible capital assets	-	15,710	9,667
	<u>9,680,240</u>	<u>10,123,311</u>	<u>8,988,104</u>
<b>Expenses (Note 13)</b>			
C.A. land management	1,531,550	1,584,330	1,788,748
Environmental plan review and regulations	1,774,640	1,838,950	1,645,385
Corporate services	1,721,930	1,798,897	1,544,927
Watershed management and monitoring	1,435,485	1,515,974	1,257,937
Oak Ridges Moraine Groundwater Program	915,000	883,350	859,310
Community engagement	500,525	548,923	575,098
	<u>7,879,130</u>	<u>8,170,424</u>	<u>7,671,405</u>
<b>Annual surplus</b>	<u>\$ 1,801,110</u>	<u>\$ 1,952,887</u>	<u>\$ 1,316,699</u>
<b>Accumulated surplus, beginning of year</b>		<u>\$ 35,164,162</u>	<u>\$ 33,847,463</u>
<b>Accumulated surplus, end of year</b>		<u>\$ 37,117,049</u>	<u>\$ 35,164,162</u>

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

**Central Lake Ontario Conservation Authority**  
**Non-Consolidated Statement of Changes in Net Financial Assets**

<b>For the year ended December 31</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
	Budget (Note 8)	Actual	Actual
<b>Annual Surplus</b>	\$ 1,801,110	\$ 1,952,887	\$ 1,316,699
Acquisition of tangible capital assets	(1,801,110)	(1,841,049)	(785,370)
Amortization	-	447,798	391,888
Proceeds on disposal of tangible capital assets	-	20,860	9,667
Gain on disposition of tangible capital assets	-	(15,710)	(9,667)
Construction in progress	-	28,643	(58,672)
	(1,801,110)	(1,359,458)	(452,154)
Change in prepaid expenses	-	33,671	(49,693)
<b>Change in net financial assets</b>	-	627,100	814,852
<b>Net financial assets, beginning of year</b>	4,508,166	4,508,166	3,693,314
<b>Net financial assets, end of year</b>	\$ 4,508,166	\$ 5,135,266	\$ 4,508,166

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

**Central Lake Ontario Conservation Authority  
Non-Consolidated Statement of Cash Flows**

For the year ended December 31	2022	2021
<b>Cash provided by (used in)</b>		
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 1,952,887	\$ 1,316,699
Items not involving cash		
Amortization	447,798	391,888
Gain on disposition of tangible capital assets	(15,710)	(9,667)
Changes in non-cash operating balances		
Accounts receivable		
Government grants and projects	(94,061)	(894,783)
Other	(297,180)	338,025
Prepaid expenses	33,671	(49,693)
Accounts payable and accrued liabilities	(286,613)	444,896
Deferred revenue	305,530	575,992
Employee future benefits payable	31,901	29,829
Vacation pay liability	(7,603)	(7,195)
Sick leave entitlements	7,824	(68,208)
	<u>2,078,444</u>	<u>2,067,783</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(1,841,049)	(785,370)
Proceeds on disposition of tangible capital assets	20,860	9,667
Construction in progress	28,643	(58,672)
	<u>(1,791,546)</u>	<u>(834,375)</u>
<b>Cash flows from investing activity</b>		
Purchase of investments	(3,749,760)	-
<b>Cash flows from financing activity</b>		
Repayment of vehicle loan	(6,632)	(6,631)
<b>Net change in cash and cash equivalents</b>	<b>(3,469,494)</b>	<b>1,226,777</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>6,522,899</b>	<b>5,296,122</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,053,405</b>	<b>\$ 6,522,899</b>
<b>Represented by:</b>		
Cash	\$ 1,053,405	\$ 3,793,563
Short-term deposits with maturities of three months or less (Note 1)	2,000,000	2,729,336
	<u>\$ 3,053,405</u>	<u>\$ 6,522,899</u>

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



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# Central Lake Ontario Conservation Authority

## Notes to Non-Consolidated Financial Statements

**December 31, 2022**

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### 1. Significant Accounting Policies

**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 Notes to Non-Consolidated Financial Statements

**December 31, 2022**

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### 1. Significant Accounting Policies (continued)

<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. Authority generated revenues and 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 Notes to Non-Consolidated Financial Statements

**December 31, 2022**

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### 1. Significant Accounting Policies (continued)

#### **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.

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## Central Lake Ontario Conservation Authority Notes to Non-Consolidated Financial Statements

**December 31, 2022**

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### **2. Temporary Investments**

Temporary investments are comprised of Guaranteed Investment Certificates from chartered banks with effective interest rate between 3.85% - 4.06% and which mature in less than three months from year end.

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### **3. Short-term Investments**

Guaranteed investment certificates held at December 31, 2022 mature within a year from the current year end. They bear stated fixed rates of interest ranging between 4.24% - 4.33% and expire between May and December 2023.

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## Central Lake Ontario Conservation Authority Notes to Non-Consolidated Financial Statements

December 31, 2022

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#### 4. 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 \$1,890,374.

	2022	2021
Balance, beginning of year	\$ 1,584,844	\$ 1,008,852
Contributions received	1,009,174	1,176,952
Amounts recognized to revenue	(703,644)	(600,960)
	<b>\$ 1,890,374</b>	<b>\$ 1,584,844</b>

Year end balances consist of the following:

	2022	2021
Facility fees and deposits	\$ 3,822	\$ 3,288
Fill Sites	167,565	167,565
YPDT - CTC	56,649	11,489
Plan review fees	1,625,561	1,262,189
Other	36,777	140,313
	<b>\$ 1,890,374</b>	<b>\$ 1,584,844</b>

Fill sites are defined as the importation of excess soil that has been excavated or removed, mainly during construction activities, that must be moved off site. Revenue is recognized as excess soil is placed throughout the watershed.

Plan review fees are received by the Authority as part of the land use planning system in partnership with local municipalities and the Region of Durham. The Authority reviews land use plans to provide formal comments that address environmental and public safety considerations. These amounts are recognized as revenue as directly related expenses are incurred.

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## Central Lake Ontario Conservation Authority Notes to Non-Consolidated Financial Statements

**December 31, 2022**

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### 5. Employee Future Benefits Payable

At December 31, 2022, the Authority's accrued benefit liability relating to post retirement benefit plans is as follows:

	2022	2021
<b>Accrued benefit liability</b> , beginning of year	\$ 838,932	\$ 809,103
Current service costs	49,020	42,623
Interest cost on obligation	19,108	15,569
Employer contribution	(21,472)	(18,006)
Amortized gains and losses	(14,755)	(10,357)
	<b>\$ 870,833</b>	<b>\$ 838,932</b>

#### (i) 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, 2022.

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:

	2022	2021
Salary escalation (*)	3.50%	3.50%
Insurance and health care costs escalation	4.00-6.50%	4.00-6.50%
Discount on accrued benefit obligations	2.75-5.00%	2.25-2.75%

(\*) 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 1.75% (2021 - 1.50%) over the prior year.

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## Central Lake Ontario Conservation Authority Notes to Non-Consolidated Financial Statements

December 31, 2022

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### 5. Employee Future Benefits Payable (continued)

#### (ii) Ontario Municipal Employees Retirement System (OMERS)

The Authority makes contributions to the Ontario Municipal Employees' Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all full-time members of its staff. The plan is a defined benefit plan, which specifies that amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including the investment of assets and administration of benefits. OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employees.

Each year an independent actuary determines the 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 deficit of \$6.7 billion. 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 2022 were \$467,339 (2021 - \$455,456).

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### 6. 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, 2022, the Authority's accrued sick leave entitlement is as follows:

	2022	2021
Sick leave entitlements, beginning of year	\$ 368,162	\$ 436,370
Current service costs	18,775	29,615
Interest cost on obligation	8,104	7,265
Benefits paid during the year	(11,866)	(98,770)
Amortized gains and losses	(7,189)	(6,318)
	\$ 375,986	\$ 368,162

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**Central Lake Ontario Conservation Authority  
Notes to Non-Consolidated Financial Statements**

**December 31, 2022**

**7. Accumulated Surplus**

The Authority segregates its accumulated surplus in the following categories:

	<u>2022</u>	<u>2021</u>
Surplus - investment in tangible capital assets (a)	\$ 31,861,886	\$ 30,473,785
Surplus - investment in asset under construction	30,843	59,486
	<u>31,892,729</u>	<u>30,533,271</u>
Reserve funds:		
Working capital (b)	3,612,187	3,244,439
Vehicles and equipment (c)	798,778	708,778
Land operations (d)	367,735	297,735
Land acquisition (e)	54,070	54,070
Forest management (f)	124,497	124,497
Rogers capital project (g)	173,910	187,141
Schillings land acquisition (h)	14,442	14,231
Natural heritage (i)	78,700	-
	<u>5,224,319</u>	<u>4,630,891</u>
Total reserves	<u>5,224,319</u>	<u>4,630,891</u>
Accumulated surplus	<u>\$ 37,117,048</u>	<u>\$ 35,164,162</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 Notes to Non-Consolidated Financial Statements

**December 31, 2022**

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**7. 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.

**i) Reserve for Natural Heritage**

This reserve was established from the administration fee/net surplus from natural heritage, stewardship, and restoration projects. The funds will be used to support future watershed health improvement programs, projects and services.

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**8. Budget Figures (Unaudited)**

The 2022 budget amounts approved by the Board of Directors on May 10, 2022 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 10, 2022 adjusted for the acquisition of tangible capital assets of \$1,801,110.

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## **Central Lake Ontario Conservation Authority Notes to Non-Consolidated Financial Statements**

**December 31, 2022**

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### **9. 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, 2022 is \$3,048 (2021 - \$2,579) owing from the Fund.

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### **10. 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.

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### **11. Comparative Figures**

Certain comparative figures have been reclassified to conform with current year presentation.

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**Central Lake Ontario Conservation Authority  
Notes to Non-Consolidated Financial Statements**

**December 31, 2022**

**12. Tangible Capital Assets**

	2022								
	Land Improvements	Land	Building & Building Improvements	Infrastructure	Machinery & Equipment	Computer Hardware & Software	Vehicles	Furniture & Fixtures	Total
Cost, beginning of year	\$24,278,784	\$ 1,588,348	\$ 5,924,217	\$ 1,639,428	\$1,043,556	\$ 615,229	\$ 569,624	\$ 122,301	\$ 35,781,487
Additions	1,210,352	-	106,451	271,985	144,016	35,977	72,268	-	1,841,049
Disposals	-	-	-	-	(11,707)	-	(29,742)	-	(41,449)
Cost, end of year	25,489,136	1,588,348	6,030,668	1,911,413	1,175,865	651,206	612,150	122,301	37,581,087
Accumulated amortization, beginning of year	-	1,017,968	1,924,313	749,249	696,798	487,346	314,223	117,805	5,307,702
Amortization	-	61,593	131,146	71,758	62,418	44,101	75,912	870	447,798
Disposals	-	-	-	-	(11,707)	-	(24,592)	-	(36,299)
Accumulated amortization, end of year	-	1,079,561	2,055,459	821,007	747,509	531,447	365,543	118,675	5,719,201
Net carrying amount, end of year	\$25,489,136	\$ 508,787	\$ 3,975,209	\$ 1,090,406	\$ 428,356	\$ 119,759	\$ 246,607	\$ 3,626	\$ 31,861,886

**Central Lake Ontario Conservation Authority**  
**Notes to Non-Consolidated Financial Statements**

December 31, 2022

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

								2021	
	Land	Land Improvements	Building & Building Improvements	Infrastructure	Machinery & Equipment	Computer Hardware & Software	Vehicles	Furniture & Fixtures	Total
Cost, beginning of year	\$24,278,784	\$ 1,516,778	\$ 5,924,217	\$ 1,152,061	\$ 955,724	\$ 565,155	\$ 564,512	\$ 122,301	\$35,079,532
Additions		71,570	-	517,367	87,832	50,074	58,527	-	785,370
Disposals	-	-	-	(30,000)	-	-	(53,415)	-	(83,415)
Cost, end of year	24,278,784	1,588,348	5,924,217	1,639,428	1,043,556	615,229	569,624	122,301	35,781,487
Accumulated amortization, beginning of year	-	962,269	1,792,801	735,073	641,704	445,415	305,032	116,935	4,999,229
Amortization	-	55,699	131,512	44,176	55,094	41,931	62,606	870	391,888
Disposals	-	-	-	(30,000)	-	-	(53,415)	-	(83,415)
Accumulated amortization, end of year	-	1,017,968	1,924,313	749,249	696,798	487,346	314,223	117,805	5,307,702
Net carrying amount, end of year	\$24,278,784	\$ 570,380	\$ 3,999,904	\$ 890,179	\$ 346,758	\$ 127,883	\$ 255,401	\$ 4,496	\$30,473,785

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**Central Lake Ontario Conservation Authority  
Notes to Non-Consolidated Financial Statements**

**December 31, 2022**

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**13. Expenses by Object**

	<u>2022</u>	<u>2021</u>
Wages and benefits	\$ 5,859,392	\$ 5,524,451
Program related expenses	585,578	448,996
Amortization	447,798	391,888
Conservation area maintenance and planning	152,367	564,636
Professional fees and insurance	531,898	322,467
Property management	301,110	200,219
Head office utilities and office maintenance	103,379	69,647
Vehicle and equipment	84,312	59,175
Computer and geomatics	50,197	57,261
Office equipment and supplies	26,489	23,261
Corporate communications	19,862	10,825
Members' expense	8,042	8,246
	<u>\$ 8,170,424</u>	<u>\$ 7,681,072</u>

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