

**Central Lake Ontario
Conservation Authority
Non-Consolidated Financial Statements
For the year ended December 31, 2019**

	Contents
Independent Auditor's Report	2 - 3
Non-Consolidated Financial Statements	
Non-Consolidated Statement of Financial Position	4
Non-Consolidated Statement of Operations	5
Non-Consolidated Statement of Changes in Net Financial Assets	6
Non-Consolidated Statement of Cash Flows	7
Summary of Significant Accounting Policies	8 - 10
Notes to Non-Consolidated Financial Statements	11 - 19



Tel: 905 946 1066
Fax: 905 946 9524
www.bdo.ca

BDO Canada LLP
60 Columbia Way, Suite 300
Markham ON L3R 0C9 Canada

Independent Auditor's Report

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, 2019, 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, 2019, 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 \$101,383 (2018 - \$41,464), temporary investments would have been increased by \$1,694,202 (2018 - \$1,807,372), accounts receivable - other would have been increased by \$73 (2018 - \$63), accounts payable would have been increased by \$3,102 (2018 - \$3,026), deferred revenue would have been increased by \$23,007 (2018 - \$23,007), deferred contributions would have been increased by \$271,054 (2018 - \$323,080) and accumulated surplus would have been increased by \$1,498,495 (2018 - \$1,499,786). Our opinion on the non-consolidated financial statements for the year ended December 31, 2018 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.



Independent Auditor's Report (continued)

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Markham, Ontario
July 6, 2020

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

December 31	2019	2018
Financial assets		
Cash	\$ 420,013	\$ 944,914
Temporary investments (Note 1)	4,552,680	4,248,651
Accounts receivable		
Government grants and projects	719,973	194,482
Other	406,010	611,462
	6,098,676	5,999,509
Liabilities		
Accounts payable and accrued liabilities	384,484	408,085
Vehicle loan	29,883	36,515
Deferred revenue (Note 2)	1,017,387	1,233,762
Employee future benefits payable (Note 3)	788,907	769,881
Vacation pay liability	105,618	100,733
Sick leave entitlements (Note 4)	413,697	401,875
	2,739,976	2,950,851
Net Financial Assets	3,358,700	3,048,658
Non-financial assets		
Prepaid expenses	62,237	53,169
Tangible capital assets (Note 9)	30,239,408	30,338,035
Construction in progress	9,896	814
	30,311,541	30,392,018
Accumulated surplus (Note 5)	\$ 33,670,241	\$ 33,440,676

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

For the year ended December 31	2019	2019	2018
	Budget (Note 6)	Actual	Actual
Revenue			
Government grants			
Municipal levy	\$ 3,917,710	\$ 3,917,712	\$ 3,822,155
Special regional levy	404,525	359,118	192,801
Federal	144,700	86,277	67,952
Transfer payments	64,445	64,445	124,833
Provincial other	54,850	59,025	62,656
Other grants	-	-	6,304
Authority generated	3,262,330	3,450,459	3,567,777
Gain on disposition of tangible capital assets	-	1,465	2,475
	<u>7,848,560</u>	<u>7,938,501</u>	<u>7,846,953</u>
Expenses (Note 10)			
Corporate services	1,534,455	1,785,797	1,655,367
Environmental plan review and regulations	1,603,400	1,559,818	1,474,605
Watershed management and monitoring	1,498,132	1,315,165	1,126,699
C.A. land management	1,289,940	1,299,630	1,312,750
Oak Ridges Moraine Groundwater Program	835,900	974,729	948,330
Community engagement	768,855	773,797	780,266
	<u>7,530,682</u>	<u>7,708,936</u>	<u>7,298,017</u>
Annual surplus	<u>\$ 317,878</u>	<u>\$ 229,565</u>	<u>\$ 548,936</u>
Accumulated surplus, beginning of year		\$ 33,440,676	\$ 32,891,740
Annual surplus		<u>229,565</u>	<u>548,936</u>
Accumulated surplus, end of year		\$ 33,670,241	\$ 33,440,676

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 Changes in Net Financial Assets

For the year ended December 31	2019 Budget (Note 6)	2019 Actual	2018 Actual
Annual Surplus	\$ 317,878	\$ 229,565	\$ 548,936
Acquisition of tangible capital assets	(317,878)	(279,966)	(314,511)
Amortization	-	372,821	351,865
Gain on disposition of tangible capital assets	-	(1,465)	(2,475)
Proceeds on disposal of tangible capital assets	-	7,237	9,363
Construction in progress	-	(9,082)	10,217
	(317,878)	89,545	54,459
Change in prepaid expenses	-	(9,068)	8,478
Change in net financial assets	-	310,042	611,873
Net financial assets, beginning of year	3,048,658	3,048,658	2,436,785
Net financial assets, end of year	\$ 3,048,658	\$ 3,358,700	\$ 3,048,658

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	2019	2018
Cash provided by (used in)		
Cash flows from operating activities		
Annual surplus	\$ 229,565	\$ 548,936
Items not involving cash		
Amortization	372,821	351,865
Gain on disposition of tangible capital assets	(1,465)	(2,475)
Changes in non-cash operating balances		
Accounts receivable		
Government grants and projects	(525,491)	285,275
Other	205,452	(297,794)
Prepaid expenses	(9,068)	8,478
Accounts payable and accrued liabilities	(23,601)	32,333
Deferred revenue	(216,375)	277,202
Employee future benefits payable	19,026	76,029
Vacation pay liability	4,885	25,577
Sick leave entitlements	11,822	19,932
	<u>67,571</u>	<u>1,325,358</u>
Capital transactions		
Acquisition of tangible capital assets	(279,966)	(282,842)
Land acquired by private donation	-	(31,669)
Proceeds on disposition of tangible capital assets	7,237	9,363
Construction in progress	(9,082)	10,217
	<u>(281,811)</u>	<u>(294,931)</u>
Cash flows from financing activity		
Repayment of vehicle loan	(6,632)	(6,632)
	<u>(6,632)</u>	<u>(6,632)</u>
Net change in cash and cash equivalents	(220,872)	1,023,795
Cash and cash equivalents, beginning of year	5,193,565	4,169,770
Cash and cash equivalents, end of year	\$ 4,972,693	\$ 5,193,565
Represented by:		
Cash	\$ 420,013	\$ 944,914
Short-term deposits with maturities of three months or less (Note 1)	4,552,680	4,248,651
	<u>\$ 4,972,693</u>	<u>\$ 5,193,565</u>

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)
Summary of Significant Accounting Policies

December 31, 2019

**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

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

December 31, 2019

Reserves	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.
Revenue Recognition	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.
Government Transfers	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.
Use of Estimates	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.

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

December 31, 2019

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 contributions to the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer defined benefit plan are expensed when contributions are due.

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

December 31, 2019

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 2020 and February 2020.

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 \$1,017,387.

	2019	2018
Balance, beginning of year	\$ 1,233,762	\$ 956,560
Contributions received	644,217	1,254,392
Amounts recognized to revenue	(860,592)	(977,190)
	\$ 1,017,387	\$ 1,233,762

Year end balances consist of the following:

	2019	2018
Facility fees and deposits	\$ 1,405	\$ 5,210
Fill Sites	167,565	177,565
YPDT - CTC	55,428	98,037
Plan review fees	758,563	918,524
Other	34,426	34,426
	\$ 1,017,387	\$ 1,233,762

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

December 31, 2019

3. Employee Future Benefits Payable

At December 31, 2019, the Authority's accrued benefit liability relating to post retirement benefit plans is as follows:

	<u>2019</u>	<u>2018</u>
Accrued benefit liability , beginning of year	\$ 769,881	\$ 627,175
Current service costs	55,080	49,810
Interest cost on obligation	23,254	22,681
Employer contribution	(1,911)	(2,118)
Amortized gains and losses	(394)	(3,696)
Accrued benefit liability , end of year	\$ 788,907	\$ 769,881

(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, 2018.

The accrued benefit obligations for employee future benefit plans as at December 31, 2019 are based on an extrapolated actuarial valuation for accounting purposes as at December 31, 2019. 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:

	<u>2019</u>	<u>2018</u>
Salary escalation (*)	3.50%	3.50%
Insurance and health care costs escalation	4.50-6.50%	4.50-6.50%
Discount on accrued benefit obligations	3.00-3.75%	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% (2018 - 1.95%) over the prior year.

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

December 31, 2019

3. Employee Future Benefits Payable (continued)

(ii) 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, 2019. The results of the valuation disclosed total actuarial liabilities of \$107,687 million in respect of benefits accrued for service with actuarial assets at that date of \$104,290 million indicating an actuarial deficit of \$3,397 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 2019 were \$447,285 (2018 - \$435,681). The contribution rate for 2019 was 9% to 14.6% depending on age and income level (2018 - 9 to 14.6%). Ongoing adequacy of the current contribution rates will need to be monitored as fluctuations in the financial markets may lead to increased future funding requirements.

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, 2019, the Authority's accrued sick leave entitlement is as follows:

	<u>2019</u>	<u>2018</u>
Sick leave entitlements , beginning of year	\$ 401,875	\$ 381,943
Current service costs	23,831	32,670
Interest cost on obligation	10,285	11,610
Benefits paid during the year	(11,625)	(31,941)
Amortized gains and losses	(10,669)	(2,407)
	<hr/>	<hr/>
Sick leave entitlements , end of year	\$ 413,697	\$ 401,875

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

December 31, 2019

5. Accumulated Surplus

The Authority segregates its accumulated surplus in the following categories:

	2019	2018
Surplus - investment in tangible capital assets (a)	\$ 30,239,408	\$ 30,338,035
Surplus - investment in asset under construction	9,896	814
	30,249,304	30,338,849
Reserve funds:		
Working capital (b)	2,501,545	2,321,367
Vehicles and equipment (c)	279,778	266,428
Land operations (d)	277,735	189,900
Land acquisition (e)	54,070	54,070
Forest management (f)	124,497	124,497
Rogers capital project (g)	169,270	131,755
Schillings land acquisition (h)	14,042	13,810
Total reserves	3,420,937	3,101,827
Accumulated surplus	\$ 33,670,241	\$ 33,440,676

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.

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

December 31, 2019

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.

6. Budget Figures (Unaudited)

The 2019 budget amounts approved by the Board of Directors on May 14, 2019 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, 2019 adjusted for the acquisition of tangible capital assets of \$317,878.

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

December 31, 2019

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, 2019 is \$1,628 (2018 - \$1,552) owing from the Fund.

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.

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

December 31, 2019

9. Tangible Capital Assets

	2019								
	Land	Building &			Computer		Furniture &		
	Improvements	Improvements	Infrastructure	Machinery &	Hardware	Vehicles	Fixtures	Total	
				Equipment	& Software				
Cost, beginning of year	\$24,245,675	\$ 1,527,261	\$ 5,855,517	\$ 1,094,313	\$ 791,166	\$ 472,775	\$ 527,616	\$ 122,301	\$ 34,636,624
Additions	-	-	58,212	-	123,161	67,742	30,851	-	279,966
Disposals	-	(10,483)	-	(5,000)	(3,500)	-	(19,108)	-	(38,091)
Cost, end of year	<u>24,245,675</u>	<u>1,516,778</u>	<u>5,913,729</u>	<u>1,089,313</u>	<u>910,827</u>	<u>540,517</u>	<u>539,359</u>	<u>122,301</u>	<u>34,878,499</u>
Accumulated amortization, beginning of year	-	862,547	1,530,451	659,225	548,814	364,585	217,773	115,194	4,298,589
Amortization	-	55,103	130,784	41,169	43,545	37,916	63,434	870	372,821
Disposals	-	(10,483)	-	(5,000)	(3,500)	-	(13,336)	-	(32,319)
Accumulated amortization, end of year	<u>-</u>	<u>907,167</u>	<u>1,661,235</u>	<u>695,394</u>	<u>588,859</u>	<u>402,501</u>	<u>267,871</u>	<u>116,064</u>	<u>4,639,091</u>
Net carrying amount, end of year	<u>\$24,245,675</u>	<u>\$ 609,611</u>	<u>\$ 4,252,494</u>	<u>\$ 393,919</u>	<u>\$ 321,968</u>	<u>\$ 138,016</u>	<u>\$ 271,488</u>	<u>\$ 6,237</u>	<u>\$ 30,239,408</u>

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

December 31, 2019

9. Tangible Capital Assets (continued)

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

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

December 31, 2019

10. Expenses by Object

	2019	2018
Wages and benefits	\$ 5,621,528	\$ 5,373,017
Program related expenses	831,788	713,562
Amortization	372,821	351,865
Property management	197,673	180,983
Conservation area maintenance and planning	182,164	235,589
Professional fees and insurance	165,940	140,539
Head office utilities and office maintenance	149,422	125,908
Computer and geomatics	71,636	51,517
Vehicle and equipment	64,143	71,925
Office equipment and supplies	32,749	38,323
Members' expense	10,263	7,076
Corporate communications	8,809	7,713
	\$ 7,708,936	\$ 7,298,017

11. Subsequent Events

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Authority, its customers, members, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Authority's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Authority is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Authority has experienced a disruption in services offered since December 31, 2019. The Authority will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves to ensure it is able to continue providing essential services to its members.