

**SAUGEEN VALLEY
CONSERVATION AUTHORITY**

FINANCIAL REPORT

DECEMBER 31, 2019

SAUGEEN VALLEY CONSERVATION AUTHORITY

DECEMBER 31, 2019

CONTENTS

Independent Auditor's Report	
Statement of Financial Position	1
Statement of Operations	2
Statement of Change in Net Financial Assets	3
Schedule of Revenue	4
Schedule of Expenses	5
Schedule of Accumulated Surplus	6
Statement of Cash Flow	7
Notes to the Financial Statements	8
UNAUDITED SCHEDULES:	
Schedule 1 - Schedule of Administration Expenses	16
Schedule 2 - Schedule of Program Operation Expenses	17
Schedule 3 - Schedule of Repairs and Maintenance	18
Schedule 4 - Schedule of Revenues and Expenses of Saugeen Parks	19
Schedule 5 - Schedule of Revenues and Expenses of Special Programs	20
Schedule 6 - Schedule of Revenues and Expenses of Vehicles and Equipment	21
Schedule 7 - Schedule of Municipal Levies	22

BAKER TILLY SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of **Saugeen Valley Conservation Authority**:

Opinion

We have audited the financial statements of Saugeen Valley Conservation Authority (the Authority), which comprise the statement of financial position as at December 31, 2019 and the statements of operations and changes in net assets and cash flow 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 Authority as at December 31, 2019, and results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of 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 opinion.

Other Matter

Management is responsible for the other information. The other information comprises the schedules on pages 16 through 22 of the Saugeen Valley Conservation Authority financial statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the 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.

AUDIT • TAX • ADVISORY

Baker Tilly SGB LLP trading as Baker Tilly is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

BAKER TILLY SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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 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 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.



BAKER TILLY SGB LLP
LICENSED PUBLIC ACCOUNTANTS
Walkerton, Ontario
Thursday, April 2, 2020

AUDIT • TAX • ADVISORY

Baker Tilly SGB LLP trading as Baker Tilly is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

SAUGEE VALLEY CONSERVATION AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2019	2018
	\$	\$
Financial assets		
Cash and cash equivalents (Note 2)	947,813	2,211,678
Accounts receivable (Note 4)	409,863	318,415
Temporary investments (Note 3)	2,621,112	1,332,472
	3,978,788	3,862,565
Liabilities		
Accounts payable and accrued liabilities	192,867	139,573
Deferred revenue (Note 5)	676,392	748,108
	869,259	887,681
Net financial assets	3,109,529	2,974,884
Non-financial assets		
Tangible capital assets (Note 6)	8,837,631	9,016,579
Prepaid expenses	37,540	27,785
	8,875,171	9,044,364
Accumulated surplus (Page 6)	11,984,700	12,019,248

Approved _____ Director
 _____ Director

The accompanying notes are an integral part of
these financial statements

SAUGEE VALLEY CONSERVATION AUTHORITY

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2019	Actual 2019	Actual 2018
	\$ (Note 9)	\$	\$
Revenue (Page 4)			
Government transfers and special programs	157,269	138,120	169,285
Municipal levies	1,755,032	1,843,950	1,755,964
Authority generated	1,398,864	1,587,699	1,591,739
Other	321,439	537,109	682,128
	3,632,604	4,106,878	4,199,116
Expenses (Page 5)	3,571,346	4,141,426	4,208,611
Annual surplus (deficit)	61,258	(34,548)	(9,495)
Accumulated surplus, beginning of year	12,019,248	12,019,248	12,028,743
Accumulated surplus, end of the year (Page 6)	12,080,506	11,984,700	12,019,248

The accompanying notes are an integral part of
these financial statements

SAUGEE VALLEY CONSERVATION AUTHORITY

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
	(Note 9)		
Annual surplus (deficit)	61,258	(34,548)	(9,495)
Acquisition of tangible capital assets	-	(145,357)	(81,388)
Amortization of tangible capital assets	-	320,125	326,782
Loss/(Gain) on disposal of tangible capital assets	-	(12,421)	343
Proceeds on disposal of tangible capital assets	-	16,601	8,383
Change in prepaid expenses	-	(9,755)	67
Change in net financial assets	61,258	134,645	244,692
Net financial assets, beginning of year	2,974,884	2,974,884	2,730,192
Net financial assets, end of year	3,036,142	3,109,529	2,974,884

The accompanying notes are an integral part of
these financial statements

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE OF REVENUE FOR THE YEAR ENDED DECEMBER 31

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
	(Note 9)		
Revenues			
Government Transfers			
Program operations	157,269	89,500	161,565
Capital programs	-	29,902	-
Saugeen parks (Schedule 4)	-	18,718	7,720
	157,269	138,120	169,285
Municipal Levies (Schedule 7)			
General levies	1,663,755	1,663,755	1,663,755
Special levies	91,277	180,195	92,209
	1,755,032	1,843,950	1,755,964
Authority Generated			
Agricultural lands	14,000	14,575	14,160
Education program fees	33,914	29,218	32,965
Forestry products	220,000	113,015	292,534
Saugeen forestry service	231,200	236,006	226,402
Planning and regulation fees	322,600	513,430	394,385
Saugeen parks (Schedule 4)	571,480	674,372	615,946
Rental homes	5,670	5,672	5,572
Water quality monitoring	-	1,411	9,775
	1,398,864	1,587,699	1,591,739
Other			
Agricultural program grants	-	30,805	56,365
Interest earned	40,000	84,928	59,273
Vehicle and equipment recoveries (Schedule 6)	192,500	143,313	132,118
Donation revenue	2,500	4,500	2,500
Miscellaneous operations	13,300	55,024	52,581
Gain/(Loss) on disposal of tangible capital assets (Schedule 6)	-	12,421	(343)
Administration overhead	72,739	77,019	69,007
Special programs (Schedule 5)	-	128,631	310,222
Stream gauge maintenance contracts	400	468	405
	321,439	537,109	682,128
Total Revenues	3,632,604	4,106,878	4,199,116

The accompanying notes are an integral part of
these financial statements

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	Budget 2019 \$ (Note 9)	Actual 2019 \$	Actual 2018 \$
Expenses			
Administration (Schedule 1)	534,410	561,112	506,300
Program operations (Schedule 2)	2,156,825	2,229,898	2,247,978
Repairs and maintenance (Schedule 3)	10,000	149,578	23,489
Saugeen parks (Schedule 4)	666,911	650,268	670,317
Vehicles and equipment (Schedule 6)	190,800	94,273	115,972
Agricultural lands	8,000	7,390	6,804
Property management	4,400	2,753	2,948
Other expenses	-	3,348	4,630
	3,571,346	3,698,620	3,578,438
Amortization (Note 6)	-	320,125	326,782
	3,571,346	4,018,745	3,905,220
Total Special Program Expenses (Schedule 5)	-	122,681	303,391
Total Expenses	3,571,346	4,141,426	4,208,611

The accompanying notes are an integral part of
these financial statements

SAUGEEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE OF ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2019

	Opening Balance	From Operations	To Operations	Closing Balance
	\$	\$	\$	\$
Reserves				
Agricultural Lands	49,465	8,604	-	58,069
Computer Upgrades	22,083	626	-	22,709
Environmental Planning	53,921	1,528	-	55,449
Forest Management	386,173	32,852	84,600	334,425
House Repairs	32,605	5,974	-	38,579
Kincardine Maintenance	140,147	3,938	6,572	137,513
Land Management	79,321	12,793	4,582	87,532
Legal Fees	51,700	1,466	-	53,166
LTD/OMERS/Benefits	19,992	567	-	20,559
Office Equipment	37,384	1,059	-	38,443
Ortho Imagery	19,904	4,625	-	24,529
Property Acquisition	155,880	4,416	-	160,296
Resource Centre	4,531	128	-	4,659
Retiree Benefits	33,447	900	3,020	31,327
Saugeen Parks	215,947	121,444	-	337,391
Self Insured Damaged	25,647	729	-	26,376
Short Term Disability	29,448	836	-	30,284
Stewardship	103,009	2,935	-	105,944
Vehicle Replacement	63,107	3,299	34,331	32,075
Wetland Acquisition	54,111	1,534	-	55,645
Working Capital	1,424,847	272,260	205,008	1,492,099
	3,002,669	482,513	338,113	3,147,069
Tangible Capital Assets	9,016,579	145,357	324,305	8,837,631
	12,019,248	627,870	662,418	11,984,700

The accompanying notes are an integral part of
these financial statements

SAUGEE VALLEY CONSERVATION AUTHORITY

STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2019	2018
	\$	\$
Cash flows from (for):		
Operating activities		
Annual deficit	(34,548)	(9,495)
Non-cash items:		
Amortization of tangible capital assets	320,125	326,782
Loss/(Gain) on disposal of tangible capital assets	(12,421)	343
	<u>273,156</u>	<u>317,630</u>
Changes in non-cash working capital balances (Note 11)	(119,622)	(24,721)
Net change in cash from operations	<u>153,534</u>	<u>292,909</u>
Capital activities		
Acquisition of tangible capital assets	(145,357)	(81,388)
Proceeds on disposal of tangible capital assets	16,601	8,383
	<u>(128,756)</u>	<u>(73,005)</u>
Investing activities		
Proceeds on sale of investments	1,332,469	-
Acquisition of investments	(2,621,112)	(832,472)
	<u>(1,288,643)</u>	<u>(832,472)</u>
Net change in cash position	<u>(1,263,865)</u>	<u>(612,568)</u>
Cash and cash equivalents, beginning of year	<u>2,211,678</u>	<u>2,824,246</u>
Cash and cash equivalents, end of year	<u>947,813</u>	<u>2,211,678</u>

The accompanying notes are an integral part of
these financial statements

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

Nature of Operations

The Saugeen Valley Conservation Authority (the Authority) is established under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals, for the watersheds within its area of jurisdiction. The watersheds include areas in the Municipalities of Arran-Elderslie, Brockton, Kincardine, South Bruce, Grey Highlands, Morris-Turnberry and West Grey, the Townships of Huron-Kinloss, Chatsworth, Southgate, Howick, and North Wellington, and the Towns of Saugeen Shores, Hanover, and Minto.

The Authority is a registered charity and is exempt from income taxes.

1. Summary of Significant Accounting Policies

The financial statements have been prepared by the management of the Authority in accordance with Canadian generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Basis of Accounting

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Revenue Recognition

Government transfers are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

General and special municipal levies are recognized as revenue when the amounts are levied on the municipalities.

Authority generated revenue and special program revenue is recognized when the price is fixed or determinable, collectability is reasonably assured and services are provided to customers.

Other revenues are recognized on an accrual basis.

(c) Deferred Revenue

Revenue restricted by legislation, regulation, or agreement and not available for Authority purposes is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations in the year in which it is used for the specified purpose.

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

1. Summary of Significant Accounting Policies (continued)

(d) Internally Restricted Surplus

Appropriations are made from operations to reserves for future expenses and contingencies for such amounts as are deemed appropriate, and upon approval of the Authority members.

(e) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Cost includes overheads directly attributable to construction and development.

Amortization is reflected on a declining balance basis over the estimated useful life of the assets at the following amortization rates:

Buildings	5%
Conservation Areas	5%
Erosion and Flood Control	5%
Equipment	15%
Floodwarning Equipment	5%
Vehicles	30%
Information Technology	3 year straight-line

Contributed tangible capital assets are recognized as assets and revenue at fair value at the time they are received.

(f) Classification of Expenses

To achieve consistency of reporting by the Conservation Authorities in Ontario, expenses are reported to follow the classifications set up by the Ministry of Natural Resources and Forestry. These are as follows:

General Administration expenses include those associated with head office functions other than technical staff and associated programs.

Program Operation expenses include technical and program operations support staff, operations and maintenance of water control structures, forest management and expenses at Saugeen Parks.

Other expenses include repairs and maintenance, vehicles and equipment, agricultural land expenses, property management, special employment projects, motor pool, etc.

(g) Vehicles and Equipment

The Authority operates a motor pool of vehicles and equipment. Internal charges for the use of vehicles and equipment are made to the various projects of the Authority based on an hourly or distance travelled rate, which is designed to recover all costs of operating the pool including replacement of equipment.

These internal charges are included in the appropriate expense classifications.

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

1. Summary of Significant Accounting Policies (continued)

(h) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principle estimates used in the preparation of these financial statements are the determination of the estimated useful life of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit, short-term deposits with a maturity of three months or less at acquisition and temporary bank overdrafts which form an integral part of the Authority's cash management.

(j) Pension Plan

The Authority offers a pension plan for its full-time employees through the Ontario Municipal Employee Retirement System ("OMERS"). OMERS is a multi-employer, contributory, public sector pension fund established for employees of municipalities, local boards and school boards in Ontario. Participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Authority accounts for its participation in OMERS as a defined contribution plan and recognizes the expense related to this plan as contributions are made, even though OMERS is itself a defined benefit plan.

(k) Financial Instruments

The Authority considers any contract that creates a financial asset, a financial liability or equity instrument as a financial instrument, except in limited items such as leases and loan commitments.

Initial recognition and measurement

A financial asset or a financial liability is recognized when the Authority becomes a party to the contractual provisions of the financial instrument. Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

Subsequent measurement

Changes in fair value of investments in equity instruments are recognized in annual surplus in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

Impairment

At the end of each reporting period, the Authority assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired.

SAUGEE VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

2. Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash - Operating Funds	947,813	1,711,678
Non Redeemable Guaranteed Investment Certificate, interest at 2.18%, matures March 4, 2019	-	500,000
	947,813	2,211,678

Included in the Operating Funds is an interest account which earns interest at 2.0%.

3. Temporary Investments

	2019	2018
	\$	\$
Guaranteed Investment Certificate, interest at 2.5%, matures August 20, 2020	1,250,000	-
Guaranteed Investment Certificate, interest at 2.9%, matures November 14, 2022	1,371,112	-
Guaranteed Investment Certificate, interest at 2.9%, matures November 14, 2019	-	1,332,472
	2,621,112	1,332,472

The GICs are carried at cost which approximates the fair market value.

4. Accounts Receivable

	2019	2018
	\$	\$
Municipal Levies	133,643	94,876
Trade Accounts Receivable	276,220	223,539
	409,863	318,415

SAUGEE VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

5. Deferred Revenue

	2019	2018
	\$	\$
Individual Programs	75,531	81,511
Ministry of Natural Resources and Forestry, and Municipalities	144,288	157,294
Bruce Power Funding	290,677	386,634
Other Deferred Revenue	165,896	122,669
	676,392	748,108

6. Tangible Capital Assets

	Balance 2018	Additions	Disposals	Balance 2019
Cost	\$	\$	\$	\$
Land	3,944,957	-	-	3,944,957
Buildings	1,671,169	-	-	1,671,169
Conservation Areas	981,512	26,822	-	1,008,334
Erosion and Flood Control	13,419,193	-	-	13,419,193
Equipment	355,388	65,766	(33,121)	388,033
Floodwarning Equipment	235,594	-	(2,546)	233,048
Vehicles	314,166	44,206	-	358,372
Information Technology	156,437	8,563	(5,881)	159,119
	21,078,416	145,357	(41,548)	21,182,225
Accumulated Amortization	\$	\$	\$	\$
Buildings	869,060	40,106	-	909,166
Conservation Areas	538,617	22,057	-	560,674
Erosion and Flood Control	9,905,222	175,699	-	10,080,921
Equipment	252,114	24,231	(30,121)	246,224
Floodwarning Equipment	142,716	4,586	(1,366)	145,936
Vehicles	217,216	38,238	-	255,454
Information Technology	136,892	15,208	(5,881)	146,219
	12,061,837	320,125	(37,368)	12,344,594
Net Book Value	\$			\$
Land	3,944,957			3,944,957
Buildings	802,109			762,003
Conservation Areas	442,895			447,660
Erosion and Flood Control	3,513,971			3,338,272
Equipment	103,274			141,809
Floodwarning Equipment	92,878			87,112
Vehicles	96,950			102,918
Information Technology	19,545			12,900
	9,016,579			8,837,631

SAUGEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

7. Revolving Credit Facility

The Authority has available a Royal Bank of Canada revolving credit facility with a maximum limit of \$200,000. The facility bears interest at bank prime plus 1.25% and is due on demand. As at December 31, 2019, the balance is \$NIL (2018 - \$NIL). The Authority also has a \$75,000 VISA credit limit facility available.

8. Pension Plan

The employees of the Authority participate in the Ontario Municipal Employees Retirement Saving Plan ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Authority cannot be identified. The Authority has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting.

The amount contributed to OMERS for 2019 was \$131,467 (2018 - \$139,326) for current service costs and is included as an expense on the statement of operations.

9. Budget Amounts

The 2019 budget amounts for Saugeen Valley Conservation Authority were approved by the Authority members and have been restated to conform to the basis of presentation of the revenues and expenses on the statement of operations and net assets. The budget numbers have not been audited.

10. Commitments

The Authority has entered into an operating lease agreement for a Xerox C8055 copier requiring 16 quarterly payments of \$610 commencing December 2019. The lease expires December 2023.

The Authority has entered into an agreement for the operation of an online reservation system for two campgrounds requiring escalating annual payments, starting at \$8,400 in 2018 and increasing \$1,400 each year until 2022. The agreement is for 5 years, beginning 2018 and ending in 2022.

The minimum annual payments on these commitments for the next four years are as follows:

2020	\$13,640
2021	\$15,040
2022	\$16,440
2023	\$2,440

SAUGEEEN VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

11. Cash Flow Information

The net change in non-cash working capital balances consists of:

	2019	2018
	\$	\$
Accounts Receivable	(91,448)	122,939
Prepaid Expenses	(9,755)	67
Accounts Payable and Accrued Liabilities	53,297	(15,240)
Deferred Revenue	(71,716)	(132,487)
	(119,622)	(24,721)

12. Financial Instruments

The Authority's financial instruments consist of cash, accounts receivable, temporary investments and accounts payable. The significant financial risk the Authority is exposed to is Credit Risk. It is management's opinion that the organization is not exposed to significant currency risk, interest rate risk, liquidity risk or market risk.

Credit Risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. The Authority is exposed to credit risk in connection with the collection of its accounts receivable. The Authority mitigates this risk by maintaining credit approval and payment policies and the Authority does not anticipate significant loss for non-collection. Much of the accounts receivable are from participating municipalities and HST, that should not be exposed to credit risk.

13. Subsequent Event

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects with the Authority's environment and in the global markets, possible disruption of supply chains, and measures introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Authority's operations. The extent of the impact of this outbreak and related containment measures on the Authority's operations cannot be made reliably at this time.

**SAUGEEN VALLEY
CONSERVATION AUTHORITY**

UNAUDITED SCHEDULES

DECEMBER 31, 2019

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 1 SCHEDULE OF ADMINISTRATION EXPENSES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
General Administration			
Wages and benefits	348,910	372,080	331,767
Board of Directors' allowances	24,000	25,423	17,852
Staff mileage and expenses	12,500	10,093	11,674
Equipment, purchases and rentals	1,000	1,952	-
Materials and supplies	18,000	16,014	15,729
Insurance	19,000	20,728	18,609
Property taxes	7,500	7,375	7,347
Conservation Ontario levy	30,000	28,762	25,571
Other	4,500	4,333	7,675
Administrative centre operating expenses	40,000	44,512	38,853
Consultant fees	-	3,625	-
Legal, audit fees and bank charges	11,500	11,347	11,125
Health and safety expenses	12,000	9,206	12,891
Advertising and staff development	1,500	682	379
Self insurance	-	-	1,855
Resource Centre operating expenses	4,000	4,980	4,973
	534,410	561,112	506,300
Less amounts capitalized	-	-	-
	534,410	561,112	506,300

SAUGEEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 2 SCHEDULE OF PROGRAM OPERATION EXPENSES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Flood Control			
Flood control structures	152,762	161,400	142,536
Flood warning, river forecasting and operation of dams	208,912	187,017	210,764
Land Management			
Agricultural Outreach	-	87,647	108,033
Taxes on provincially significant lands	57,000	57,628	31,861
Property and land management	64,205	53,050	60,555
Forest management			
SVCA lands	154,232	132,002	192,914
Grey Bruce forestry service	195,032	213,857	201,107
Geographical information systems / information technology	185,109	157,857	178,744
Water Management			
Plan input and review and regulation enforcement	718,555	737,244	681,569
Water quality	98,302	108,164	136,782
Community Relations			
Conservation information	228,864	250,882	238,609
Conservation education	93,852	91,713	86,616
	2,156,825	2,238,461	2,270,090
Less amounts capitalized	-	(8,563)	(22,112)
Total Program Operation Expenses	2,156,825	2,229,898	2,247,978
Capital Acquisitions			
GIS - IT infrastructure		8,563	22,112
		8,563	22,112

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 3 SCHEDULE OF REPAIRS AND MAINTENANCE FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Water Management Surveys, Studies and Capital Projects			
Durham Ice Management	-	4,902	-
Lake Huron Centre for Coastal Conservation	10,000	10,000	10,000
Riggins Property Repairs	-	81,715	-
Walkerton Property Repairs	-	-	13,489
Walkerton Dyke Repairs	-	52,961	-
	10,000	149,578	23,489
Recreational Capital Projects			
Saugeen Bluffs C.A - Septic System upgrade	-	26,822	-
	-	26,822	-
Other Capital Projects			
	-	-	-
	10,000	176,400	23,489
Less amounts capitalized	-	(26,822)	-
	10,000	149,578	23,489
Capital Acquisitions			
Saugeen Bluffs, Septic System		26,822	-
		26,822	-

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 4 SCHEDULE OF REVENUES AND EXPENSES OF SAUGEEN PARKS FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Revenue from Revenue Producing Conservation Areas			
Brucedale C.A.	76,950	87,353	83,510
Durham C.A.	236,400	266,442	245,515
Saugeen Bluffs C.A.	248,900	295,556	266,691
	562,250	649,351	595,716
Government Grant	-	18,718	7,720
	562,250	668,069	603,436
Expenses from Revenue Producing Conservation Areas			
Brucedale C.A.	53,775	56,632	58,584
Durham C.A.	230,900	226,813	214,185
Saugeen Bluffs C.A.	240,770	238,842	240,603
	525,445	522,287	513,372
Excess of Revenue Over Expenses for the Year for Revenue Producing Conservation Areas	36,805	145,782	90,064
Revenue from Non-Revenue Producing Conservation Areas			
Donations	-	250	-
Admission Tours	-	15,369	-
Miscellaneous revenues	9,230	9,402	20,230
	9,230	25,021	20,230
Expenses from Non-Revenue Producing Conservation Areas	141,466	127,981	156,945
Excess of Expenses Over Revenue for the Year for Non-Revenue Producing Conservation Areas	(132,236)	(102,960)	(136,715)

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 5 SCHEDULE OF REVENUES AND EXPENSES OF SPECIAL PROGRAMS FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Actual 2019	Actual 2018
	\$	\$
Revenue		
Brockton Tree Planting Project	2,454	3,150
CAP Stewardship	9,219	-
DFO Mildmay Dam Removal	-	12,930
Emerald Ash Borer Info & Detection Program	1,005	1,926
Great Lakes Agriculture Stewardship Initiative	-	17,154
Grey Sauble Contract	11,940	49,576
Markdale Dam Removal	-	72,731
Healthy Lake Huron	-	1,017
Bruce Power Water Quality Program	-	42
Penetangore Watershed Group	12,118	15,220
Bruce Power Program	77,629	56,162
Power Work Camp	6,000	6,000
Saugeen Valley Children's Safety Village	4,531	3,542
Stewardship Project	3,735	62,993
Summer Experience Program	-	7,609
Yellow Fish Road	-	101
Youth Outdoor Expo	-	69
	128,631	310,222
Expenses		
Armstrong Creek Dam Removal	20,000	-
Brockton Tree Planting Project	2,454	3,150
CAP Stewardship	9,219	-
DFO Mildmay Dam Removal	-	12,930
Emerald Ash Borer Info & Detection Program	3,467	1,926
Great Lakes Agriculture Stewardship Initiative	-	17,154
Grey Sauble Contract	11,940	49,576
Bruce Power Water Quality Program	-	42
Healthy Lake Huron	-	1,017
Markdale Dam Removal	-	72,731
Penetangore Watershed Group	12,118	15,220
Saugeen Valley Children's Safety Village	3,415	2,711
Bruce Power Program	55,166	56,162
Stewardship Project	3,735	62,993
Summer Experience Program	-	7,609
Yellow Fish Road	-	101
Valard Maintenance	1,167	-
Youth Outdoor Expo	-	69
	122,681	303,391
Excess of Revenue Over Expenses for the Year	5,950	6,831

SAUGEE VALLEY CONSERVATION AUTHORITY

SCHEDULE 6 SCHEDULE OF REVENUES AND EXPENSES OF VEHICLES AND EQUIPMENT FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Revenue			
Vehicles	105,000	111,942	105,082
Equipment	20,000	22,047	17,119
Office equipment	13,500	9,324	9,917
Gain on disposal of vehicles and equipment	54,000	12,421	(343)
	192,500	155,734	131,775
Expenses			
Vehicles			
Operating costs	59,300	50,085	61,187
Repairs and maintenance	13,000	15,015	15,832
Equipment			
Operating costs	3,500	4,437	2,764
Repairs and maintenance	5,000	8,699	9,118
Office equipment			
Operating costs	14,000	11,049	11,928
	94,800	89,285	100,829
Excess of Revenue Over Expenses for the Year, Before Leasing of Vehicles and Equipment	97,700	66,449	30,946
Purchasing and Leasing of Vehicles and Equipment	96,000	114,961	74,418
	1,700	(48,512)	(43,472)
Less amounts capitalized	-	(109,972)	(59,275)
Excess of (Deficiency in) Revenue Over Expenses for the Year	1,700	61,460	15,803
Capital Acquisitions			
Equipment		65,766	14,984
Vehicles		44,206	44,291
		109,972	59,275
Capital Disposals			
Equipment		33,121	14,969
Vehicles		-	42,941
		33,121	57,910

SAUGEEN VALLEY CONSERVATION AUTHORITY

SCHEDULE 7 SCHEDULE OF MUNICIPAL LEVIES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Modified Current Market Value in Watershed	Apportionment	2019 General Levies	2019 Special Levies
	\$	%	\$	\$
Arran-Elderslie	335,458,901	2.5359	42,151	20,259
Brockton	1,150,687,190	8.6986	144,683	38,433
Chatsworth	404,747,171	3.0597	50,865	-
Grey Highlands	580,943,531	4.3916	73,024	-
Hanover	895,682,391	6.7709	112,611	-
Howick	33,187,834	0.2509	4,288	-
Huron-Kinloss	755,562,705	5.7117	94,988	1,500
Kincardine	2,391,621,259	18.0794	300,757	63,661
Minto	339,513,659	2.5665	42,661	-
Morris-Turnberry	23,253,469	0.1758	3,334	-
Saugeen Shores	2,777,839,975	20.9990	349,332	4,916
South Bruce	622,863,744	4.7085	78,298	-
Southgate	830,422,688	6.2776	104,403	-
Wellington North	500,380,830	3.7826	62,893	144
West Grey	1,586,273,802	11.9914	199,467	51,282
	13,228,439,149	100	1,663,755	180,195