

Clean. Transparent. Accountable.



TABLE OF CONTENTS

Message from the Chair and the CEO	1
Mission, Objects and Vision	2
Corporate Profile	5
Accountability and Operations Frameworks	6
Corporate Governance	8
Board of Directors, 2017–18	9
Organization Chart	13
Goals and Strategic Directions	15
Summary of Performance for 2017–18 Activities	17
Goal 1	18
Goal 2	22
Looking Forward	24
Management's Responsibility for Financial Information	25
Independent Auditor's Report	26

Message from the Chair and the CEO

During 2017–18, the Walkerton Clean Water Centre (the Centre), as part of its continuous improvement efforts, strengthened its programs to coordinate and provide education, training and information to drinking water system owners, operators and operating authorities, and the public, across Ontario.

The Centre continued to administer and deliver mandatory training on behalf of the Ministry of the Environment, Conservation and Parks (the Ministry), and developed a new mandatory course, Safe Drinking Water Operator Essentials. To meet clients' needs, a comprehensive range of specialized training was also offered, including hands-on courses, Small Systems Workshops, Maintenancefest events, and Drinking Water Quality Management Standard Workshops. The Centre's quality assurance program ensured that standards were upheld for all training initiatives. During 2017–18, the Centre trained 7,080 participants across Ontario.

During the past year, the Centre played a significant role in supporting the Government of Ontario's goal to contribute to the improvement of drinking water for First Nations communities. With support from the Ministry and the Centre's two partners, Keewaytinook Okimakanak of the Northern Chiefs' Council, and the

Ontario First Nations Technical Services Corporation, the Centre delivered the Entry-Level Course for Drinking Water Operators to 45 operators of First Nations drinking water systems.

The Technology Demonstration Facility provided opportunities for client-driven education, hands-on training and practical pilot projects using various drinking water treatment and distribution technologies. The Centre completed two pilot projects and continued work on five others to provide information on source water quality, treatment performance and alternative treatment technologies. Many of these projects are long-term and commence in a given year with completion in the following year. Centre staff were actively involved in numerous presentations and sharing information with clients regarding the treatment, equipment and operational requirements necessary to ensure that drinking water is safe.

We would like to take this opportunity to acknowledge the Ministry for offering ongoing assistance and financial support, the Board of Directors for overseeing the Centre's operations, and Centre management and staff for continuing to ensure Ontario's drinking water is safeguarded.



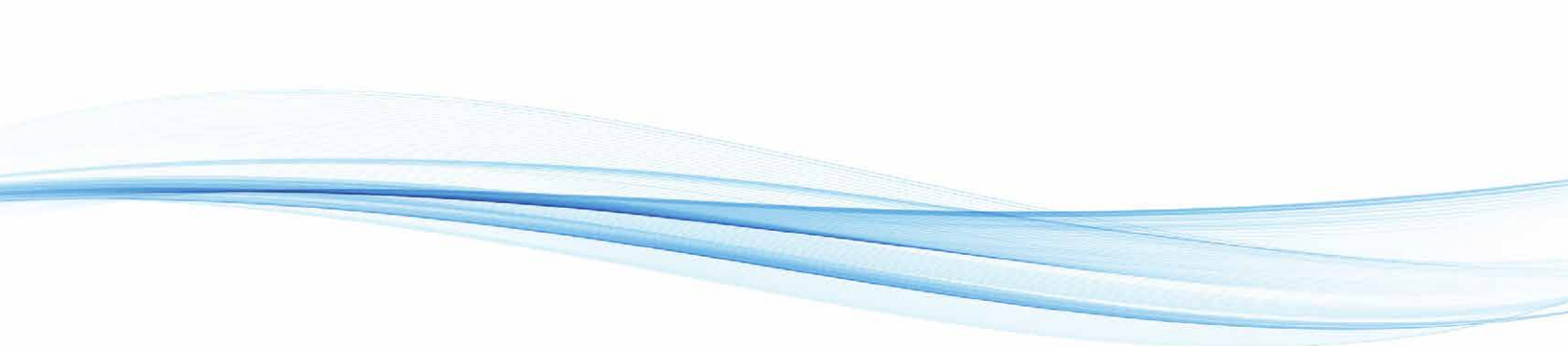
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John Stager,
Chair, Board of Directors



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Carl Kuhnke,
Chief Executive Officer



Mission, Objects and Vision

MISSION

The Centre exists to educate and support our clients as they address their water system risks in order to safeguard Ontario's drinking water.

OBJECTS

Ontario Regulation 304/04, made under the *Development Corporations Act*, defines the Centre's objects, which the Centre delivers independently or in conjunction with other organizations:

- To co-ordinate and deliver education and training for owners, operators and operating authorities of drinking water systems.
- To provide information, education and advice to owners, operators and operating authorities of drinking water systems and to the public about,
 - i. the treatment of water necessary to ensure that drinking water is safe,
 - ii. the equipment and technology used to ensure that drinking water is safe,
 - iii. the operational requirements necessary to ensure that drinking water is safe, and
 - iv. other environmental issues related to drinking water.

- To sponsor research into any activities related to its objects.
- To provide advice to the Minister of the Environment, Conservation and Parks (Minister) on research and development priorities to achieve and maintain safe drinking water.
- To conduct such further activities, consistent with its objects, as are described in any policy direction issued by the Minister or as set out in any agreement with the Minister.

VISION

The Centre is an agency known for its innovative and practical approach to building knowledge and capacity for those responsible for water systems, emphasizing system vulnerabilities.



Registrants in the course,
Operation of Small Drinking Water Systems, complete an exercise.

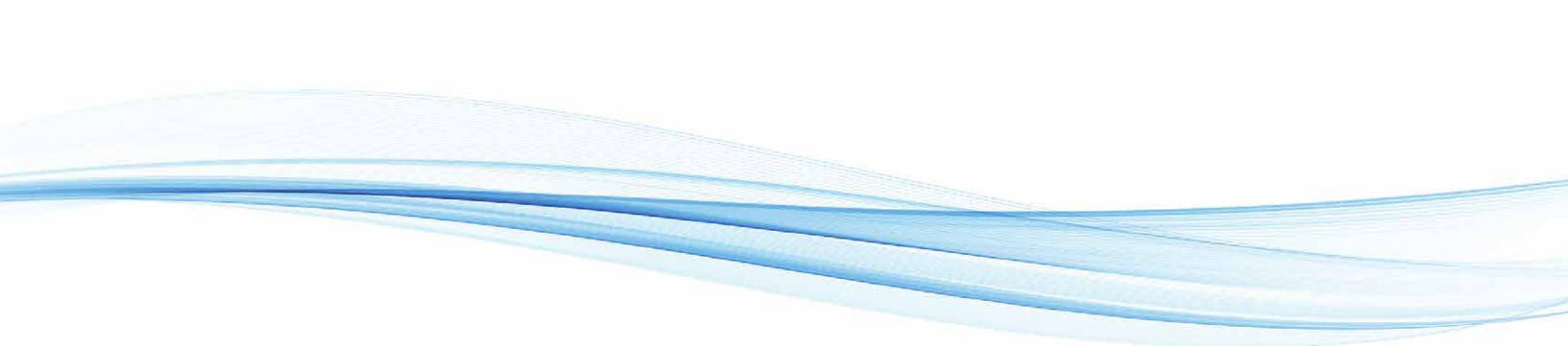
Students from Fleming College work on a training activity in the Technology Demonstration Facility. The Centre offers practical training to the 16 colleges across the province that deliver the Entry-Level Course for Drinking Water Operators as part of their curriculum.



Corporate Profile

The Centre, an operational service agency of the Government of Ontario, was established in October 2004 in response to Associate Chief Justice Dennis O'Connor's recommendations in the Report of the Walkerton Inquiry. The Centre coordinates and provides education, training and information to drinking water system owners, operators and operating authorities, and the public, across Ontario.

The Centre aims to meet the needs of drinking water professionals by delivering a comprehensive range of training across Ontario. The Technology Demonstration Facility, with its drinking water treatment and distribution technologies, facilitates hands-on training and the provision of education, information and advice on water treatment and distribution equipment, technologies, operational requirements and environmental issues related to drinking water. The Centre also assesses research gaps and needs, sponsors research that contributes to its objects and uses research results to improve training. The Centre supports collaboration with the province on initiatives that improve drinking water for First Nations communities.



Accountability and Operations Frameworks

The Centre is governed by Ontario Regulation 304/04, made under the *Development Corporations Act*, the Centre's bylaw, and a Memorandum of Understanding between the Minister and the Centre. The Centre is committed to public transparency and accountability to the people of Ontario, and it achieves its objects from within the bounds of all applicable acts and regulations, Management Board of Cabinet directives and Government of Ontario policies and guidelines.

In accordance with Ontario Regulation 304/04, the Centre must submit an annual report each fiscal year. This 2017–18 annual report includes the Centre's audited financial statements and is part of the Centre's accountability structure. The Centre submits the report to the Minister, who tables it in the Ontario legislature. Subsequently, the report is publicly posted in English and French on the Centre's website, wcwc.ca.

As well, the Agencies & Appointments Directive requires the Centre to prepare an annual business plan. During 2017–18, the Board of Directors oversaw the

development and implementation of a new three-year business plan, which included a review of risks, performance measures and outcomes.

The Board of Directors is also responsible for ensuring that there is an annual external audit of the Centre's operations and financial transactions as required by both Ontario Regulation 304/04 and the Memorandum of Understanding. This annual audit is subject to review by the Auditor General of Ontario. In addition, the Ministry reviews the Centre's operations at least once every three years and the Minister may request an audit at any time.

In addition to this accountability framework, the Centre is responsible for developing and implementing policies and procedures to ensure the transparency and accountability of its operations.



93 per cent of survey respondents provided overall course ratings of good or excellent



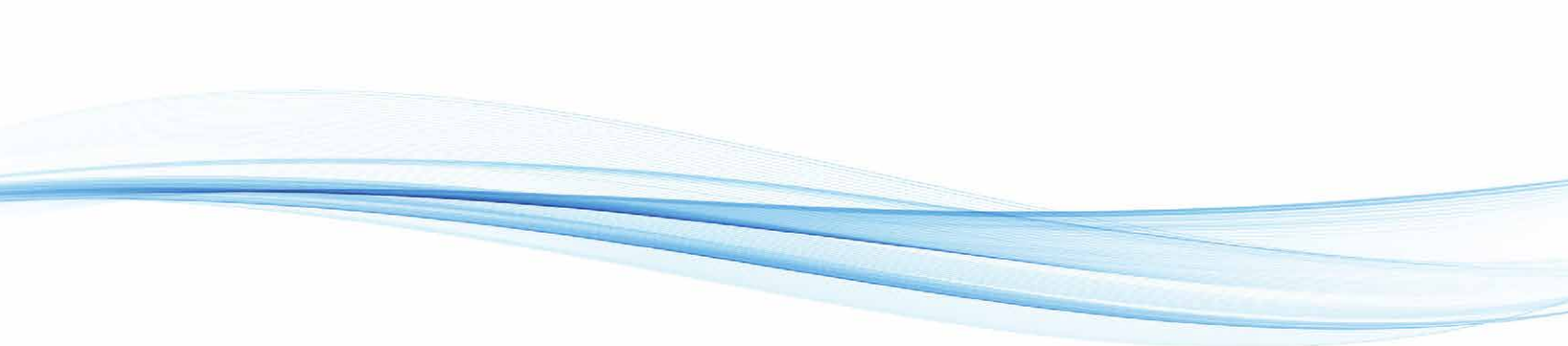
Professionals at the regional Maintenancefest event, held in St. Catharines, work on a hands-on exercise.

Corporate Governance

The Lieutenant Governor in Council, on the advice of the Minister, appoints the Centre's Board of Directors of up to 12 members. Four new board members, making a total of 12, were added to the Board of Directors during the year. Members hold office for terms of up to three years and are eligible for reappointment for successive terms. The Board of Directors is accountable to the Ontario legislature through the Minister and, under the leadership of the Chair, is responsible for overseeing the management of the Centre's operations. The Board of Directors meets regularly. The total annual remuneration for all members of the Board of Directors was \$29,950.00 during 2017–18.



The Board of Directors, pictured with CEO Carl Kuhnke. Back row, from left to right: Rui De Carvalho, Keith Maracle, Delbert (Deb) Shewfelt, Stephen Spitzig, John Stager, Andrew Henry, Lou D'Alessandro and Carl Kuhnke. Front row, from left to right: Deborah Martin-Downs, Laura Smit, Lorri Bova, Ellen Stitt and Kari-Anne Last.



BOARD OF DIRECTORS, 2017–18

JOHN STAGER, Chair

Member since: December 17, 2013

Current term: December 17, 2015–December 16, 2018

Mr. Stager has more than 30 years of environmental management and organizational transformation experience. From 2008 to 2012, he was the Chief Drinking Water Inspector for the Province of Ontario, as well as the Assistant Deputy Minister for the Drinking Water Management Division within the Ministry. Prior to holding that position, Mr. Stager was the Assistant Deputy Minister Lead for the Ministry's Inspections, Investigations and Enforcement modernization initiative from 2004 until 2008. In this capacity, he led a series of modernization initiatives across Ontario's 13 regulatory compliance ministries.

In 2000, Mr. Stager represented the Ontario government in Walkerton, providing cross-ministry support to individuals, families and businesses following the E-coli outbreak.

Mr. Stager holds a B.Sc. from Acadia University and is a graduate of Western's Ivey Executive Program and Harvard's Executive Program on Strategic Management of Regulatory and Enforcement Agencies. In 2008, Mr. Stager was the recipient of an Ontario government Amethyst Award for innovative leadership.

LORRI BOVA

Technical Services Engineer,
Six Nations of the Grand River

Member since: February 8, 2018

Current term: February 8, 2018–February 7, 2021

Ms. Bova brings extensive experience in all facets of drinking water and wastewater operations, with a special focus on First Nations communities. She has been certified as both a Class IV drinking water operator and a Class II wastewater operator.

Ms. Bova is currently the Technical Services Engineer for Six Nations of the Grand River. In this role, she holds a variety of responsibilities for contract administration, wastewater and drinking water treatment, distribution, construction, maintenance and upgrades.

Prior to her current position, Ms. Bova was the Manager of Water and Wastewater for the Mohawk Council of Akwesasne. In this position, she was responsible for the operations and maintenance of two water treatment and distribution facilities, as well as five wastewater treatment and collection facilities. In addition, Ms. Bova brings related experience from Indigenous Services Canada and private consulting. Ms. Bova has also served as the past Chair of the Aboriginal Water and Wastewater Association of Ontario.

Ms. Bova is a professional engineer, with a Master's degree in Civil and Environmental Engineering.

LOU ANTHONY D'ALESSANDRO

Public Health Inspector, North Bay Parry Sound District
Health Unit, Environmental Health Division

Member since: October 12, 2004

Current term: August 20, 2017–August 19, 2020

Mr. D'Alessandro is a certified public health inspector and has been involved with public health for more than 35 years. He is currently employed by the North Bay Parry Sound District Health Unit in the Environmental Health Division. Mr. D'Alessandro holds certification as an onsite sewage system inspector (part 8 septic systems under the Ontario Building Code). Mr. D'Alessandro has managed several programs under the *Health Protection and Promotion Act*.

RUI DE CARVALHO, M.Eng., P.Eng.

Senior Vice-President, R.J. Burnside & Associates Limited

Member since: October 12, 2004

Current term: October 22, 2016–October 21, 2019

Mr. De Carvalho has more than 40 years of experience as a consulting engineer in the water supply sector, both in Canada and internationally. In addition to various roles on municipal water supply projects, his experience also includes more than 25 years in the planning, design and implementation of water supply and infrastructure servicing in First Nations communities in Ontario, Alberta and Labrador. He has worked on projects in 12 different countries and currently provides support on a number of international water supply projects in Sub-Saharan Africa and in the Caribbean. He remains active in the development of new project opportunities for R.J. Burnside International Limited.

Mr. De Carvalho is a professional engineer and a Designated Consultant by Professional Engineers Ontario, a Designated Environmental Engineer by the American Academy of Environmental Engineers and a member of the International Water Association, the American Water Works Association, the Ontario Water Works Association, the Canadian Society for Civil Engineering and the Water Environment Federation.

ANDREW HENRY

Director, Regional Water Supply, Lake Huron & Elgin Area Water Supply Systems

Member since: May 6, 2015

Current term: May 6, 2017–May 5, 2020

Mr. Henry has an honours degree in Civil and Environmental Engineering, and is a registered professional engineer. Mr. Henry has held various positions in the municipal sector with the City of Etobicoke (now part of Toronto), the District of Chilliwack, British Columbia and the City of London, Ontario.

Mr. Henry has participated in numerous provincial and federal initiatives, including the development of a best practices document with the Federation of Canadian Municipalities, the development of the Drinking Water Quality Management Standard for Ontario, and has

participated on senior government advisory committees and work groups related to municipal drinking water licensing, source water protection, the Great Lakes, First Nations and emergency management/critical infrastructure assurance.

Mr. Henry is a member of the Lake Erie Source Protection Committee, the province's Operating Authority Accreditation Management Committee, and is a Co-Chair of the Ontario Water/Wastewater Agency Response Network. Mr. Henry has served as the Vice-Chair of the Working Group for the development of support resources for the implementation of the Drinking Water Quality Management Standard by Ontario municipalities, and a provincial review committee for the Optimization Manual for Drinking Water Systems.

Mr. Henry is also on the Ontario Municipal Water Association Board of Directors and was the President and Chair for the 2014–17 term.

KARI-ANNE LAST

Operations Project Coordinator — Water, City of Barrie

Member since: March 21, 2018

Current term: March 21, 2018–March 20, 2021

Ms. Last is currently the Operations Project Coordinator — Water for the City of Barrie. In this role she leads a number of important initiatives including: maintaining and revising the operational plan under the Drinking Water Quality Management Standard (DWQMS); coordinating risk assessments; developing and facilitating internal operator training and providing support to water operations in the area of process optimization and legislative compliance.

Prior to this role, Ms. Last was a Class IV Water Operator with the City of Barrie and, previous to that, with the City of Timmins. In these roles, in addition to her responsibilities as the Operator-in-Charge and Overall Responsible Operator for large surface water treatment plants, Ms. Last supported and provided guidance and direction to other operators in the event of process and compliance issues, while also leading pilot projects and presenting findings at key annual drinking water conferences.

Ms. Last was also a part-time professor at Northern College, where she taught Water and Wastewater Monitoring and Sampling; Soil and Air Monitoring and Sampling and Water Quality Analysis.

Ms. Last is a Certified Engineering Technician, with a focus on Environment, Standards and Compliance.

KEITH MARACLE, M. Eng., P.Eng., PMP

Managing Director, FHR Inc.

Member since: September 28, 2016

Current term: September 28, 2016–September 27, 2019

Mr. Maracle is a professional engineer and a certified project management professional. He has varied experience in all facets of drinking water and wastewater design, development and operations.

Mr. Maracle also has more than 20 years of experience working closely with large and small First Nations communities and Tribal Councils in matters related to drinking water, wastewater, infrastructure development and capital planning.

DEBORAH MARTIN-DOWNS, B.E.S., M.Sc.

Chief Administrative Officer, Credit Valley Conservation Authority

Member since: January 8, 2018

Current term: January 8, 2018–January 7, 2021

Ms. Martin-Downs is the Chief Administrative Officer of the Credit Valley Conservation Authority, where she is responsible for all facets of strategic planning, finance, operations and land management. Prior to this role, she was the Director of the Ecology Division of the Toronto and Region Conservation Authority (TRCA). Prior to joining TRCA, Ms. Martin-Downs spent 16 years as an environmental consultant with Gartner Lee Limited.

Over the course of her career, Ms. Martin-Downs has held progressive roles managing multidisciplinary teams of technical specialists in the fields of geoenvironmental, watershed planning, terrestrial and aquatic ecology, flood risk and infrastructure, water resources engineering, source water protection and environmental monitoring.

Ms. Martin-Downs is also active on committees. She spent 12 years as a volunteer with the Don Watershed Regeneration Council and currently is a volunteer Director with the Muskoka Lakes Association. Ms. Martin-Downs has been a member of the Latonnell Symposium steering committee for nine years, including two years as Chair. She also served as a Director of the Ontario Centre for Environmental Technology Advancement, now known as BLOOM, for six years. She is a founding member and Chair of the Green Infrastructure Ontario Coalition.

Ms. Martin-Downs has a Bachelor of Environmental Studies from the University of Waterloo and a Master of Science in Zoology and Environmental Studies from the University of Toronto.

DELBERT (DEB) SHEWFELT

Member since: April 10, 2013

Current term: April 10, 2017–April 9, 2020

Mr. Shewfelt served on Goderich Town Council as Councillor, Reeve and Mayor for more than 28 years, 22 of those years as Mayor. He also served as a Huron County Councillor for four years in the 1970s and from 2000 to 2014, and is a past Warden of Huron County (2007). Prior to his position as Mayor of Goderich, Mr. Shewfelt worked as a real estate broker and land developer.

Mr. Shewfelt has served on several boards and committees, including the Mayor's Committee of the Lake Huron Southeast Shores Initiative, Great Lakes and St. Lawrence Cities Initiative, Maitland Valley Conservation Authority (Chair) and the Joint Management Committee of the Ausable Bayfield Maitland Valley Source Protection Region. He also served on the Advisory Panel of the Ontario Drinking Water Standard of Care Committee and is a past Chair of the Ontario Municipal Water Association.

For a lifetime of dedication to municipal service and environmental protection, he received the Queen Elizabeth II Silver Jubilee Medal in 1977 and the Queen Elizabeth II Diamond Jubilee Medal in 2012.

In 2015, he was appointed to the board of ONE CARE INC., a not-for-profit health care provider offering home and community support services to citizens of Huron and Perth counties including Meals on Wheels, EasyRide transportation and respite and adult day away programs.

LAURA SMIT

Water/Wastewater Supervisor,
Town of Whitchurch-Stouffville

Member since: February 18, 2015

Current term: February 18, 2017–February 17, 2020

Ms. Smit has dedicated more than 15 years to the operation and maintenance of water and wastewater systems. Born and raised in Orillia, Ontario, Ms. Smit began working with the Township of Severn in 2001. She served as Wastewater Plant Manager in Jasper, Alberta, before returning to Ontario in 2008, and is now working for the Town of Whitchurch-Stouffville.

STEPHEN SPITZIG, CPA, CMA

Member since: October 12, 2004

Current term: November 5, 2016–November 4, 2019

Mr. Spitzig is an accountant in public practice with the Collins Barrow branch in Walkerton. He has been serving the farming and business community around the Walkerton area for more than 32 years. He received his Chartered Professional Accountant designation in 2014 and has had his Certified Management Accountant

designation from the Society of Management Accountants of Ontario since 1999. Mr. Spitzig also has an Honours Bachelor of Business Administration degree from Wilfrid Laurier University.

Born and raised in the town of Chepstow, Ontario, Mr. Spitzig has strong ties to the Walkerton area and supports the community through his volunteer service with various organizations.

ELLEN STITT

Senior Operator/Mechanic, Ontario Clean Water Agency

Member since: November 29, 2017

Current term: November 29, 2017–November 28, 2020

Ms. Stitt graduated from the Water Quality Technician program at Durham College in 2013 and brings a wide variety of practical experience as an operator of both drinking water and wastewater systems. She is currently an operator with the Ontario Clean Water Agency where she is also a mentor for new operators.

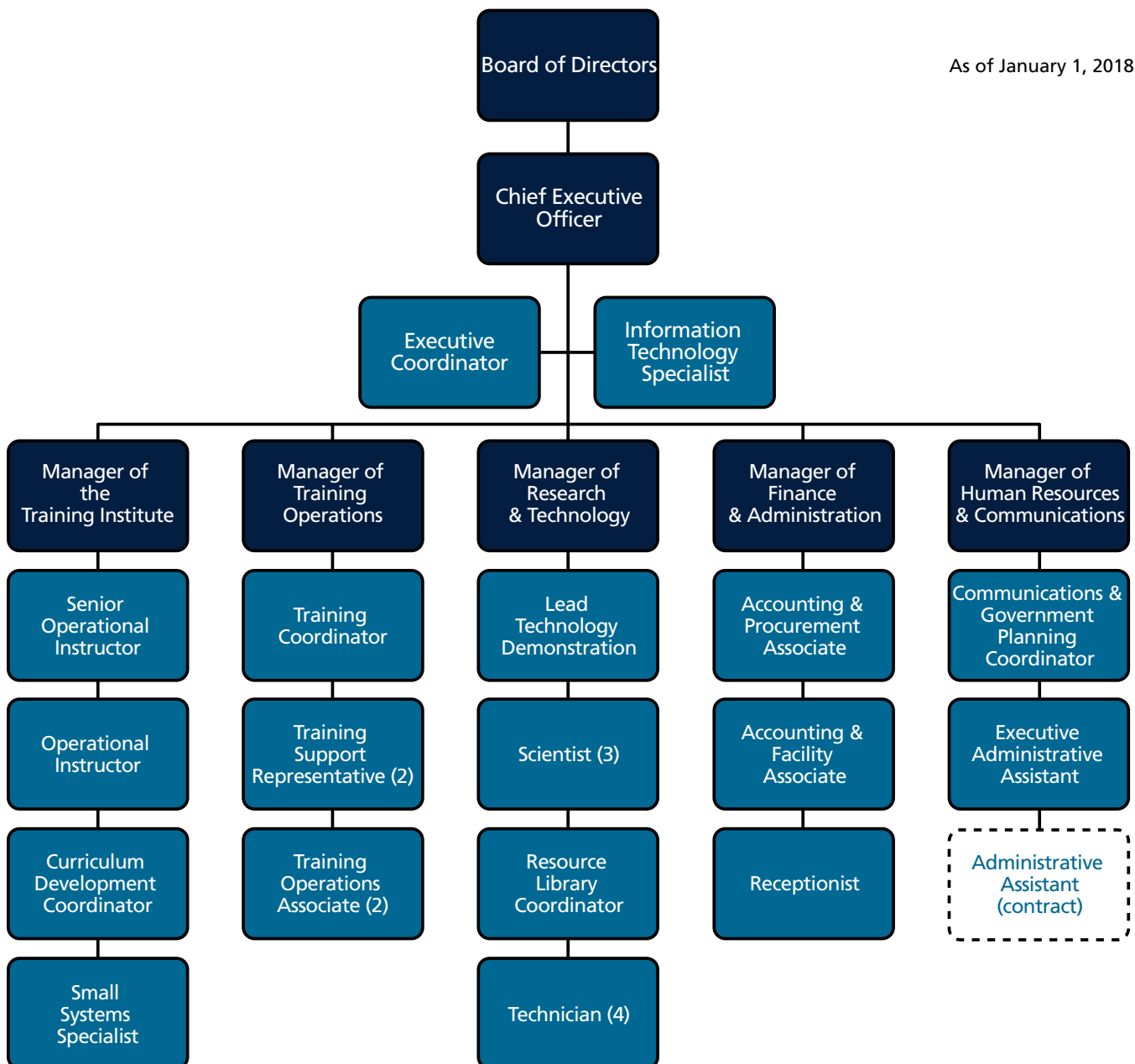
Ms. Stitt is active on the volunteer front and is currently a volunteer Webinar Coordinator with the Canadian Water Network Student and Young Professional Committee. She is also a volunteer on the Great Waters Challenge Youth Advisory Board with Waterlution where she promotes water education for youth and has co-written a children's storybook called *Canada's Great Water Adventure*.

Participants work on a practical exercise in the Centre's laboratory during the Small Systems Workshop held in Walkerton.



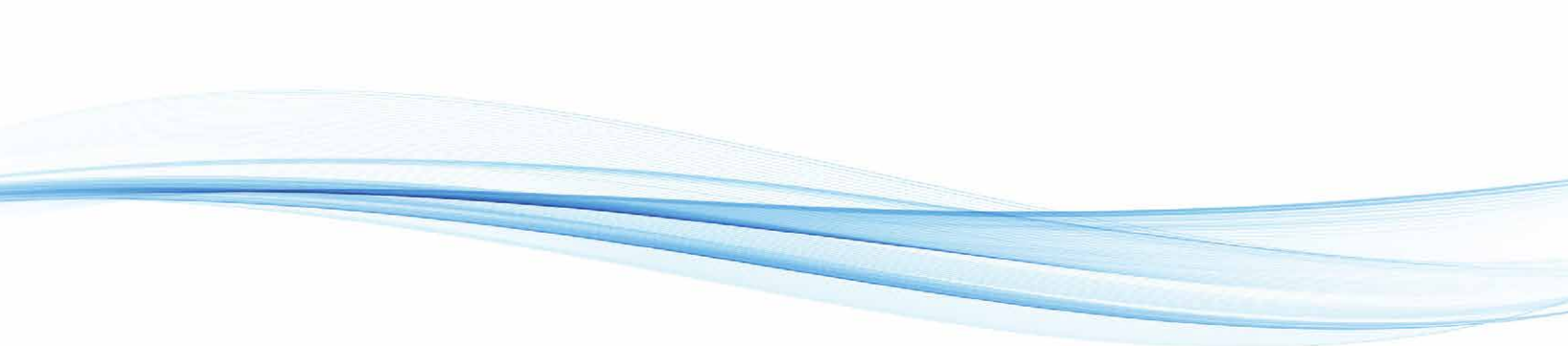
Organization Chart

As of January 1, 2018





Participants at the Small Systems Workshop complete a relevant module in the Technology Demonstration Facility.



Goals and Strategic Directions

The Centre's business plan outlines its direction for the future, while making the best use of resources to deliver on its goals. During 2017–18, the Centre augmented existing programs and developed new initiatives to support the goal of ensuring safe drinking water. This annual report describes the Centre's progress toward reaching these goals:

1. Meeting the needs of drinking water professionals by coordinating and delivering a comprehensive range of education and training provincially.
2. Providing information and advice about drinking water through the Technology Demonstration Facility and using the facility as a platform for hands-on training.



The Centre provided training to more than 7,000 participants across Ontario during 2017–18

Participants work on a hands-on activity during the Leak Detection module at the seventh annual Maintenancefest event at the Centre.



Summary of Performance for 2017–18 Activities

Initiative	Description	Performance Indicator	Status	Comments
Education and Training	Meet the needs of drinking water professionals by coordinating and delivering a comprehensive range of education and training provincewide.	Number of training participants The Centre set a target to train 7,000 participants in 2017–18.	Achieved	The Centre trained 7,080 participants.
		Evaluation of training quality Maintain a quality assurance index of >0.850. The quality assurance index is an evaluation of training quality.	Achieved	The quality assurance index for 2017–18 was 0.931. The maximum attainable is 1.000.
		Number of hands-on courses Offer 28 hands-on courses.	Achieved	The Centre offered 36 hands-on courses during 2017–18.
Information and Advice	Provide information and advice about drinking water through the Technology Demonstration Facility and use the facility as a platform for hands-on training.	Technical tours of the Technology Demonstration Facility Increase the number of individuals who tour the Technology Demonstration Facility by five per cent. During 2016–17, 424 individuals received technical tours.	Achieved	The Centre provided technical tours of the Technology Demonstration Facility to 482 stakeholders during 2017–18, an increase of 14 per cent over 2016–17. These demonstrations play an important role in showcasing the technical and operational capabilities of the Centre and have led to increased collaboration with stakeholders in the public and private sectors.
		Number of publications Produce 10 publications including fact sheets, refereed publications and external presentations. Publication ensures information is shared with the operators and decision-makers overseeing drinking water systems in Ontario.	Not achieved	The Centre shared information through four technical presentations and two published pilot project reports in 2017–18. Although the Centre had set a target to produce 10 publications, client-requested pilot projects were the focus over the course of the year. The Board of Directors approved, in December of 2017, additional resources to service increased demand from clients for pilot projects while still committing to present and publish. The Centre will continue to make information available through various channels to assist the operators and decision-makers overseeing drinking water systems in Ontario.

GOAL 1

Meet the needs of drinking water professionals by coordinating and delivering a comprehensive range of education and training provincewide.

During 2017–18, 7,080 participants across Ontario were trained by the Centre, exceeding the target of 7,000 participants. This includes participants in the three mandatory courses administered and delivered on behalf of the Ministry and participants in the Centre's specialized training. The Centre also exceeded the target of offering 28 hands-on courses by offering 36. The table on page 20 illustrates the number of participants in all of the Centre's training initiatives. Since its inception, the Centre has trained 76,106 participants.

Mandatory Training

The Centre administered and delivered three mandatory courses required for certification in Ontario on behalf of the Ministry: Entry-Level Course for Drinking Water Operators; Operation of Small Drinking Water Systems; and the mandatory certificate renewal course. The new version of the mandatory certificate renewal course, entitled Safe Drinking Water Operator Essentials, was developed by the Centre in cooperation with the Ministry. This new course was launched on January 1, 2018, and replaced Diligence in Drinking Water Operations. During 2017–18, the Centre delivered mandatory training to 3,641 participants.

Specialized Training

The Centre offered a variety of specialized training that provided the continuing education units required for certification renewal. One popular hands-on training initiative is Maintenancefest, which offers a variety of training modules led by drinking water experts. Regional Maintenancefest events in St. Catharines and Thunder Bay provided training to 44 and 32 participants, respectively, and the seventh annual Maintenancefest provided training to 82 participants in Walkerton.

Another successful specialized training initiative was the Drinking Water Quality Management Standard Workshops, delivered in Barrie and Thunder Bay, to a total of 120 participants. The Centre, the Ministry and the accreditation bodies, SAI Global and NSF International Strategic Registration, delivered these workshops as a follow-up to the existing Drinking Water Quality Management Standard course. The workshops provided information on risk assessment, emergency management, conformance and compliance and best practices, and provided participants with an opportunity to gain insight from invited experts.

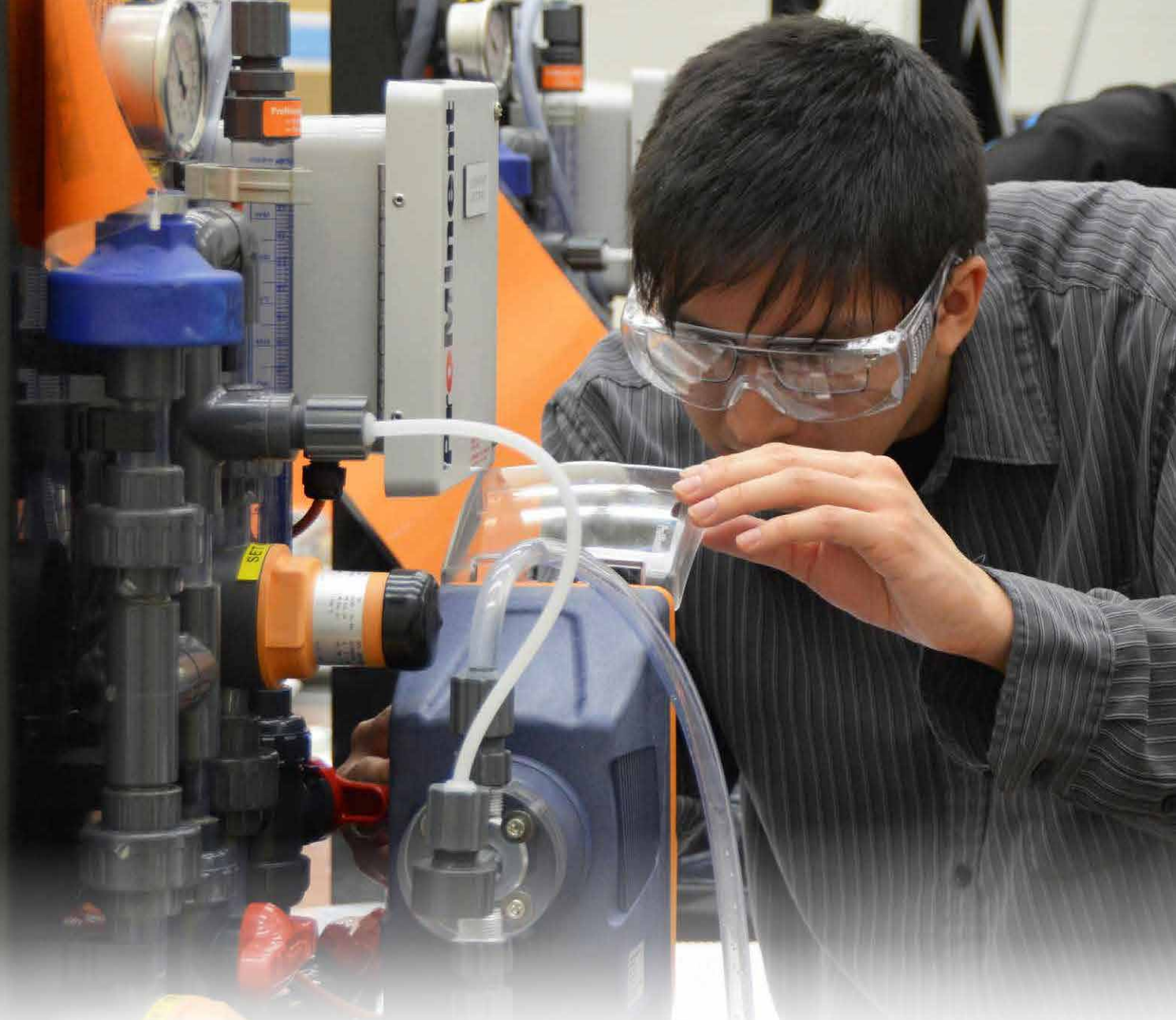
Training for Operators of Small Drinking Water Systems

The Centre continued to offer a variety of training geared toward the owners and operators of small drinking water systems. Two successful hands-on training courses were Practical Training for Small Drinking Water System Owners and Operators and Basics for Small Drinking Water Systems. These courses were designed for small drinking water systems regulated under Ontario Regulation 170/03, made under the *Safe Drinking Water Act, 2002*, or Ontario Regulation 319/08, made under the *Health Protection and Promotion Act*.

The Centre also delivered small systems hands-on workshops in Huntsville, London and Walkerton to a total of 91 participants. The workshops provided an opportunity for hands-on training that can be used to maintain the Trained Person Designation.



Drinking Water Quality Management Standard Workshops provided relevant training to 120 attendees



A student in the First Nations Entry-Level Course for Drinking Water Operators held in Dryden works on a hands-on activity.

Training for Operators of First Nations Drinking Water Systems

A new focus for the Centre during 2017–18 was the training of operators of First Nations drinking water systems. Funded by the Ministry, the Centre and its two partners, the Ontario First Nations Technical Services Corporation and Keewaytinook Okimakanak, delivered the Entry-Level Course for Drinking Water Operators to 45 operators of First Nations drinking water systems. Training curriculum was tailored specifically to the experience of operators in First Nations communities, particularly smaller and remote systems, and training was delivered in or around First Nations communities.

Additional courses are being developed, including management and leadership courses and individualized training programs. Training is offered in locations that minimize travel for operators and is delivered by instructors who are Indigenous or have extensive experience training operators in First Nations communities. Training is provided at no cost to participants, including all associated expenses.

TABLE 1: TRAINING STATISTICS

Course	Number Trained 2015–16	Number Trained 2016–17	Number Trained 2017–18	Three-year Cumulative Total
Entry-Level Course for Drinking Water Operators	286	316	355 *	957 *
Diligence in Drinking Water Operations (classroom)	1,932	1,040	474	3,446
Diligence in Drinking Water Operations (correspondence)	305	244	168	717
Safe Drinking Water Operator Essentials (classroom)	—**	—**	988	988
Safe Drinking Water Operator Essentials (correspondence)	—**	—**	154	154
Operation of Small Drinking Water Systems (correspondence)	946	884	807	2,637
Operation of Small Drinking Water Systems (online)	654	710	673	2,037
Operation of Small Drinking Water Systems (classroom)	—	28	22	50
SUBTOTAL: MANDATORY COURSES	4,123	3,222	3,641	10,986
Specialized courses	1,918	3,053	3,006	7,977
Standard of Care – <i>Safe Drinking Water Act</i>	478	105	101	684
Municipal Drinking Water Licensing Program (classroom)	97	137	332	566
Northern Centre for Advanced Technology courses (online health and safety courses)	87 ***	—***	—***	87
SUBTOTAL: NON-MANDATORY COURSES	2,580	3,295	3,439	9,314
TOTAL	6,703	6,517	7,080	20,300

* Includes participants in the Entry-Level Course for Drinking Water Operators for operators of First Nations drinking water systems.

** This table illustrates the transition from the mandatory certificate renewal course, Diligence in Drinking Water Operations to Safe Drinking Water Operator Essentials, which the Centre launched on January 1, 2018. Operators require the mandatory courses to obtain or retain their certification.

*** Program hosting ceased on June 30, 2015.

Quality Assurance Program

The Centre is committed to training excellence and continuous improvement. The Centre maintains a quality assurance index to measure the satisfaction of training participants and the effectiveness of training. The following measurements contribute to the quality assurance index:

- Participant evaluations consisting of ratings for instructor, course content and overall course.
- Post-training participant evaluations that include questions similar to those on the initial participant evaluation forms.
- Course audits conducted by Centre staff using standardized audit checklists to provide additional information on course content and instructors.

The quality assurance index for 2017–18 was 0.931 out of a possible 1.000. The quality assurance index indicates that, for all courses combined, 93.1 per cent of survey respondents provided an overall course rating of

good or excellent from the options: very poor; poor; fair; good; and excellent.

A number of other factors also contribute to the Centre's quality assurance program:

- The Training Advisory Committee — comprised of Centre staff and a broad cross-section of water sector specialists who participate voluntarily — acts as a driver for continual improvement by reviewing the Centre's annual training plan and providing recommendations on how the Centre can best meet the training needs of Ontario's drinking water sector.
- The curriculum development process incorporates input from a broad range of sources, including training participants, the Training Advisory Committee and industry standards.
- Centre instructors are required to pass a two-day train-the-trainer workshop that includes a practical evaluation of their ability to deliver training.

Participants work through a breakout session during the Drinking Water Quality Management Standard Workshop held in Thunder Bay.



GOAL 2

Provide information and advice about drinking water through the Technology Demonstration Facility and use the facility as a platform for hands-on training.

Tours of the Technology Demonstration Facility

The Centre's Technology Demonstration Facility reflects the variety of drinking water treatment and distribution technologies used in Ontario. During 2017–18, the Centre provided tours of the Technology Demonstration Facility to 756 individuals. Four hundred and eighty-two of these individuals, including course participants and postsecondary students, received technical tours that provide information about the equipment and operational requirements necessary to ensure drinking water is safe. This is an increase of approximately 14 per cent from 2016–17 and exceeds the target of a five per cent increase. The remainder of the tours were non-technical and provided general information about drinking water and the Centre to the public.

The Centre supported Ontario postsecondary students by providing unique hands-on training in the Technology Demonstration Facility to 157 students during 2017–18. Of these students, 119 were enrolled in 10 of the Ontario colleges that deliver the Ministry's mandatory Entry-Level Course for Drinking Water Operators as part of their curriculum.

Publications

During 2017–18, the Centre's Research Advisory Committee — made up of Centre staff and individuals who participate voluntarily to provide expertise in water research — identified, evaluated and prioritized information gaps in drinking water research. The Centre made the following presentations, to share information about

the treatment, equipment and operational requirements necessary to ensure that drinking water is safe:

- Effect of Nutrient Addition on Slow Sand Filter Ripening. Presented at Ontario's Water Conference & Trade Show in Niagara Falls, Ontario in May 2017.
- Emerging Issues of Drinking Water Chlorination. Presented at the Canadian Institute of Public Health Inspectors 78th Annual Educational Conference in Brampton, Ontario in October 2017.
- Reductions of Pharmaceuticals and Related Compounds by Conventional, Ozone and UV/H₂O₂ Treatments. Presented at Ontario's Water Conference & Trade Show in Niagara Falls, Ontario in May 2017.
- Small Drinking Water Systems and Cyanobacteria Toxins. Presented at the Canadian Trace Organic Workshop in Milton, Ontario in April 2017.

Although the Centre had a target to produce 10 publications, increased pilot testing and the launch of the Drinking Water Resource Library were the focus over the course of the year. Going forward, the Centre will continue to make information available through various channels, including publications, fact sheets, external presentations, the Drinking Water Resource Library and pilot project reports, to improve knowledge transfer and assist the operators and decision-makers who oversee drinking water systems. Additional resources were approved during the year to enable the Centre to respond to increased pilot project requests and still fulfill responsibilities.



482 stakeholders participated in technical tours of the Technology Demonstration Facility

Pilot Testing

During 2017–18, the Centre continued to focus on offering pilot testing services, completing two projects and continuing work on five others. Pilot projects are beneficial because they allow the Centre to find solutions to specific client challenges and provide information to enhance drinking water system owners', operators' and operating authorities' understanding of source water quality, treatment performance, and alternative treatment parameters or technologies. They also provide more opportunities for customized learning than would be available through publications. Pilot testing results may be used to improve existing training, contribute to new courses or be shared through conference proceedings, articles in relevant publications or fact sheets that summarize technical information with the objective of improving knowledge transfer. Clients that request and receive pilot testing can then use the results provided to engage further with professional engineering firms and consultants to address their system vulnerabilities. Work on pilot projects on the following topics continued during 2017–18:

- **Arsenic reduction:** Some groundwater sources may have arsenic in treated drinking water at levels that can affect human health. A revised drinking water standard for arsenic came into effect January 1, 2018 and triggered one pilot project request. This project is ongoing.
- **Coagulation:** The Centre has undertaken a bench-scale project to improve coagulant dosage. This project is currently in the planning phase.
- **Iron/manganese reduction:** High levels of iron and manganese in treated water may cause consumer complaints. The Centre has completed one pilot project in this area. Two other pilot projects are ongoing.
- **Natural organic matter and trihalomethanes control:** High levels of organics are responsible for many issues, including increasing disinfection by-products, taste and odour, and decreasing disinfection process capabilities. The Centre has completed one project and a second project is ongoing in this area.

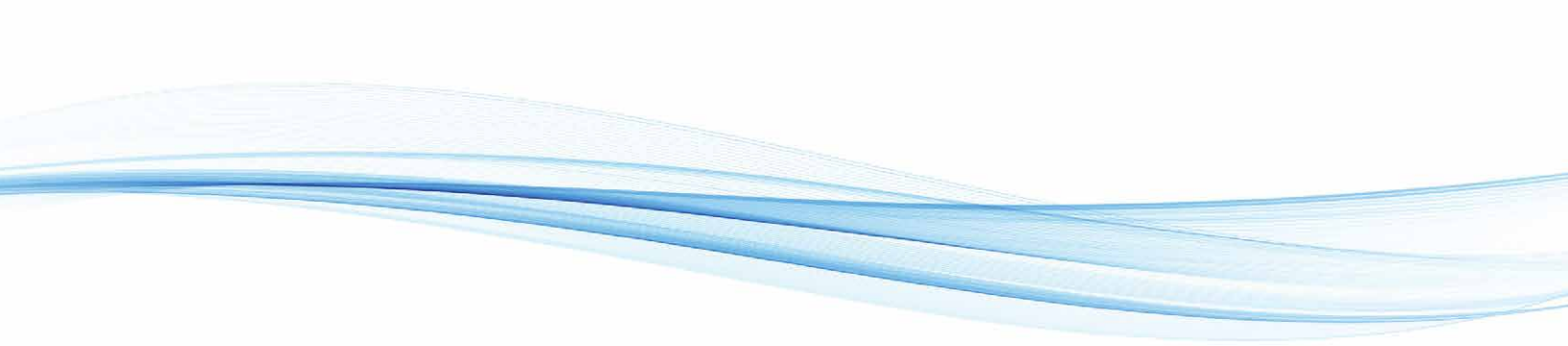
Helpline and Drinking Water Resource Library

During 2017–18, the Centre provided information to drinking water system owners, operators, operating authorities, and the public, through the Helpline and Drinking Water Resource Library. The Helpline, developed during 2016–17, allows knowledgeable Centre staff to respond to technical calls from clients and the public. The Drinking Water Resource Library is an online reference library containing thousands of resources addressing common issues for drinking water systems. Resources are vetted by Centre staff for use by owners, operators and operating authorities of drinking water systems. A pilot version of the Drinking Water Resource Library was evaluated by a broad range of stakeholders to determine the utility of the project. Results were positive and a full-scale pilot was launched in January of 2018.

Sponsored Research

The following research projects, which were awarded grants from the Centre in previous years, were ongoing during 2017–18:

- **Natural Sciences and Engineering Research Council of Canada Industrial Research Chair in Water Treatment** at the University of Waterloo. The Centre is supporting a research theme related to developing strategies to deal with cyanotoxins.
- **RES'EAU WaterNET research network.** RES'EAU WaterNET research network is a Canadian cross-disciplinary strategic research network devoted to developing innovative and affordable solutions for small, rural and First Nations water systems. The project research themes include innovative and integrated treatment processes; water health assessment and modeling; and governance, risk management and compliance.



Looking Forward

The Centre is committed to meeting the training needs of the owners, operators and operating authorities of Ontario's drinking water systems. The Centre will continue to make the best use of resources to fulfill its mission. Ongoing and future initiatives include:

- Delivering drinking water education and training to owners, operators and operating authorities of drinking water systems.
- Providing drinking water education and training to operators of First Nations drinking water systems in support of the Ministry's collaborative work with First Nations and the federal government to help improve drinking water for First Nations communities in Ontario.
- Upholding training quality standards through the quality assurance program and maintaining a quality assurance index of greater than 0.850.
- Making more hands-on courses available.
- Piloting eLearning curriculums for a number of projects to ensure that the Centre is in the mainstream of emerging workstyles and technologies.
- Increasing the number of individuals who visit the Technology Demonstration Facility for tours.
- Making information easily accessible through the Helpline, Drinking Water Resource Library and publications, including external presentations and fact sheets.
- Undertaking pilot projects to fill information gaps.
- Offering hands-on training to postsecondary students enrolled in Ontario colleges that provide the Ministry's mandatory Entry-Level Course for Drinking Water Operators.

Management's Responsibility for Financial Information

Senior management and the Board of Directors are responsible for the financial performance of the Centre. The Board of Directors reviews and approves the financial statements and all information presented in this annual report.

Finance and Audit Committee's Responsibilities

The Board of Directors' Finance and Audit Committee receives and reviews the Centre's quarterly financial reports. The total and departmental income statement reports provide complete revenue and expenditure variances, which the Centre's management team reviews.

The Finance and Audit Committee also plays a number of important roles in the audit process, including:

- Meeting with the Centre's management team and external auditor to review any issues that need to be identified in the upcoming audit.
- Reviewing the external auditor's evaluation of internal controls with management.
- Reviewing the completed reports issued by the external auditor.
- Reviewing management's response and subsequent follow up to any identified weaknesses.

External Audit

BDO Canada LLP audited the Centre's 2017–18 financial statements. The chartered accountant's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with public sector accounting standards. The auditor's report outlines the scope of the firm's examination and opinion.

Analysis of Financial Results

Revenue

The Centre continues to recover costs through training registration fees. During 2017–18, the Centre generated revenues of \$2.0M in training registration fees, a seven per cent increase from 2016–17. This resulted from a higher number of participants being trained. The Centre also received a transfer payment from the Government of Ontario of \$3.0M during 2017–18.

During 2015–16, the Government of Ontario provided a transfer payment of \$1.85M to the Centre to be used to fully fund First Nations training expenses. The Centre expended \$.29M in 2017–18.

Expenditures

Total expenditures for 2017–18 were \$5.2M, an increase from 2016–17. One contributing factor was an increase in training expenses by 31 per cent over 2016–17, which was largely due to significant additional expenses associated with two key items: the significant development of new curriculum reflecting changing regulations and practices; and training for operators of First Nations drinking water systems, which are fully recovered by the Centre from the First Nations project budget. Salaries and employee benefits also increased over 2016–17, stemming from additional human resources and mandatory group insurance increases. The Centre continues to use internal controls to regulate overall expenditures to the greatest extent possible.

Balance Sheet

The Centre continues to be in a strong financial position with \$6.2M in cash and GIC investments. The March 31, 2018 net asset balance of \$8.3M will enable the Centre to continue to make significant contributions to drinking water education, training and pilot testing across Ontario.

Independent Auditor's Report

TO THE MEMBERS OF WALKERTON CLEAN WATER CENTRE

We have audited the accompanying financial statements of the Walkerton Clean Water Centre, which comprise the statement of financial position as at March 31, 2018 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Walkerton Clean Water Centre as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO CANADA LLP
Chartered Professional Accountants,
Licensed Public Accountants
Walkerton, Ontario
June 6, 2018

Statement of Financial Position

Walkerton Clean Water Centre

March 31	2018	2017
Assets		
Current		
Cash	\$ 3,154,834	\$ 4,509,051
Current portion of investments (Note 2)	3,008,272	3,670,009
Accounts receivable	3,199,878	1,207,408
Prepaid expenses	130,020	77,563
	9,493,004	9,464,031
Capital assets (Note 3)	1,095,026	987,621
	\$ 10,588,030	\$ 10,451,652
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 430,552	\$ 234,278
Deferred revenue (Note 4)	1,820,938	2,153,428
	2,251,490	2,387,706
Deferred capital contributions (Note 5)	57,878	—
	2,309,368	2,387,706
Commitments (Note 6)		
Net Assets	8,278,662	8,063,946
	\$ 10,588,030	\$ 10,451,652

On behalf of the Board:

 Director

 Director

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

Statement of Changes in Net Assets

Walkerton Clean Water Centre

For the year ended March 31	2018	2017
Balance, beginning of year	\$ 8,063,946	\$ 7,414,896
Excess of revenue over expenses for the year	214,716	649,050
Balance, end of year	\$ 8,278,662	\$ 8,063,946

Statement of Operations

Walkerton Clean Water Centre

For the year ended March 31	2018	2017
Revenue (Page 6)	\$ 5,295,205	\$ 4,953,682
Expenses (Page 6)	5,193,154	4,389,447
Excess of revenue over expenses before interest and other income	102,051	564,235
Interest and other income	112,665	84,815
Excess of revenue over expenses for the year	\$ 214,716	\$ 649,050

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

Schedule of Revenue and Expenses

Walkerton Clean Water Centre

For the year ended March 31	2018	2017
Revenue		
Province of Ontario transfer payment (Note 7)	\$ 3,000,000	\$ 3,000,000
Province of Ontario transfer payment - First Nations	292,651	79,378
Training registrations	2,002,554	1,874,304
	\$ 5,295,205	\$ 4,953,682
Expenses		
Advertising and promotion	\$ 70,631	\$ 51,553
Amortization of capital assets, net	229,478	225,611
Audit and legal	10,750	11,077
Bad debts	—	1,380
Bank charges	5,915	4,853
Conferences	22,664	16,427
Consulting services	25,750	8,710
Director fees	29,950	22,345
Employee benefits	557,581	456,565
Insurance	22,571	27,945
Office	164,500	142,317
Professional development	20,884	16,114
Property maintenance	6,665	1,566
Recruitment	8,122	5,224
Rent	504,846	548,100
Repairs and maintenance	45,584	26,104
Research projects	43,384	57,775
Salaries	2,182,534	1,804,067
Sponsorships	21,020	29,300
Subscriptions and memberships	20,120	20,421
Telephone	9,923	8,867
Training	1,069,183	815,744
Travel	94,565	49,853
Vehicle	5,675	11,172
Website and communications	20,859	26,357
	\$ 5,193,154	\$ 4,389,447

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

Statement of Cash Flows

Walkerton Clean Water Centre

For the year ended March 31	2018	2017
Net inflow (outflow) of cash related to the following activities:		
Operating		
Excess of revenue over expenses	\$ 214,716	\$ 649,050
Items not involving cash: Amortization of capital assets, net	229,478	225,611
	444,194	874,661
Changes in non-cash working capital balances (Note 8)	(2,181,143)	(1,171,512)
	(1,736,949)	(296,851)
Investing		
Purchase of investments and interest reinvested	(3,008,271)	(3,674,877)
Redemption of investments	3,670,009	1,542,198
	661,738	(2,132,679)
Capital		
Acquisition of capital assets	(279,006)	(162,597)
Net decrease in cash during the year	(1,354,217)	(2,592,127)
Cash, beginning of year	4,509,051	7,101,178
Cash, end of year	\$ 3,154,834	\$ 4,509,051

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

Notes to Financial Statements

Walkerton Clean Water Centre
March 31, 2018

1. Summary of Significant Accounting Policies

Nature and Purpose of Organization

The Walkerton Clean Water Centre is an operational service agency of the Province of Ontario and was established on October 1, 2004 under the authority of The Development Corporation Act.

In accordance with the act, the Centre's objects are to:

- a) Coordinate and deliver training for drinking water system owners, operators and operating authorities.
- b) Provide advice to the Minister of the Environment, Conservation and Parks on high-priority research to achieve safe drinking water.
- c) Sponsor drinking water research within the Centre's mandate.
- d) Make technical, scientific and regulatory information related to making safe drinking water more readily available including information about the statutory standard of care.

The Centre is exempt from Federal and Provincial income taxes.

Basis of Presentation

The financial statements of the Centre have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board (PSAB for Government NPOs).

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and guaranteed investment certificates with a duration of less than 90 days from the date of acquisition.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at the estimated fair market value upon donation.

Labour and benefit expenses directly attributable to internally developed course curriculums are capitalized accordingly.

Amortization is based on the estimated useful life of the asset and is calculated with a half year provision as follows:

Computer equipment	33% declining balance
Computer software	50% declining balance
Course curriculums	15% declining balance
Leasehold improvements	20% declining balance
Office furniture and equipment	20% declining balance
Signs	20% declining balance
Technical equipment	20% declining balance
Vehicles	20% declining balance

Notes to Financial Statements

Walkerton Clean Water Centre

March 31, 2018

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Transfer payments are recognized when the amount is known, collectability is reasonably assured and stipulations have been met. Revenue from training registrations is recognized when payment is receivable and the course has been completed. Interest revenue is recognized as it is earned over the period of investment. Donation revenue is recognized once the Centre has possession of the goods donated.

Restricted transfer payments for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Financial Instruments

The Centre classifies its financial instruments as either fair value or amortized cost. The Centre's accounting policy for each category is as follows:

Fair Value

The category includes cash and investments that are quoted in an active market. They are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

When a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Amortized Cost

This category includes accounts receivable, and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

Use of Estimates

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Areas of key estimation include determination of the allowance for doubtful accounts, estimated useful life of capital assets, and impairment of curriculum rights.

Notes to Financial Statements

Walkerton Clean Water Centre
March 31, 2018

2. Investments

	2018	2017
Royal Bank of Canada GIC, 1.90%, due February 2019	\$ 752,068	\$ 909,528
Royal Bank of Canada GIC, 1.90%, due February 2019	752,068	1,242,531
Royal Bank of Canada GIC, 1.90%, due February 2019	752,068	1,012,657
Royal Bank of Canada GIC, 1.90%, due February 2019	752,068	505,293
	3,008,272	3,670,009
Less amounts due within one year included in current assets	3,008,272	3,670,009
	\$ —	\$ —

3. Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 193,411	\$ 151,100	\$ 163,139	137,716
Computer software	113,536	82,848	99,345	59,255
Course curriculums	885,695	558,467	768,249	511,084
Leasehold improvements	56,712	43,211	52,987	40,301
Office furniture and equipment	361,826	305,324	351,981	292,429
Signs	51,041	44,182	51,041	42,467
Technical equipment	2,978,851	2,431,418	2,855,056	2,310,034
Vehicles	119,264	48,760	75,690	36,581
	\$ 4,760,336	\$ 3,665,310	\$ 4,417,488	\$ 3,429,867
Net book value		\$ 1,095,026		\$ 987,621

Notes to Financial Statements

Walkerton Clean Water Centre
March 31, 2018

4. Deferred Revenue

March 31	First Nations Grant	Training Registrations	2018	2017
Balance, beginning of year	\$ 1,770,622	\$ 382,806	\$ 2,153,428	\$ 2,218,293
Contributions received	—	406,811	406,811	382,806
Recognized in year	(356,495)	(382,806)	(739,301)	(447,671)
	\$ 1,414,127	\$ 406,811	\$ 1,820,938	\$ 2,153,428

The Province of Ontario transfer payment is from the Ministry of the Environment, Conservation and Parks. This payment is to be tracked separately and used for the training of First Nation operators.

The deferred training registrations are money that has been received for courses that will take place in a later fiscal year.

5. Deferred Capital Contributions

Deferred capital contributions represent restricted contributions received for the purchase of depreciable capital assets. These contributions are recognized as a reduction of amortization expense on the statement of operations calculated on a diminishing balance basis consistent with the amortization rate of the related class of assets.

Changes in the deferred capital contributions balance during the year are as follows:

	2018	2017
Balance, beginning of year	\$ —	\$ —
Contributions received	63,844	—
Amortization of contributions	(5,966)	—
Balance, end of year	\$ 57,878	\$ —

6. Commitments

Walkerton Clean Water Centre has entered into one equipment operating lease. This lease will end in October of 2018 and has monthly payments of \$111. Further, the Centre has entered into a lease agreement with Ontario Realty Corporation. This lease will end March 2018 and has monthly lease payments of \$55,277.

The minimum annual lease payments on the building and equipment for the next two years are as follows:

2019 \$ 664,102

Notes to Financial Statements

Walkerton Clean Water Centre
March 31, 2018

7. Transfer Payments

During the year, the Centre was granted \$3,000,000 (2017 - \$3,000,000) in transfer payments from the Province of Ontario.

8. Statement of Cash Flows

The change in non-cash working capital balances is made up as follows:

	2018	2017
Accounts receivable	\$ (1,992,470)	\$ (1,049,783)
Prepaid expenses	(52,457)	(4,826)
Accounts payable and accrued liabilities	196,274	(52,038)
Deferred revenue	(332,490)	(64,865)
	\$ (2,181,143)	\$ (1,171,512)

9. Pension Plan

The Centre provides pension benefits for all its full-time employees through participation in the Public Service Pension Plan which is a multi-employer defined benefit pension plan administered by the Ontario Pension Board. This plan is accounted for as defined contribution plan, as the Centre has insufficient information to apply defined benefit accounting to the plan. The Centre's contribution related to the pension plan for the period was \$174,510 (2017 - \$145,247) and is included in employee benefits in the statement of revenue and expenditures. As this is a multi-employer pension plan, these contributions are the Centre's pension benefit expenses. No pension liability for this type of plan is included in the Centre's financial statements. As of December 31, 2016, the Public Service Pension Plan had a year end deficit of \$795.5 million (2015 - \$434.0 million) per their audited financial statements.

Notes to Financial Statements

Walkerton Clean Water Centre

March 31, 2018

10. Financial Instrument Risk Management

The Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the Centre's risk exposure and concentrations as at March 31, 2018.

Credit Risk

Credit risk is the risk of financial loss to the Centre if a debtor fails to make payments of interest and principal when due. The Centre is exposed to this risk relating to its cash and accounts receivable. The Centre holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Walkerton Clean Water Centre cash accounts are insured up to \$100,000 (2017 - \$100,000).

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk, and equity risk. The Centre is not exposed to significant currency risk or equity risk as it does not transact materially in foreign currency or hold significant equity financial instruments.

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Centre is exposed to this risk through its interest bearing investments.

At March 31, 2018, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of the guaranteed investment certificates of \$30,000 (2017 - \$30,721).

Liquidity Risk

Liquidity risk is the risk that the Centre will not be able to meet all cash outflow obligations as they come due. The Centre mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.



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