

THE LOWER TRENT REGION CONSERVATION AUTHORITY

FINANCIAL STATEMENTS

December 31, 2018



LOWER TRENT CONSERVATION

714 Murray Street, R.R. 1, Trenton, Ontario K8V 5P4

■ Tel: 613-394-4829 ■ Fax: 613-394-5226 ■ Website: www.ltc.on.ca ■ Email: information@ltc.on.ca

Registered Charitable Organization No. 107646598RR0001

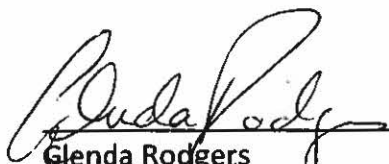
MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements of The Lower Trent Conservation Authority are the responsibility of management and have been approved by the Board.

The financial statements have been prepared in compliance with Canadian public sector accounting standards for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The financial statements have been audited by Welch LLP, independent external auditors appointed by the Authority, in accordance with Canadian auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.


Glenda Rodgers
Chief Administrative Officer


Kelly Vandette
Manager, Corporate Services

February 14, 2019

Working with Local Communities to Protect our Natural Environment



Member of Conservation Ontario
Representing Ontario's 36 Conservation Authorities

INDEPENDENT AUDITOR'S REPORT

To the Members of
THE LOWER TRENT REGION CONSERVATION AUTHORITY

Opinion

We have audited the financial statements of **THE LOWER TRENT REGION CONSERVATION AUTHORITY**, which comprise the statement of financial position as at December 31, 2018, and the statements of surplus, changes in net financial assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2018, and its results of 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.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Welch LLP

Trenton, Ontario
February 14, 2019

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LICENSED PUBLIC ACCOUNTANTS

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THE LOWER TRENT REGION CONSERVATION AUTHORITY

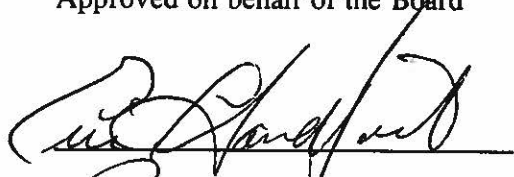
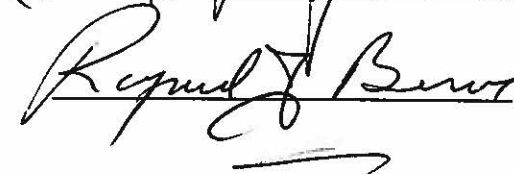
(Established under the Conservation Authorities Act of Ontario)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash	\$ 1,248,288	\$ 1,054,439
Short term investment - note 3	62,666	62,024
Accounts receivable:		
Municipalities	19,569	10,450
Other	69,081	71,272
	<u>1,399,604</u>	<u>1,198,185</u>
LIABILITIES		
Accounts payable and accrued liabilities	186,581	166,361
Unearned revenue	155,909	90,401
Due to partnership programs - note 5	359,558	362,104
Deferred contributions - note 4	83,905	73,707
	<u>785,953</u>	<u>692,573</u>
NET FINANCIAL ASSETS	<u>613,651</u>	<u>505,612</u>
NON-FINANCIAL ASSETS		
Tangible capital assets - schedule 4	2,943,678	2,949,907
Prepaid expenditures	14,919	30,878
	<u>2,958,597</u>	<u>2,980,785</u>
ACCUMULATED SURPLUS	<u>\$ 3,572,248</u>	<u>\$ 3,486,397</u>
Represented by:		
Operating fund - note 6	\$ 305,745	\$ 281,778
Reserve funds - note 7	322,825	254,712
Equity in tangible capital assets	2,943,678	2,949,907
	<u>\$ 3,572,248</u>	<u>\$ 3,486,397</u>

Approved on behalf of the Board

 Director
 Director

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
ACCUMULATED SURPLUS , beginning of year	\$ 3,486,397	\$ 3,346,633
Annual surplus	<u>85,851</u>	<u>139,764</u>
ACCUMULATED SURPLUS , end of year	<u>\$ 3,572,248</u>	<u>\$ 3,486,397</u>

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
NET FINANCIAL ASSETS, beginning of year	\$ <u>505,612</u>	\$ <u>340,078</u>
Annual surplus	85,851	139,764
Acquisition of tangible capital assets	(26,339)	(2,881)
Proceeds on disposition of tangible capital assets	280	500
Gain on disposal of tangible capital assets	(212)	(291)
Amortization of tangible capital assets	32,500	30,982
Change in prepaid expenditures	<u>15,959</u>	<u>(2,540)</u>
	<u>108,039</u>	<u>165,534</u>
NET FINANCIAL ASSETS, end of year	<u>\$ 613,651</u>	<u>\$ 505,612</u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2018

	2018 Budget (Note 11)	2018 Actual	2017 Actual
REVENUE			
Government grants - provincial	\$ 133,329	\$ 133,329	\$ 133,329
Government grants - summer students	11,200	21,513	20,306
Municipal levies - general	940,312	940,312	871,003
Municipal levies - special benefiting	38,750	26,930	19,954
Legal enquiries, fill permits and plan review	155,000	197,475	196,975
Sundry - note 8	84,000	130,483	115,654
Property rental	26,495	32,640	28,061
Donations - unrestricted - note 9	31,500	3,244	11,038
Deferred contributions recognized - note 4	100,000	112,167	112,076
Source Protection RMO/RMI and E&O programs	124,000	128,999	129,002
Recovered from partnership programs - note 10	224,300	266,620	251,553
	<u>1,868,886</u>	<u>1,993,712</u>	<u>1,888,951</u>
EXPENDITURES			
Corporate Services, Schedule 1	727,460	711,516	688,266
Watershed Science and Services, Schedule 2	895,510	877,441	744,122
Conservation Lands, Schedule 3	293,916	286,616	286,108
Amortization	-	32,500	30,982
Gain on disposal of tangible capital assets	-	(212)	(291)
	<u>1,916,886</u>	<u>1,907,861</u>	<u>1,749,187</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (48,000)</u>	<u>\$ 85,851</u>	<u>\$ 139,764</u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
SCHEDULES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

SCHEDULE OF CORPORATE SERVICES

Schedule 1

	2018 Budget (Note 11)	2018 Actual	2017 Actual
Wages and benefits	\$ 556,600	\$ 564,832	\$ 552,654
Travel and allowances	20,000	11,494	10,003
Equipment purchases and rental	4,000	2,170	1,440
Materials and supplies	10,000	10,255	9,674
Building occupancy costs	25,000	27,501	48,770
General	111,860	123,264	93,725
Less: internal charge for supervision and overhead	<u>-</u>	<u>(28,000)</u>	<u>(28,000)</u>
	<u>\$ 727,460</u>	<u>\$ 711,516</u>	<u>\$ 688,266</u>

SCHEDULE OF WATERSHED SCIENCE AND SERVICES

Schedule 2

	2018 Budget (Note 11)	2018 Actual	2017 Actual
Wages and benefits	\$ 525,065	\$ 508,897	\$ 446,303
Travel and allowances	8,500	10,540	7,379
Materials, equipment and supplies	13,000	10,758	8,786
Office	7,500	7,843	5,632
Vehicle and equipment - operations and maintenance	8,000	5,728	7,397
Vehicle and equipment replacement	22,000	1,984	-
Oak Ridges Moraine Coalition	2,500	2,500	2,500
Groundwater monitoring network	-	63	398
Benthic/flow monitoring	24,930	24,861	16,229
Flood forecasting and control structures	55,050	78,543	21,981
Events and publications	8,500	2,704	3,307
Education and outreach programs	45,000	77,919	77,727
Stewardship programs	23,000	13,754	17,614
Source Protection RMO/RMI and E&O programs	<u>152,465</u>	<u>131,347</u>	<u>128,869</u>
	<u>\$ 895,510</u>	<u>\$ 877,441</u>	<u>\$ 744,122</u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
SCHEDULES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

SCHEDULE OF CONSERVATION LANDS

Schedule 3

	2018 Budget (Note 11)	2018 Actual	2017 Actual
Wages and benefits	\$ 182,916	\$ 168,881	\$ 185,182
Travel and allowances	4,000	3,173	1,676
General maintenance	19,500	14,734	9,798
Property taxes	43,000	36,829	34,997
Insurance	17,500	14,018	16,173
Workshop costs	10,000	7,904	9,261
Goodrich-Loomis Conservation Centre operations	6,000	6,756	5,335
Capital works	-	4,407	11,293
Vehicle and equipment operations and maintenance	11,000	13,682	12,312
Vehicle and equipment lease/purchase	-	1,232	81
Brighton wetland contribution	-	15,000	-
	<u>\$ 293,916</u>	<u>\$ 286,616</u>	<u>\$ 286,108</u>

(See accompanying notes)

**THE LOWER TRENT REGION CONSERVATION AUTHORITY
SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2018**

Schedule 4

	Land \$	Buildings and structures \$	Bridges and dams \$	Roads, parking lots and trails \$	Furniture and fixtures \$	Equipment \$	Office equipment \$	Vehicles \$	Computer Equipment \$	2018 Total \$	2017 Total \$
Historical Costs:											
Opening Balance	2,135,408	820,297	284,897	134,797	39,578	55,660	39,021	150,759	60,593	3,721,010	3,732,357
Additions	-	-	-	-	-	-	-	-	26,339	26,339	2,881
Disposals	-	-	-	-	-	-	-	(20,386)	-	(20,386)	(14,228)
Closing Balance	<u>2,135,408</u>	<u>820,297</u>	<u>284,897</u>	<u>134,797</u>	<u>39,578</u>	<u>55,660</u>	<u>39,021</u>	<u>130,373</u>	<u>86,932</u>	<u>3,726,963</u>	<u>3,721,010</u>
Accumulated Amortization:											
Opening Balance	-	256,096	164,932	33,918	34,552	52,995	31,940	137,490	59,180	771,103	754,140
Amortization	-	14,104	2,999	2,522	1,005	533	2,124	3,970	5,243	32,500	30,982
Effects of Disposals	-	-	-	-	-	-	-	(20,318)	-	(20,318)	(14,019)
Closing Balance	<u>-</u>	<u>270,200</u>	<u>167,931</u>	<u>36,440</u>	<u>35,557</u>	<u>53,528</u>	<u>34,064</u>	<u>121,142</u>	<u>64,423</u>	<u>783,285</u>	<u>771,103</u>
Net book value for year ended December 31, 2018	<u>2,135,408</u>	<u>550,097</u>	<u>116,966</u>	<u>98,357</u>	<u>4,021</u>	<u>2,132</u>	<u>4,957</u>	<u>9,231</u>	<u>22,509</u>	<u>2,943,678</u>	<u>2,949,907</u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 85,851	\$ 139,764
Adjustments for:		
Amortization	32,500	30,982
Gain on disposal of tangible capital assets	<u>(212)</u>	<u>(291)</u>
	118,139	170,455
Change in non-cash operating balances:		
Accounts receivable	(6,928)	(2,080)
Prepaid expenditures	15,959	(2,540)
Accounts payable and accrued liabilities	20,220	19,269
Unearned revenue	65,508	(25,628)
Due to partnership programs	(2,546)	(120,152)
Deferred contributions	<u>10,198</u>	<u>16,276</u>
	<u>220,550</u>	<u>55,600</u>
CASH FLOWS FROM CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(26,339)	(2,881)
Proceeds on disposal of tangible capital assets	<u>280</u>	<u>500</u>
	<u>(26,059)</u>	<u>(2,381)</u>
CASH FLOWS FROM INVESTING TRANSACTIONS		
Purchase of short-term investment	<u>(642)</u>	<u>(208)</u>
INCREASE IN CASH	193,849	53,011
CASH, beginning of year	<u>1,054,439</u>	<u>1,001,428</u>
CASH, end of year	<u><u>\$ 1,248,288</u></u>	<u><u>\$ 1,054,439</u></u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

1. NATURE OF OPERATIONS

The Lower Trent Region 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 Centre Hastings, Trent Hills and Brighton, the Townships of Alnwick/Haldimand, Cramahe and Stirling-Rawdon, and the City of Quinte West.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The Authority follows Canadian Public Sector Accounting Standards as established by the Public Sector Accounting Board in preparing its financial statements. The significant accounting policies used are as follows:

Basis of accounting

Revenue and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the year in which they have been earned and incurred, respectively, whether or not such transactions have been settled by the receipt or payment of money.

Appropriations to reserves

Authorities may establish reserves by appropriating amounts to earmark them for specific purposes. Appropriations to or from reserves are reported on the statement of surplus as appropriations from or to surplus.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a declining balance basis commencing in the year the asset is put into service. Donated tangible capital assets are reported at fair value at the time of donation. Amortization rates are as follows:

Buildings and structures	2.5%
Bridges and dams	2.5%
Roads, parking lots and trails	2.5%
Furniture and fixtures	20%
Equipment	20%
Office equipment	30%
Vehicles	30%
Computer equipment	30 to 45%

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Authority recognizes revenue as follows:

Municipal levies - general are recognized in the fiscal year in which they are levied.

The Provincial government annual operating grant is recognized in the fiscal year to which the grant relates to the extent that eligible expenditures have been incurred.

User fees and sales are recognized when the service has been performed or the goods have been transferred.

Other grants and specified donations are recognized when the related net expenditures have been incurred.

General donations are recognized when received.

Any funding received for which the related services have not been performed and/or the related expenditures have not been incurred at the end of the fiscal year are recorded as unearned revenue.

Investments

Investments are measured at acquisition cost.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Items requiring the use of significant estimates include determining the estimated useful lives of tangible capital assets. Actual results could differ from those estimates.

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

3. SHORT TERM INVESTMENT

The short term investment consists of a T-Bill mutual fund and includes \$15,588 (2017 - \$15,428) which is restricted in use for the Shell Canada project described in Note 4. The market value of the investment is equivalent to its cost.

4. DEFERRED CONTRIBUTIONS

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 73,707	\$ 57,431
Contributions received in year	122,205	128,300
Interest earned	160	52
Expended in year	<u>(112,167)</u>	<u>(112,076)</u>
Balance, end of year	<u><u>\$ 83,905</u></u>	<u><u>\$ 73,707</u></u>

Deferred contribution balance includes the following items:

	<u>2018</u>	<u>2017</u>
Shell Canada	\$ 15,588	\$ 15,428
Youth Education Programs and Fundraising Initiative	67,025	53,279
Seymour Conservation Area Restoration	<u>1,292</u>	<u>5,000</u>
	<u><u>\$ 83,905</u></u>	<u><u>\$ 73,707</u></u>

The Authority received contributions in a prior year from Shell Canada that are restricted in their use towards capital improvements at the Goodrich-Loomis Conservation Centre.

The Authority received contributions during the year from an anonymous donor that are restricted in their use towards Youth Education Programs and Fundraising Initiative.

The Authority received a contribution in a prior year that is restricted in its use towards the Seymour Conservation Area restoration project.

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

5. DUE TO PARTNERSHIP PROGRAMS

The Authority has been engaged to manage and administer various non-authority programs on behalf of partners. This includes hiring and supervising the employees of these programs as well as providing technical and administrative support. The Authority is advanced funds to cover the expenditures of these programs. Separate bank accounts are not maintained for these programs. At December 31, 2018 the Authority had the following amounts payable to these programs and funds received and expended for these programs.

	Amount payable beginning of year	Funds received in year	Expenditures	Amount payable end of year
Bay of Quinte Governance	\$ 73,244	\$ 301,935	\$ 291,993	\$ 83,186
Bay of Quinte Natural Heritage	202,162	165,823	180,562	187,424
Bay of Quinte Biocontaminants	<u>25,465</u>	<u>-</u>	<u>-</u>	<u>25,465</u>
	300,871	467,758	472,555	296,075
Source Protection Early Action/Response	7,510	-	7,510	-
Source Water Protection	<u>53,723</u>	<u>502,777</u>	<u>493,017</u>	<u>63,483</u>
	<u>\$ 362,104</u>	<u>\$ 970,535</u>	<u>\$ 973,082</u>	<u>\$ 359,558</u>

The Authority is the signatory to funding contracts with the Federal and Ontario governments for the above noted programs. Under these contracts, there are periodic submissions of financial reports and reconciliation of expenditures incurred to the funding provided for the contract period. Funding received in excess of eligible expenditures may have to be returned to the funding government.

6. OPERATING FUND

The activity during the year in the operating fund is as follows:

	2018	2017
Balance, beginning of year	\$ 281,778	\$ 113,704
Increase in net financial assets	108,039	165,534
Increase (decrease) in prepaid expenditures	(15,959)	2,540
Appropriations to reserves	(83,113)	-
Appropriations from reserves	<u>15,000</u>	<u>-</u>
Balance, end of year	<u>\$ 305,745</u>	<u>\$ 281,778</u>

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

7. RESERVE FUNDS

Appropriations to or from the reserve for administration facility, reserve for equipment, reserve for special projects, reserve for workshop facility, reserve for conservation lands, reserve for legal fees and reserve for youth education are specific decisions of the Authority's Board of Directors. The activity in the various reserve funds during the year are as follows:

	Balance beginning of year	Appropriation from Operations	Appropriation to Operations	Balance end of year
Reserve for administration facility	\$ 35,480	\$ -	\$ -	\$ 35,480
Reserve for equipment	71,556	30,000	-	101,556
Reserve for special projects	47,676	-	-	47,676
Reserve for workshop facility	30,000	-	-	30,000
Reserve for conservation lands	30,000	-	(15,000)	15,000
Reserve for legal fees	40,000	10,000	-	50,000
Reserve for youth education	-	43,113	-	43,113
	<u>\$ 254,712</u>	<u>\$ 83,113</u>	<u>\$ (15,000)</u>	<u>\$ 322,825</u>

8. SUNDRY

Sundry revenue consists of the following:

	2018 Budget (Note 11)	2018 Actual	2017 Actual
Sales	\$ -	\$ -	\$ 5,000
Tree seedling program	18,000	17,347	19,988
Education and outreach programs	36,000	30,580	35,917
Stewardship programs	25,000	20,058	43,683
Interest	5,000	22,075	11,066
Water & Erosion Control - Warkworth Dam	-	40,423	-
	<u>\$ 84,000</u>	<u>\$ 130,483</u>	<u>\$ 115,654</u>

9. DONATIONS

During the year, the Authority received donations totalling \$135,999. Of those donations, \$122,205 is included as deferred contributions received (see note 4), \$3,244 is included in donations on the statement of operations and \$10,550 is recorded as revenue received for specific projects to be recognized as sundry revenue when the related expenditures are incurred.

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

10. RECOVERIES FROM PARTNERSHIP PROGRAMS

Recoveries from partnership programs are amounts recovered from the programs described in note 5 and include recovery of wages and benefits of general Authority employees, office space and automotive equipment rental and overhead costs. The amounts charged to the programs are as follows:

	<u>2018</u>	<u>2017</u>
Bay of Quinte Remedial Action Plan	\$ 119,017	\$ 118,391
Source Water Protection	<u>147,603</u>	<u>133,162</u>
	<u>\$ 266,620</u>	<u>\$ 251,553</u>

11. BUDGET AMOUNTS

The budget amounts presented are as approved by the Board of Directors on February 8, 2018. The Authority does not budget for amortization and capital expenditures are included in the operating budget. For this reason, actual results may not be fully comparable to budget amounts.

12. FINANCIAL INSTRUMENTS

The Authority's financial instruments consist of cash, short term investment, accounts receivable, accounts payable and accrued liabilities and due to partnership programs. Unless otherwise noted, it is management's opinion that the Authority is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

The fair value of the financial instruments, excluding short term investment, approximate their carrying values because of their expected short-term maturities and treatments on normal trade terms. The fair value of the short term investment approximates its carrying value as the investment is in a T-bill fund for which the quoted price does not vary.

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

13. EXPENDITURES BY OBJECT

	<u>2018</u>	<u>2017</u>
Salaries and benefits	\$ 1,407,115	\$ 1,336,647
Operating goods and services	468,458	381,849
Amortization	32,500	30,982
Gain on disposal of tangible capital assets	<u>(212)</u>	<u>(291)</u>
	<u>\$ 1,907,861</u>	<u>\$ 1,749,187</u>

14. PENSION AGREEMENTS

The Authority makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of the members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Contributions are split equally between the employees and the Authority.

The Authority's share of contributions to OMERS for 2018 was \$119,753 (2017 - \$117,909) for current service costs and is included in the statement of operations.

The OMERS plan has a reported \$5.4 billion actuarial deficit at the end of 2017 (2016 - \$5.7 billion), and \$94.4 billion of actuarial liabilities at the end of 2017 (2016 - \$87.6 billion). Amounts for 2018 are not yet available.