

CATFISH CREEK
CONSERVATION AUTHORITY
Financial Statements
December 31, 2009

CATFISH CREEK CONSERVATION AUTHORITY

Financial Statements

Year Ended December 31, 2009

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AUDITORS' REPORT

To the Members of the
Catfish Creek Conservation Authority

We have audited the statement of financial position of **Catfish Creek Conservation Authority** as at **December 31, 2009** and the statements of financial activities, reserves and cash flows for the year then ended. These financial statements are the responsibility of the Conservation Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraphs, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives revenue from charitable donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

During the current fiscal year the Conservation Authority was required to adopt Section 3150 of the Public Sector Accounting Board Handbook which requires governments to record and amortize their tangible capital assets on their financial statements. The Conservation Authority has not adopted this section and as a result the financial statements are not in accordance with Canadian generally accepted accounting principles. The Authority is in the process of compiling an inventory listing of all tangible capital assets in order to comply with this section, however at this time the effect of the departure cannot be quantified as the listing has not been completed.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of charitable donations and for the effects of the failure to record and amortize their tangible capital assets as described in the preceding paragraphs these financial statements present fairly, in all material respects, the financial position of the Catfish Creek Conservation Authority and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Aylmer, Ontario
January 18, 2010

Graham Scott Enns LLP
CHARTERED ACCOUNTANTS
Licensed Public Accountants

CATFISH CREEK CONSERVATION AUTHORITY

Statement of Financial Position As At December 31, 2009

	2009 \$	2008 \$
<u>NET FINANCIAL ASSETS</u>		
Assets		
Cash	98,601	102,457
Temporary Investments (Note 3)	554,141	651,849
Accounts receivable	<u>125,744</u>	<u>66,306</u>
Total Assets	<u>778,486</u>	<u>820,612</u>
Liabilities		
Accounts payable and accrued liabilities	50,611	39,859
Deferred revenues (Note 7)	<u>75,779</u>	<u>124,980</u>
Total Liabilities	<u>126,390</u>	<u>164,839</u>
Net Financial Assets	<u>652,096</u>	<u>655,773</u>
<u>SURPLUS AND RESERVES</u>		
Operating surplus (Page 4)	66,320	5,870
Operational reserve (Page 3)	194,543	245,385
Capital acquisition reserve (Page 3)	31,241	56,241
Special program reserve (Page 3)	177,310	152,845
Land acquisition and development reserve (Page 3)	<u>182,682</u>	<u>195,432</u>
Total Surplus and Reserves	<u>652,096</u>	<u>655,773</u>

See accompanying notes to the financial statements.

CATFISH CREEK CONSERVATION AUTHORITY

Statement of Reserves Year Ended December 31, 2009

Operational Reserve

	2009	2008
	<u>\$</u>	<u>\$</u>
BALANCE, BEGINNING OF YEAR	245,385	236,744
Transfer from (to) operating surplus	(64,127)	6,047
Transfer from capital acquisition reserve	25,000	12,000
Transfer from (to) special programs reserve	(24,465)	10,594
Transfer from (to) land acquisition and development reserve	<u>12,750</u>	<u>(20,000)</u>
BALANCE, END OF YEAR	<u>194,543</u>	<u>245,385</u>

Capital Acquisition Reserve

	2009	2008
	<u>\$</u>	<u>\$</u>
BALANCE, BEGINNING OF YEAR	56,241	68,241
Transfer (to) operational reserve	<u>(25,000)</u>	<u>(12,000)</u>
BALANCE, END OF YEAR	<u>31,241</u>	<u>56,241</u>

Special Programs Reserve

	2009	2008
	<u>\$</u>	<u>\$</u>
BALANCE, BEGINNING OF YEAR	152,845	163,439
Transfer from (to) operational reserve	<u>24,465</u>	<u>(10,594)</u>
BALANCE, END OF YEAR	<u>177,310</u>	<u>152,845</u>

Land Acquisition and Development Reserve

	2009	2008
	<u>\$</u>	<u>\$</u>
BALANCE, BEGINNING OF YEAR	195,432	175,432
Transfer from (to) operational reserve	<u>(12,750)</u>	<u>20,000</u>
BALANCE, END OF YEAR	<u>182,682</u>	<u>195,432</u>

See accompanying notes to the financial statements.

CATFISH CREEK CONSERVATION AUTHORITY

Statement of Financial Activities Year Ended December 31, 2009

	2009 Budget \$	2009 Actual \$	2008 Actual \$
REVENUES			
Camping and day use	416,029	449,509	431,139
Municipal levies (Note 5)	219,011	218,656	205,815
Other provincial grants	133,841	168,225	129,766
Ministry of Natural Resources	79,835	79,835	79,835
Tree planting	58,250	56,805	57,920
Other	47,798	42,657	75,453
Ontario and Federal works programs	-	40,809	26,586
Donations and sponsorships	22,783	31,711	42,215
Federal grants	3,100	3,034	1,000
Interest	17,500	2,458	18,099
	<u>998,147</u>	<u>1,093,699</u>	<u>1,067,828</u>
EXPENDITURES			
Program expenditures (Page 5)	445,021	432,480	412,202
Camping and day use (Page 6)	402,322	390,671	370,583
Administration (Page 7)	148,639	140,105	127,369
Capital projects, surveys and studies (Page 6)	100,502	83,998	111,243
Acquisition of capital assets	54,000	48,494	32,874
Motor Pool (Page 6)	13,450	1,628	10,958
	<u>1,163,934</u>	<u>1,097,376</u>	<u>1,065,229</u>
(DEFICIT) EXCESS OF REVENUES OVER EXPENDITURES	<u>(165,787)</u>	<u>(3,677)</u>	<u>2,599</u>

CATFISH CREEK CONSERVATION AUTHORITY

Statement of Operating Surplus Year Ended December 31, 2009

	2009 \$	2008 \$
BALANCE, BEGINNING OF YEAR	5,870	9,318
(Deficit) excess of revenues over expenditures	(3,677)	2,599
Transfer from (to) operational reserve	<u>64,127</u>	<u>(6,047)</u>
BALANCE, END OF YEAR	<u>66,320</u>	<u>5,870</u>

See accompanying notes to the financial statements.

CATFISH CREEK CONSERVATION AUTHORITY

Schedule of Program Expenditures Year Ended December 31, 2009

	2009 Budget <u>\$</u>	2009 Actual <u>\$</u>	2008 Actual <u>\$</u>
PROGRAM EXPENDITURES			
Flood forecast and warning	129,871	127,419	129,865
Water management programs	64,192	89,810	52,879
Ice management	54,259	53,291	59,164
Tree planting	69,908	36,968	57,211
Conservation information and education	29,303	32,922	23,530
Flood control structures	35,367	32,054	12,746
Plan input	27,020	28,014	35,955
Watershed planning	12,303	12,291	11,000
Woodlot management	10,776	7,853	7,160
Fish and wildlife habitat	1,800	7,307	1,891
Technical studies	6,722	4,551	2,794
Erosion control	<u>3,500</u>	<u>-</u>	<u>18,007</u>
	<u>445,021</u>	<u>432,480</u>	<u>412,202</u>

See accompanying notes to the financial statements.

CATFISH CREEK CONSERVATION AUTHORITY

Schedule of Other Expenditures Year Ended December 31, 2009

Camping and Day Use

	2009 Budget \$	2009 Actual \$	2008 Actual \$
Campground wages	205,564	190,421	185,442
Campground expenses	102,090	110,997	97,809
Utilities	57,640	53,032	53,600
Maple syrup program	<u>37,028</u>	<u>36,221</u>	<u>33,732</u>
	<u>402,322</u>	<u>390,671</u>	<u>370,583</u>

Capital Projects, Surveys and Studies

	2009 Budget \$	2009 Actual \$	2008 Actual \$
Capital projects - Springwater Conservation Area	51,310	46,340	25,010
Capital projects - other conservation lands	17,817	22,456	34,424
Special projects - contract services	11,173	11,509	10,588
Special projects - other	<u>20,202</u>	<u>3,693</u>	<u>41,221</u>
	<u>100,502</u>	<u>83,998</u>	<u>111,243</u>

Motor Pool

	2009 Budget \$	2009 Actual \$	2008 Actual \$
Fuel	20,700	15,166	19,992
Maintenance and general repairs	14,500	12,276	12,834
Insurance and licences	<u>5,950</u>	<u>5,708</u>	<u>5,638</u>
	41,150	33,150	38,464
Less internal charges for usage	<u>(27,700)</u>	<u>(31,522)</u>	<u>(27,506)</u>
	<u>13,450</u>	<u>1,628</u>	<u>10,958</u>

See accompanying notes to the financial statements.

CATFISH CREEK CONSERVATION AUTHORITY

Schedule of Administrative Expenditures Year Ended December 31, 2009

	2009 Budget \$	2009 Actual \$	2008 Actual \$
WAGES AND BENEFITS			
Administrative staff salaries	61,605	65,568	55,754
Employee benefits	<u>18,585</u>	<u>17,262</u>	<u>15,464</u>
	<u>80,190</u>	<u>82,830</u>	<u>71,218</u>
GENERAL EXPENSES			
Conservation Ontario Levy	12,499	12,499	11,993
Insurance and taxes	6,700	6,047	5,446
Professional fees	5,150	2,857	2,800
General expenses	3,350	2,570	2,824
Bank charges and interest	1,000	850	912
Bad debt	-	-	195
	<u>28,699</u>	<u>24,823</u>	<u>24,170</u>
RENT AND UTILITY SERVICES			
Light, heat, power and water	6,975	6,593	6,693
Office cleaning and maintenance	7,867	3,234	3,510
Telephone	<u>2,350</u>	<u>2,432</u>	<u>2,295</u>
	<u>17,192</u>	<u>12,259</u>	<u>12,498</u>
TRAVEL EXPENSES AND ALLOWANCE			
Members allowances and expenses	7,308	5,687	5,765
Staff mileage and expenses	-	307	349
	<u>7,308</u>	<u>5,994</u>	<u>6,114</u>
EQUIPMENT PURCHASES AND RENTAL			
Equipment purchase and rental	6,850	7,051	6,334
Equipment maintenance	<u>2,250</u>	<u>2,691</u>	<u>2,024</u>
	<u>9,100</u>	<u>9,742</u>	<u>8,358</u>
MATERIAL AND SUPPLIES			
Stationery and office supplies	4,350	2,940	3,509
Postage	<u>1,800</u>	<u>1,517</u>	<u>1,502</u>
	<u>6,150</u>	<u>4,457</u>	<u>5,011</u>
	<u>148,639</u>	<u>140,105</u>	<u>127,369</u>

See accompanying notes to the financial statements.

CATFISH CREEK CONSERVATION AUTHORITY

Statement of Cash Flows Year Ended December 31, 2009

	2009 <u>\$</u>	2008 <u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts	982,603	1,153,762
Cash expenditures	(1,086,625)	(1,095,996)
Interest received	<u>2,458</u>	<u>18,099</u>
Cash flows from (used in) operating activities	<u>(101,564)</u>	<u>75,865</u>
NET INCREASE (DECREASE) IN CASH DURING THE YEAR	(101,564)	75,865
CASH, BEGINNING OF YEAR	<u>754,306</u>	<u>678,441</u>
CASH, END OF YEAR	<u>652,742</u>	<u>754,306</u>
 CASH IS COMPRISED OF:		
Cash	98,601	102,457
Temporary investments	<u>554,141</u>	<u>651,849</u>
	<u>652,742</u>	<u>754,306</u>

See accompanying notes to the financial statements.

CATFISH CREEK CONSERVATION AUTHORITY

Notes to the Financial Statements Year Ended December 31, 2009

1. NATURE OF THE ORGANIZATION

The Catfish Creek Conservation Authority (the "CCCA") is established under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and the management of natural resources, other than gas, oil, coal and minerals for the watershed within its jurisdiction. CCCA's jurisdiction includes areas in The City of St. Thomas, the Municipality of Central Elgin, the Town of Aylmer, the Township of South-West Oxford and the Township of Malahide.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the opinion of management, the financial statements have been prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Accounting Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Revenue Recognition

The deferral method is used to account for contributions which include donations and government grants. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Municipal levy revenue is recognized in full once the Municipalities approve the levied amount.

Campground rental revenue is recognized when the campsite is used. For seasonal campground rentals the revenue is recognized over the camping season to which it relates.

Grant revenue is recognized during the period in which the corresponding expense is incurred.

Donation and sponsorship revenue is recognized when the money is received.

Capital Expenditures

The cost of capital assets is fully expensed in the year of acquisition.

CATFISH CREEK CONSERVATION AUTHORITY

Notes to the Financial Statements Year Ended December 31, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Expenditures

Expenditures are reported in four main categories, which follow the classifications set up by the Ministry of Natural Resources for program grants. By following these guidelines, there will be consistency of reporting by the 38 Conservation Authorities in Ontario. These are further explained as follows:

General administration expenditures include those associated with head office functions other than technical staff and associated programs.

Water and related land management expenditures include program administration, capital works for water related projects along with associated programs such as floodplain regulations, conservation services, dam operation and maintenance.

Conservation and recreation land management expenditures include capital works for recreation related projects along with associated programs such as wildlife conservation services.

Other operational expenditures include conservation areas, special employment projects, vehicles and equipment operations.

Financial assets and liabilities

Assets or liabilities held for trading

Financial instruments classified as assets or liabilities held for trading are reported at fair value at each balance sheet date, and any change in fair value is recognized in net income (loss) in the period during which the change occurs.

Held-to-maturity investments, loans and receivables and other financial liabilities

Financial instruments classified as loans and receivables, held-to-maturity investments and other financial liabilities are carried at amortized cost using the effective interest method. Interest income or expense is included in net income (loss) over the expected life of the instrument.

The company has classified its financial instruments in the following categories:

<u>Category</u>	<u>Instruments</u>
Held for trading	Cash Temporary investments
Loans and receivables	Accounts receivable
Other Financial Liabilities	Accounts payable and accrued liabilities

CATFISH CREEK CONSERVATION AUTHORITY

Notes to the Financial Statements Year Ended December 31, 2009

3. TEMPORARY INVESTMENTS

	2009 \$	2008 \$
Mutual funds (market value - \$104,141)	104,141	651,849
Guaranteed Investment Certificates (market value - \$450,000)	<u>450,000</u>	<u>-</u>
	<u>554,141</u>	<u>651,849</u>

The mutual fund investment is held within the CIBC Canadian T-bill fund and can be redeemed at any time.

The guaranteed investment certificate bears interest at a rate of 0.75% and matures on June 21, 2010.

4. RESERVES

Operational Reserve

The purpose of the operational reserve is to use any accumulated funds for the payment of expenditures that are not covered by government funding.

Capital Acquisition Reserve

This fund has been established to support the acquisition of various capital assets as they become due for replacement.

Special Programs Reserve

This fund has been established to support funds designated by donors for special conservation projects to be carried out in the watershed.

Land Acquisition and Development Reserve

This fund has been established to support the acquisition of environmentally significant properties that would further the objectives of the Catfish Creek Conservation Authority

CATFISH CREEK CONSERVATION AUTHORITY

Notes to the Financial Statements Year Ended December 31, 2009

5. MUNICIPAL LEVIES

The municipalities that participate as members of the Authority and their corresponding financial levies are as follows:

	2009 \$	2008 \$
Township of Malahide	93,684	89,839
Town of Aylmer	54,736	50,577
Municipality of Central Elgin	51,628	48,155
City of St. Thomas	12,183	11,176
Township of South-West Oxford	<u>6,425</u>	<u>6,068</u>
	<u>218,656</u>	<u>205,815</u>

The municipal levy for the Township of Malahide noted above includes a special levy of \$26,645 (2008 - \$27,819) related to the ice management program in Port Bruce.

6. FINANCIAL INSTRUMENTS

Financial instruments of the CCCA consist of cash, temporary investments, accounts receivable, accounts payable and accrued liabilities and deferred revenue. The carrying values approximate the fair values due to the near-term maturity of these amounts.

Credit Risk

CCCA credit risk has been minimized as a result of CCCA not having any significant exposure to any organization or individual. CCCA revenues are mainly from other public sector bodies and campground users.

Interest Risk

CCCA manages its portfolio investments based on its cash flow needs and with a view of optimizing its interest income. GIC and T-Bill investments with variable interest rates are utilized by CCCA for short term investing needs.

7. DEFERRED REVENUES

	2009 \$	2008 \$
Camping revenues	46,481	49,456
Grant revenues	<u>29,298</u>	<u>75,524</u>
	<u>75,779</u>	<u>124,980</u>

CATFISH CREEK CONSERVATION AUTHORITY

Notes to the Financial Statements Year Ended December 31, 2009

7. DEFERRED REVENUES (Continued)

CCCA receives certain amounts, principally from other public sector bodies, which may only be used in the conduct of certain programs or completion of specific work. These amounts are recognized as revenue in the year the related expenditures are incurred or services performed.

Amounts are also received from seasonal campers for the forthcoming camping season. All amounts received from campers as down payments on the forthcoming season are deferred and brought into income over the forthcoming season.

8. DONATED SERVICES

Community members have volunteered their time and work to CCCA. Since these services are not normally purchased and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

9. ECONOMIC DEPENDENCE

The authority receives a substantial portion of its revenue from government grants and municipal levies. In 2009 these grants and levies accounted for approximately 47% of revenues (2008 - 41%).

10. CAPITAL DISCLOSURES

The authority's objectives when managing capital are to safeguard the authority's ability to continue as a going concern in order to service its mandate and to maintain an optimal capital structure to reduce the cost of capital. The authority's capital is comprised of surplus and reserves.

The authority manages its capital and makes adjustments to it in light of economic conditions. The authority will balance its overall capital structure through the reallocation of reserve funds, the repayment of debt or by undertaking other activities as deemed appropriate under specific circumstances.

11. PENSION PLAN

The authority has established a Group RRSP plan for all regular full-time employees. Under terms of the plan the authority and the employee are required to make contributions equivalent to 5% of an employee's gross salary.

12. COMPARATIVE FIGURES

The comparative figures were audited by another Chartered Accountant. Some figures have been reclassified to conform to the current year's financial statement presentation.