

**GREY SAUBLE
CONSERVATION AUTHORITY**

FINANCIAL REPORT

DECEMBER 31, 2018

GREY SAUBLE CONSERVATION AUTHORITY

DECEMBER 31, 2018

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GREY SAUBLE CONSERVATION AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The accompanying financial statements of the Grey Sauble Conservation Authority (the "Authority") are the responsibility of the Authority's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 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 control designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management. Board of Directors meet with management and the external auditor to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Baker Tilly SGB LLP, the independent external auditor appointed by the Authority. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.

Chief Administrative Officer
April 24, 2019

Finance Coordinator
April 24, 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Grey Sauble Conservation Authority:

Opinion

We have audited the financial statements of the Grey Sauble Conservation Authority (the Authority), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2018, and its results of operations and 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 these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly SQB LLP

Licensed Public Accountants
Collingwood, Ontario
April 24, 2019

GREY SAUBLE CONSERVATION AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2018	2017
	\$	\$
Financial assets		
Cash - Operating fund (Note 2)	384,579	517,693
Cash - Reserve funds (Note 2)	451,161	282,506
Accounts receivable (Note 11)	212,588	100,488
Investment portfolio - Reserve funds (Note 3)	1,129,505	1,088,033
Accounts receivable - government partnership (Note 12)	49,359	-
	2,227,192	1,988,720
Liabilities		
Accounts payable and accrued liabilities (Note 11)	192,580	214,582
Other payables (Note 5)	32,404	25,145
Government remittances payable	30,612	48,888
Deferred revenue (Note 6)	178,776	87,048
	434,372	375,663
Net financial assets	1,792,820	1,613,057
Non-financial assets		
Prepaid expenses	34,058	27,956
Tangible capital assets (Note 7)	7,903,190	7,965,271
	7,937,248	7,993,227
Accumulated surplus (Note 8)	9,730,068	9,606,284

Approved _____ Director
 _____ Director

The accompanying notes are an integral part of
these financial statements

GREY SAUBLE CONSERVATION AUTHORITY

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

	Budget 2018 \$ (Note 10)	Actual 2018 \$	Actual 2017 \$
Revenue			
Municipal levies	1,335,481	1,335,481	1,276,555
Government grants - operating	133,329	142,347	124,900
Government grants - Risk assessment of flood hazards (Note 12)	-	30,741	-
Government grants - capital	35,000	13,445	5,005
Grey Bruce Forestry/Trees Ontario	344,500	203,742	336,037
Grey County Forestry Management	172,939	180,778	171,524
Timber and wood sales	133,000	47,835	97,847
User fees	449,213	449,260	404,283
Sourcewater protection	190,669	232,570	233,329
Rental recoveries (net of \$55,917 expense; 2017 - \$63,289)	-	18,091	19,913
Donations	5,600	26,664	3,804
Contributed tangible capital assets (Note 7)	-	46,000	-
Risk management	100,045	100,166	208,055
Miscellaneous (Note 1)	-	8,482	22,790
Interest earned (Note 1)	-	7,464	4,133
Income on reserve accounts (Note 3)	-	62,702	50,153
	2,899,776	2,905,768	2,958,328
Expenses			
Water management	140,250	127,695	125,308
Environmental planning	492,086	438,905	409,374
Forestry			
-Operations on Authority land	190,521	168,443	184,184
-Grey Bruce Forestry/Ontario Trees	321,039	181,011	325,618
-Grey County Forest Management	172,939	133,200	147,152
Conservation lands policy and procedure	165,855	160,810	-
Conservation lands operations	250,531	251,641	352,837
Conservation information and education	104,755	128,798	118,272
Administrative support	529,668	521,613	507,215
Major projects	111,600	14,595	9,362
Miscellaneous	-	7,682	20,989
Source water risk management	176,280	80,295	128,446
Sourcewater protection	190,699	232,570	233,329
GIS/IT department	247,959	169,519	191,094
Risk assessment of flood hazards (Note 2)	-	30,181	-
Loss (gain) on disposal of tangible capital assets	-	2,042	(1,033)
Amortization of tangible capital assets	-	132,984	136,934
	3,094,182	2,781,984	2,889,081
Annual (deficit) surplus (Note 10)	(194,406)	123,784	69,247
Accumulated surplus, beginning of year	9,606,284	9,606,284	9,537,037
Accumulated surplus, end of the year (Note 8)	9,411,878	9,730,068	9,606,284

The accompanying notes are an integral part of
these financial statements

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
	Note 10) (		
Annual (deficit) surplus	(194,406)	123,784	69,247
Acquisition of tangible capital assets	-	(31,370)	(91,683)
Amortization of tangible capital assets	-	132,984	136,934
Loss (gain) on disposal of tangible capital assets	-	2,042	(1,033)
Proceeds on disposal of tangible capital assets	-	4,425	1,858
Contributed tangible capital assets	-	(46,000)	-
Change in prepaid expenses	-	(6,102)	(7,072)
Change in net financial assets	(194,406)	179,763	108,251
Net financial assets, beginning of year	1,613,057	1,613,057	1,504,806
Net financial assets, end of year	1,418,651	1,792,820	1,613,057

The accompanying notes are an integral part of
these financial statements

GREY SAUBLE CONSERVATION AUTHORITY

STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31

	2018	2017
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	123,784	69,247
Non-cash items:		
Amortization of tangible capital assets	132,984	136,934
Loss (gain) on disposal of tangible capital assets	2,042	(1,033)
Contributed tangible capital assets	(46,000)	-
	212,810	205,148
Changes in:		
Accounts receivable	(112,100)	205,869
Accounts receivable - government partnership (Note 2)	(49,359)	-
Accounts payable and accrued liabilities	(22,004)	10,159
Other payables	7,259	(597)
Government remittances payable	(18,276)	9,754
Deferred revenue	91,728	(58,190)
Prepaid expenses	(6,102)	(7,072)
	103,956	365,071
Investing activities		
Increase in investment portfolio	(41,470)	(32,533)
Capital activities		
Acquisition of tangible capital assets (Note 7)	(31,370)	(91,683)
Proceeds on disposal of tangible capital assets	4,425	1,858
	(26,945)	(89,825)
Net change in cash position	35,541	242,713
Cash, beginning of year	800,199	557,486
Cash, end of year	835,740	800,199
Comprised of:		
Cash - Operating fund	384,579	517,693
Cash - Reserve funds	451,161	282,506
	835,740	800,199

The accompanying notes are an integral part of
these financial statements

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

Nature of Operations

The Grey Sauble Conservation Authority ("the Authority") is established under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals, for the watersheds within its area of jurisdiction. The watersheds include areas in the Municipalities of Arran-Elderslie, Grey Highlands and Meaford, the Town of The Blue Mountains and the Town of South Bruce Peninsula, the Townships of Chatsworth and Georgian Bluffs and the City of Owen Sound.

The Authority's mission is:

"In partnership with the stakeholders of the watershed, to promote and undertake sustainable management of renewable natural resources and provide responsible leadership to enhance bio-diversity and environmental awareness."

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

1. Summary of Significant Accounting Policies

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

(a) Basis of Accounting

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

A government partnership exists where the Authority has a shared control over an entity. The Authority's pro-rata share of assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The Authority's proportionate interest of the following government partnership is reflected in the financial statements:

Risk Assessment of Flood Hazards in the Georgian Bay Shoreline Areas of Grey County - 27.54%

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit and short-term deposits with a maturity of less than three months at acquisition.

(c) Investment Portfolio

The investment portfolio is recorded at cost.

Gains and losses on sale of investments are recognized when the assets are sold. All other distributions from the portfolio investments are recognized when they are received or become receivable.

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (continued)

(d) Revenue Recognition

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

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

Authority-generated revenue is recognized when the price is fixed or determinable, collectability is reasonably assured and services are provided to customers. Types of services include tree planting, site inspections, forest maintenance, property access fees, rentals and planning.

All other revenues are recognized on an accrual basis.

(e) Deferred Revenue

The Authority reports deferred revenue as follows:

When it sells gift certificates and proceeds are received. Revenue is recognized when the gift certificate is redeemed.

When it receives funds for planned future land purchases. Revenue is recognized when the land is purchased and ownership is transferred to the Authority.

For legal contingencies collected related to the Risk Management project. The revenue is recognized as legal fees are incurred or the project is completed.

When it receives funds for Source Water Protection for expenses that had not occurred. The revenue is recognized as related expenses are incurred.

(f) Tangible Capital Assets

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

Amortization is reflected on a straight-line basis over the estimated useful life of the assets. The useful life of the assets is based on estimates made by management. The following rates are used:

Bridges and trails	6 - 30 years
Buildings	40 years
Dams and weirs	50 years
Equipment	15 years
Flood forecast equipment	20 years
Information technology infrastructure	3 - 15 years
Office furniture	20 years
Vehicles	10 years

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

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

1. Summary of Significant Accounting Policies (continued)

(g) Vehicles and Equipment

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

These internal charges are included in the appropriate expense classifications. Expenditures incurred by the motor pool for operating costs are netted against the internal charges and are reported in the statement of operations.

(h) Pension Plan

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

(i) Use of Estimates

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

2. Cash and Banking Facility

On December 31, 2018 the Authority had cash of \$835,740 (2017 - \$800,199) at one chartered bank. The Canada Deposit Insurance Corporation (CDIC) insures up to a maximum of \$100,000 per depositor at a CDIC member institution. Included in operating cash is \$178,776 (2017 - \$87,048) of funds restricted for the purposes as described in Note 6.

3. Investment Portfolio

The investment portfolio includes Canadian, U.S. and International equities, as well as bonds and cash. The fair market value of the investments at year end was \$1,080,336 (2017 - \$1,123,546). During the year, the investment portfolio generated interest revenue of \$51,830 (2017 - \$46,395), realized capital gains of \$2,859 (2017 - capital losses of \$907) and incurred management fees in the amount of \$11,901 (2017 - \$11,670). Income on reserve accounts, as reported on the statement of operations, includes all income and losses generated by the portfolio in addition to interest earned from reserve cash accounts.

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

4. Pension Plan

The employees of the Authority participate in the Ontario Municipal Employees Retirement System ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Municipality cannot be identified. The Authority has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. Amounts paid to OMERS for 2018 were \$33,874 (2017 - \$138,756) for current service.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. The most recent actuarial valuation of the Plan was conducted at December 31, 2017.

5. Other Payables

The Authority holds monies collected by the Beaver River Water Initiative ("BRWI"), Friends of Hibou and the Arboretum Alliance. These funds are distributed when the BRWI, Friends of Hibou, or the Arboretum Alliance require payment for expenses which they have incurred. As at December 31, 2018 the Authority held \$13,722 (2017 - \$12,297) on behalf of the BRWI, \$4,635 (2017 - \$3,155) on behalf of Friends of Hibou and \$14,047 (2017 - \$9,693) on behalf of the Arboretum Alliance.

6. Deferred Revenue

Deferred revenue consists of the following:

	2018	2017
	\$	\$
Risk Assessment of Flood Hazards in the Georgian Bay Shoreline Areas of Grey County (Note 12)	13,768	-
Blue Mountain gift certificates	4,000	4,000
Weston grant	20,000	-
Source water	43,004	753
Risk management legal contingency	55,000	45,000
Department of Fisheries - Haines Dam decommissioning	-	13,445
Outstanding planning permits	29,579	22,810
Miscellaneous other deferrals	13,425	1,040
	178,776	87,048

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

7. Tangible Capital Assets

Tangible capital assets consists of the following:

	Balance 2017	Additions	Disposals	Balance 2018
Cost	\$	\$	\$	\$
Land	6,270,223	-	-	6,270,223
Bridges and Trails	397,556	43,295	-	440,851
Buildings	1,056,691	-	-	1,056,691
Dams and Weirs	2,116,930	-	-	2,116,930
Equipment	204,761	6,944	(12,126)	199,579
Flood Forecast Equipment	36,550	24,071	-	60,621
Information Technology Infrastructure	141,519	3,061	-	144,580
Office Furniture	48,593	-	-	48,593
Vehicles	293,187	-	-	293,187
	10,566,010	77,371	(12,126)	10,631,255
Accumulated Amortization				
Bridges and Trails	146,115	16,474	-	162,589
Buildings	765,140	23,621	-	788,761
Dams and Weirs	1,240,865	41,294	-	1,282,159
Equipment	136,360	8,783	(5,658)	139,485
Flood Forecast Equipment	27,521	2,839	-	30,360
Information Technology Infrastructure	75,883	16,609	-	92,492
Office Furniture	37,877	1,095	-	38,972
Vehicles	170,978	22,269	-	193,247
	2,600,739	132,984	(5,658)	2,728,065
Net Book Value				
Land	6,270,223			6,270,223
Bridges and Trails	251,441			278,262
Buildings	291,551			267,930
Dams and Weirs	876,065			834,771
Equipment	68,401			60,094
Flood Forecast Equipment	9,029			30,261
Information Technology Infrastructure	65,636			52,088
Office Furniture	10,716			9,621
Vehicles	122,209			99,940
	7,965,271			7,903,190

During the year, \$31,370 of tangible capital assets were acquired by means of cash (2017 - \$91,683) and \$46,000 through contribution from a local municipality (2017 - \$NIL).

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

8. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2018	2017
	\$	\$
Invested in tangible capital assets	7,903,190	7,965,271
Operating surplus (Note 10)	175,652	114,681
Reserve funds (Note 9)	1,590,665	1,466,332
Proportionate share of government partnership surplus (Note 12)	561	-
Working capital reserve	60,000	60,000
	9,730,068	9,606,284

9. Reserve Funds Set Aside for Specific Purpose

	2018	2017
	\$	\$
Special projects	193,629	149,182
Computer replacement	13,533	5,642
Major dam maintenance	129,611	88,190
Vehicle replacement	200,122	176,088
Risk management	186,170	160,870
Administration centre	332,438	283,858
Forest management	514,487	582,502
Youth	20,675	20,000
	1,590,665	1,466,332

10. Budget

Under Canadian public sector accounting principles, budget amounts are to be reported on the statement of operations and changes in net financial assets for comparative purposes. The 2018 budget amounts for Grey Sauble Conservation Authority approved by the Board have been reclassified to conform to the basis of presentation of the revenues and expenses on the statements of operations and change in net financial assets. The budget numbers have not been audited. The following is a reconciliation of the budget approved by the Board:

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
Annual surplus (deficit)	(194,406)	123,784	69,247
Prior year general surplus	114,681	114,681	132,345
Transfers from (to) reserves	84,395	(124,334)	(132,987)
Tangible capital asset acquisitions, disposals and write-down	-	(70,903)	(90,858)
Proportionate share of government partnership's annual surplus	-	(560)	-
Amortization	-	132,984	136,934
Operating surplus	4,670	175,652	114,681

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

11. Related Party Transactions

The Grey Sauble Conservation Foundation was founded to receive, accumulate and distribute funds and/or the income therefrom for the benefit of the Authority. The Foundation is incorporated under the Ontario Corporations Act and is a registered charity under the Income Tax Act. The Authority has representation on the Foundation's Board of Directors. Funds are solicited by the Foundation to further the mission of the Authority. Thus, as defined in the accounting recommendations of the Chartered Professional Accountants of Canada, the Authority has an economic interest in the Foundation.

Transactions with Grey Sauble Conservation Foundation include accounts receivable of \$4,641 (2017 - \$3,726), accounts payable of \$NIL (2017 - \$1,480), interest revenue of \$1,248 (2017 - \$1,221), and other transfers to fund Authority activities included in miscellaneous revenue of \$7,500 (2017 - \$8,100).

12. Government Partnership

The following summarizes the financial position and operations of the Risk Assessment of Flood Hazards in the Georgian Bay Shoreline Areas of Grey County in 2018. The Grey Sauble Conservation Authority's pro-rata share of these amounts has been reported in the financial statements using the proportionate consolidation method:

	Risk Assessment of Flood Hazards in the Georgian Bay Shoreline Areas of Grey County
	\$
Financial assets	61,639
Liabilities	118,116
Net financial debt	(56,477)
Non-financial assets	58,512
Accumulated surplus	2,035
Surplus	2,035
Revenues	111,639
Expenses	109,604
Annual surplus	2,035

During the year, the Partnership recognized revenue from Partners in the amount of \$50,000. This is comprised of \$25,000 from each of the Town of the Blue Mountains and the County of Grey. Included in deferred revenue is \$25,000 from each of the Partners; Town of the Blue Mountains and County of Grey.

**GREY SAUBLE
CONSERVATION AUTHORITY
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

GREY SAUBLE CONSERVATION AUTHORITY

DECEMBER 31, 2018

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AUDITOR'S COMMENTS ON SUPPLEMENTARY FINANCIAL INFORMATION

To the Board of Directors of Grey Sauble Conservation Authority:

We have audited the financial statements of Grey Sauble Conservation Authority, which comprise the statement of financial position as at December 31, 2018, and the statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated April 24, 2019 which contained an unmodified opinion on those financial statements. The audit was performed to form an opinion on the financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

Restriction on Distribution and Use

The supplementary information is prepared to provide additional information to the Board of Directors. As a result, the supplementary information may not be suitable for another purpose. Our report is intended solely for the Board of Directors and should not be distributed to or used by parties other than the Board of Directors.

Baker Tilly SGB LLP

Licensed Public Accountants
Collingwood, Ontario
April 24, 2019

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
Government Grants			
Provincial and Federal - Programming			
Flood control and warning	71,779	71,779	71,779
Stewardship program	46,050	35,319	31,500
Groundwater monitoring	-	973	3,703
Provincial and Federal - Other	-	14,329	10,962
Other	15,500	19,947	6,956
	133,329	142,347	124,900
Federal and local governments - Risk assessment of flood hazards (Note 12)	-	30,741	-
Provincial and Federal - Other			
Special capital - current funding	35,000	13,445	5,005
	168,329	186,533	129,905
Grey Bruce Forestry/Trees Ontario			
Trees and landscape stock	45,600	76,693	95,461
Planning	15,200	6,797	23,495
Planting	15,200	1,420	6,676
Site inspections	15,200	367	450
Tree marking	15,200	-	2,125
Vegetation control	30,400	15,593	14,887
Other	15,200	284	1,563
Trees Ontario Foundation grants	192,500	102,588	191,380
	344,500	203,742	336,037
User Fees, Service Fees and Other Revenue Sources			
Parking fees	87,140	92,505	73,004
Planning fees	266,823	284,091	260,503
Rentals	63,250	42,175	29,488
Great Outdoors daycamp	32,000	29,964	29,574
GIS consulting	-	525	11,714
	449,213	449,260	404,283

GREY SAUBLE CONSERVATION AUTHORITY

SCHEDULE 2 SCHEDULE OF RENTAL RECOVERIES AND EXPENDITURES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
Recoveries			
Vehicle			
Flood control and warning	-	6,656	6,412
Operating conservation property	-	22,957	22,850
Forest management	-	22,261	25,939
Grey Bruce Forestry/Trees Ontario	-	4,604	9,679
Erosion control	-	65	115
Land use planning and regulation	-	9,264	10,968
Information and education	-	704	873
Administrative support	-	2,614	2,326
Special programs	-	4,196	1,749
Equipment			
Operating conservation property	-	-	582
Grey Bruce Forestry services	-	687	1,709
	63,000	74,008	83,202
Expenditures			
Vehicle			
Fuel	30,000	25,997	26,043
Repairs	10,500	17,906	19,535
Licenses and insurance	22,500	7,102	6,487
Equipment			
Fuel	-	971	1,457
Repairs	-	3,941	9,767
	63,000	55,917	63,289
Excess of recoveries over expenditures	-	18,091	19,913

GREY SAUBLE CONSERVATION AUTHORITY

SCHEDULE 3 SCHEDULE OF WATER MANAGEMENT EXPENDITURES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
Flood Forecast and Warning			
Salaries and benefits	102,250	97,763	99,811
Service contracts	1,500	-	-
Vehicle and equipment rentals	3,200	4,392	3,950
Materials and supplies	3,550	2,631	3,158
Training and uniforms	750	458	254
Services, rents and utilities	-	1,868	1,851
	111,250	107,112	109,024
Flood Control Structures			
Clendenan dam	8,000	11,120	5,035
Taylor Street retention pond	-	453	354
	8,000	11,573	5,389
Dams			
Salaries and benefits	5,500	5,133	6,334
Service contracts	2,800	1,272	2,484
Vehicle and equipment rentals	500	1,162	340
Materials and supplies	1,200	571	-
Services, rents and utilities	-	-	183
Dam maintenance	-	573	492
	10,000	8,711	9,833
Ice Management			
Various	9,000	-	-
Erosion Control			
Salaries and benefits	750	234	850
Vehicle and equipment rentals	250	65	115
Materials and supplies	1,000	-	97
	2,000	299	1,062
	140,250	127,695	125,308

GREY SAUBLE CONSERVATION AUTHORITY

SCHEDULE 4 SCHEDULE OF ENVIRONMENTAL PLANNING EXPENDITURES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
Bio-Mapping			
Salaries and benefits	4,500	3,297	3,111
Vehicle and equipment rentals	-	158	172
Materials and supplies	-	8	-
	4,500	3,463	3,283
Groundwater Monitoring			
Salaries and benefits	4,500	5,237	4,300
Vehicle and equipment rentals	-	650	1,413
Materials and supplies	-	123	5
	4,500	6,010	5,718
Watershed Management			
Salaries and benefits	103,388	99,391	91,098
Vehicle and equipment rentals	6,000	2,814	2,772
Materials and supplies	400	991	950
Services, rents and utilities	500	-	102
Watershed monitoring	19,500	10,221	9,614
	129,788	113,417	104,536
Land Use Planning and Regulation			
Salaries and benefits	331,298	282,400	254,588
Service contracts	1,000	-	-
Vehicle and equipment rentals	12,000	11,865	11,193
Materials and supplies	5,000	17,216	29,424
Training and uniforms	4,000	4,534	632
	353,298	316,015	295,837
	492,086	438,905	409,374

GREY SAUBLE CONSERVATION AUTHORITY

SCHEDULE 5 SCHEDULE OF FORESTRY EXPENDITURES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
Operations on Authority Land			
Salaries and benefits	159,221	143,036	158,331
Service contracts	8,900	9,269	8,824
Vehicle and equipment rentals	8,900	6,862	6,697
Materials and supplies	11,000	4,208	9,285
Training and uniforms	2,500	2,568	1,047
Services, rents and utilities	-	2,500	-
	190,521	168,443	184,184
Grey Bruce Forestry/Trees Ontario			
Purchases and Trees Ontario expenses	158,000	99,519	140,002
Salaries and benefits	154,539	77,580	131,398
50 Million Trees program	-	1,270	22,932
Other	8,500	2,642	31,286
	321,039	181,011	325,618
Grey County Forest Management			
Salaries and benefits	152,939	119,178	127,594
Vehicle and equipment rentals	20,000	13,280	16,204
Supplies	-	742	3,354
	172,939	133,200	147,152

GREY SAUBLE CONSERVATION AUTHORITY

SCHEDULE 6 SCHEDULE OF CONSERVATION AND ADMINISTRATIVE EXPENDITURES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
Conservation Lands Operations			
Salaries and benefits	186,556	185,628	228,012
Service contracts	30,000	12,158	14,055
Vehicle and equipment rentals	19,975	20,681	22,867
Materials and supplies	12,000	18,439	17,972
Services, rents and utilities	-	13,823	13,064
Training and uniforms	2,000	912	1,093
Property taxes	-	-	55,774
	250,531	251,641	352,837
Conservation Lands Policy and Strategy			
Salaries and benefits	90,830	91,667	-
Service contracts	-	211	-
Vehicle and equipment rentals	3,525	107	-
Property taxes	66,000	67,449	-
Materials and supplies	3,000	960	-
Training and uniforms	2,500	416	-
	165,855	160,810	-
Conservation Information and Education			
Salaries and benefits	83,755	92,023	91,240
Contracts and services	10,600	5,828	-
Vehicle and equipment rentals	1,900	681	878
Materials and supplies	7,500	2,668	777
Training and uniforms	-	550	100
Canada 150	-	-	2,844
Advertising contracts	-	2,812	6,086
The Great Outdoors Daycamp	1,000	24,236	16,347
	104,755	128,798	118,272
Administrative			
Salaries and benefits	351,868	356,315	339,865
Board members' allowances	3,600	6,577	8,487
Service contracts	50,900	-	-
Vehicle and equipment rentals	1,500	1,460	1,236
Materials and supplies	22,000	12,314	22,369
Services, rents and utilities	99,800	144,947	135,258
	529,668	521,613	507,215

GREY SAUBLE CONSERVATION AUTHORITY

SCHEDULE 7 SCHEDULE OF PROGRAMMING EXPENDITURES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
Sourcewater Protection			
Salaries and benefits	160,699	199,942	189,789
Committee members' allowance	-	3,927	4,050
Vehicle and equipment rentals	1,200	1,345	1,214
Materials and supplies	4,800	4,946	15,137
Services, rents and utilities	24,000	22,410	23,139
	190,699	232,570	233,329
Risk Management			
Salaries and benefits	148,780	73,031	121,580
Vehicle and equipment rentals	1,500	786	1,847
Materials and supplies	4,000	6,265	4,406
Training and uniforms	12,000	213	613
Contingency	10,000	-	-
	176,280	80,295	128,446
GIS and IT Support			
Salaries and benefits	172,316	107,215	119,948
Service contracts	55,922	55,238	48,565
Vehicle and equipment rentals	1,000	432	1,377
Materials and supplies	15,721	3,558	6,353
Hardware and software	-	2,963	11,654
Training and uniforms	3,000	113	3,197
	247,959	169,519	191,094
Risk Assessment of Flood Hazards in the Georgian Bay Shoreline Areas of Grey County (Note 12)			
Salaries and benefits	-	8,868	-
Services and supplies	-	20,369	-
Vehicle and equipment	-	279	-
Training and uniforms	-	665	-
	-	30,181	-

GREY SAUBLE CONSERVATION AUTHORITY

SCHEDULE 8 SCHEDULE OF OPERATING SURPLUS FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
Revenue			
Municipal levies	1,335,481	1,335,481	1,276,555
Government grants	168,329	155,792	129,905
Grey Bruce Forestry/Ontario Trees	344,500	203,742	336,037
Grey County Forestry Management	172,939	180,778	171,524
Timber and wood sales	133,000	47,835	97,847
User fees	449,213	449,260	404,283
Sourcewater Protection	190,669	232,570	233,329
Net rental recoveries	-	18,091	19,913
Donations	5,600	26,664	3,804
Risk management	100,045	100,166	208,055
Contributed tangible capital assets	-	46,000	-
Miscellaneous	-	8,482	22,790
Interest earned	-	7,464	4,133
Proceeds on disposal of tangible capital assets	-	4,427	1,858
	2,899,776	2,816,752	2,910,033
Expenditures			
Water management	140,250	127,695	125,308
Environmental planning	492,086	438,905	409,374
Forestry			
-Operations on Authority land	190,521	168,443	184,184
-Grey Bruce Forestry/Ontario Trees	321,039	181,011	325,618
-Grey County Forest Management	172,939	133,200	147,152
Conservation lands policy and procedures	165,855	160,810	-
Conservation lands operations	250,531	251,641	352,837
Conservation information and education	104,755	128,798	118,272
Administrative support	529,668	521,613	507,215
Miscellaneous	-	7,682	20,989
Risk management	176,280	80,295	128,446
Sourcewater protection	190,699	232,570	233,329
GIS/IT department	247,959	169,519	191,094
Major projects (Schedule 9)	111,600	91,966	101,045
	3,094,182	2,694,148	2,844,863
Net (expenditures) revenues	(194,406)	122,604	65,170
Appropriations			
From reserve funds	166,756	123,014	146,618
To reserve funds	(82,361)	(184,647)	(229,452)
	84,395	(61,633)	(82,834)
Net surplus (deficit) for the year	(110,011)	60,971	(17,664)
Operating surplus, beginning of the year	114,681	114,681	132,345
Operating surplus, end of the year	4,670	175,652	114,681

GREY SAUBLE CONSERVATION AUTHORITY

SCHEDULE 9 SCHEDULE OF MAJOR AND OTHER PROJECT EXPENDITURES FOR THE YEAR ENDED DECEMBER 31 (UNAUDITED)

	Budget 2018	Actual 2018	Actual 2017
	\$	\$	\$
Springmount pedestrian bridge	-	-	22,000
IT Equipment	2,000	3,061	22,755
Mill dam	-	-	5,088
Vehicle replacement	-	-	46,928
Aerial photography	-	-	362
Flood Forecasting Equipment	-	24,071	-
Admin Centre - Upgrades	20,000	-	-
Admin Centre - Entrance signs	4,800	-	850
Other Equipment	12,200	6,944	3,062
Signage	10,200	-	-
Minor Infrastructure	-	6,600	-
Pottawatomi foot bridge	-	43,295	-
Spiral staircase - Spirit Rock	35,000	7,995	-
Washroom upgrades	27,400	-	-
	111,600	91,966	101,045