

**GREY SAUBLE
CONSERVATION AUTHORITY**

FINANCIAL REPORT

DECEMBER 31, 2019

GREY SAUBLE CONSERVATION AUTHORITY

DECEMBER 31, 2019

CONTENTS

Management's Responsibility for the Financial Report	1
Independent Auditor's Report	2
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flow	7
Notes to the Financial Statements	8

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
June 24, 2020

Finance Coordinator
June 24, 2020

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, 2019, 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, 2019, 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
June 24, 2020

GREY SAUBLE CONSERVATION AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2019	2018
	\$	\$
Financial assets		
Cash - Operating fund (Note 2)	511,779	384,579
Cash - Reserve funds (Note 2)	484,602	451,161
Accounts receivable (Note 11)	144,848	212,588
Investment portfolio - Reserve funds (Note 3)	1,159,875	1,129,505
Accounts receivable - government partnership (Note 12)	96,851	49,359
	2,397,955	2,227,192
Liabilities		
Accounts payable and accrued liabilities (Note 11)	168,724	192,580
Other payables (Note 5)	44,662	32,404
Government remittances payable	43,615	30,612
Deferred revenue (Note 6)	212,443	178,776
	469,444	434,372
Net financial assets	1,928,511	1,792,820
Non-financial assets		
Prepaid expenses	22,199	34,058
Tangible capital assets (Note 7)	7,822,247	7,903,190
	7,844,446	7,937,248
Accumulated surplus (Note 8)	9,772,957	9,730,068

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 2019	Actual 2019	Actual 2018
	\$	\$	\$
	(Note 10)		
Revenue			
Municipal levies	1,388,556	1,388,556	1,335,481
Government grants - operating	166,924	135,605	142,347
Government grants - Risk assessment of flood hazards (Note 12)	164,816	47,530	30,741
Government grants - capital	-	-	13,445
Grey Sauble Forestry/Ontario Trees	233,330	231,715	203,742
Grey County Forestry Management	169,498	144,362	180,778
Timber and wood sales	140,100	71,334	47,835
User fees	475,604	506,102	449,260
Sourcewater protection	158,738	165,391	232,570
Rental recoveries (net of \$55,112 expense; 2018 - \$55,917)	26,121	17,195	18,091
Donations	1,600	7,410	26,664
Contributed tangible capital assets (Note 7)	-	-	46,000
Risk management	76,679	69,011	100,166
Miscellaneous (Note 11)	19,788	29,337	8,482
Interest earned (Note 11)	2,500	15,264	7,464
Income on reserve accounts (Note 3)	-	53,856	62,702
	3,024,254	2,882,668	2,905,768
Expenses			
Water management	150,482	118,437	127,695
Environmental planning	571,427	558,536	438,905
Forestry			
-Operations on Authority land	168,297	132,655	168,443
-Grey Sauble Forestry/Ontario Trees	233,330	242,642	181,011
-Grey County Forest Management	149,542	126,778	133,200
Conservation lands policy and procedure	173,722	169,740	160,810
Conservation lands operations	254,914	245,031	251,641
Conservation information and education	140,156	121,685	128,798
Administrative support	532,793	494,916	521,613
Major projects	7,066	1,931	14,595
Miscellaneous	-	10,533	7,682
Source water risk management	43,428	78,949	80,295
Sourcewater protection	158,738	165,391	232,570
GIS/IT department	355,765	206,266	169,519
Risk assessment of flood hazards (Note 12)	-	46,894	30,181
Loss on disposal of tangible capital assets	-	1,141	2,042
Amortization of tangible capital assets	-	118,254	132,984
	2,939,660	2,839,779	2,781,984
Annual surplus (Note 10)	84,594	42,889	123,784
Accumulated surplus, beginning of year	9,730,068	9,730,068	9,606,284
Accumulated surplus, end of the year (Note 8)	9,814,662	9,772,957	9,730,068

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 2019	Actual 2019	Actual 2018
	\$	\$	\$
	(Note 10)		
Annual surplus	84,594	42,889	123,784
Acquisition of tangible capital assets	-	(38,452)	(31,370)
Amortization of tangible capital assets	-	118,254	132,984
Loss on disposal of tangible capital assets	-	1,141	2,042
Proceeds on disposal of tangible capital assets	-	-	4,425
Contributed tangible capital assets	-	-	(46,000)
Change in prepaid expenses	-	11,859	(6,102)
Change in net financial assets	84,594	135,691	179,763
Net financial assets, beginning of year	1,792,820	1,792,820	1,613,057
Net financial assets, end of year	1,877,414	1,928,511	1,792,820

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

	2019	2018
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	42,889	123,784
Non-cash items:		
Amortization of tangible capital assets	118,254	132,984
Loss on disposal of tangible capital assets	1,141	2,042
Contributed tangible capital assets	-	(46,000)
	162,284	212,810
Changes in:		
Accounts receivable	67,740	(112,100)
Accounts receivable - government partnership	(47,492)	(49,359)
Accounts payable and accrued liabilities	(23,857)	(22,004)
Other payables	12,258	7,259
Government remittances payable	13,004	(18,276)
Deferred revenue	33,667	91,728
Prepaid expenses	11,859	(6,102)
	229,463	103,956
Investing activities		
Increase in investment portfolio	(30,370)	(41,470)
Capital activities		
Acquisition of tangible capital assets (Note 7)	(38,452)	(31,370)
Proceeds on disposal of tangible capital assets	-	4,425
	(38,452)	(26,945)
Net change in cash position	160,641	35,541
Cash, beginning of year	835,740	800,199
Cash, end of year	996,381	835,740
Comprised of:		
Cash - Operating fund	511,779	384,579
Cash - Reserve funds	484,602	451,161
	996,381	835,740

The accompanying notes are an integral part of
these financial statements

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

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, 2019

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

Revenue restricted by legislation, regulation or agreement, and not available for general purposes, is reported as deferred revenue on the statement of financial position.

(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, 2019

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, 2019 the Authority had cash of \$996,382 (2018 - \$835,738) 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 \$212,443 (2018 - \$178,776) 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 \$1,227,360 (2018 - \$1,080,336). During the year, the investment portfolio generated interest revenue of \$49,583 (2018 - \$51,830), realized capital loss of \$5,552 (2018 - capital gains of \$2,859) and incurred management fees in the amount of \$12,302 (2018 - \$11,901). 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, 2019

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 2019 were \$141,554 (2018- \$133,874) 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, 2019.

5. Other Payables

The Authority holds monies collected by the Beaver River Water Initiative ("BRWI"), Friends of Hibou, Fishing Islands Phragmites group and the Arboretum Alliance. These funds are distributed when these organizations require payment for expenses which they have incurred. As at December 31, 2019 the Authority held \$14,177 (2018 - \$13,722) on behalf of the BRWI, \$1,073 (2018 - \$4,635) on behalf of Friends of Hibou, \$4,874 (2018 - \$NIL) on behalf of Fishing Islands Phragmites group and \$12,657 (2018 - \$14,047) on behalf of the Arboretum Alliance.

6. Deferred Revenue

Deferred revenue consists of the following:

	2019	2018
	\$	\$
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	391	20,000
Source water	80,080	43,004
Risk management legal contingency	62,668	55,000
RBC stewardship grant	32,755	-
Outstanding planning permits	17,960	29,579
Miscellaneous other deferrals	14,589	13,425
	212,443	178,776

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

7. Tangible Capital Assets

Tangible capital assets consists of the following:

	Balance 2018	Additions	Disposals	Balance 2019
Cost	\$	\$	\$	\$
Land	6,270,222	-	-	6,270,222
Bridges and Trails	440,851	-	-	440,851
Buildings	1,056,691	4,676	(6,957)	1,054,410
Dams and Weirs	2,116,930	-	-	2,116,930
Equipment	199,579	19,509	-	219,088
Flood Forecast Equipment	60,621	4,826	-	65,447
Information Technology Infrastructure	144,580	8,700	-	153,280
Office Furniture	48,593	741	-	49,334
Vehicles	293,187	-	-	293,187
	10,631,254	38,452	(6,957)	10,662,749
Accumulated Amortization				
Bridges and Trails	162,589	16,628	-	179,217
Buildings	788,761	13,315	(5,816)	796,260
Dams and Weirs	1,282,159	41,295	-	1,323,454
Equipment	139,485	9,940	-	149,425
Flood Forecast Equipment	30,360	3,962	-	34,322
Information Technology Infrastructure	92,492	9,714	-	102,206
Office Furniture	38,972	1,132	-	40,104
Vehicles	193,246	22,268	-	215,514
	2,728,064	118,254	(5,816)	2,840,502
Net Book Value				
Land	6,270,222			6,270,222
Bridges and Trails	278,262			261,634
Buildings	267,930			258,150
Dams and Weirs	834,771			793,476
Equipment	60,094			69,663
Flood Forecast Equipment	30,261			31,125
Information Technology Infrastructure	52,088			51,074
Office Furniture	9,621			9,230
Vehicles	99,941			77,673
	7,903,190			7,822,247

During the year, \$38,452 of tangible capital assets were acquired by means of cash (2018 - \$31,370) and \$NIL through contribution from a local municipality (2018 - \$46,000).

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

8. Accumulated Surplus

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

	2019	2018
	\$	\$
Invested in tangible capital assets	7,822,247	7,903,190
Operating surplus (Note 10)	187,683	175,652
Reserve funds (Note 9)	1,701,831	1,590,665
Proportionate share of government partnership surplus (Note 12)	1,196	561
Working capital reserve	60,000	60,000
	9,772,957	9,730,068

9. Reserve Funds Set Aside for Specific Purpose

	2019	2018
	\$	\$
Special projects	280,638	193,629
Computer replacement	13,874	13,533
Major dam maintenance	153,867	129,611
Vehicle replacement	222,374	200,122
Risk management	180,937	186,170
Administration centre	373,666	332,438
Forest management	455,278	514,488
Youth	21,197	20,675
	1,701,831	1,590,666

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 2019 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 2019	Actual 2019	Actual 2018
	\$	\$	\$
Annual surplus (deficit)	84,594	42,889	123,784
Prior year general surplus	175,652	175,652	114,681
Transfers from (to) reserves	105,603	(111,165)	(124,334)
Tangible capital asset acquisitions, disposals and write-down	(193,066)	(37,311)	(70,903)
Proportionate share of government partnership's annual surplus	-	(636)	(560)
Amortization	-	118,254	132,984
Operating surplus	172,783	187,683	175,652

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2019

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 \$7,410 (2018 - \$4,641), interest revenue of \$6,178 (2018 - \$1,248), and other transfers to fund Authority activities included in miscellaneous revenue of \$10,500 (2018 - \$7,500).

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 2019. 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	138,000
Liabilities	133,654
Net financial debt	4,346
Non-financial assets	-
Accumulated surplus	4,346
Revenues	172,611
Expenses	170,301
Annual surplus	2,310

13. Subsequent event

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects to the Authority could have a material impact on its operations. For example, the measures introduced at various levels of government to curtail the spread of the virus, such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing, could mean that the Authority's revenues and collections are reduced. Management is actively monitoring the situation; however, the full effect of the possible impacts described above cannot be quantified at this time.

**GREY SAUBLE
CONSERVATION AUTHORITY
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

GREY SAUBLE CONSERVATION AUTHORITY

DECEMBER 31, 2019

CONTENTS

Auditor's Comments on Supplementary Financial Information	1
Schedule 1 - Schedule of Revenue	2
Schedule 2 - Schedule of Rental Recoveries and Expenditures	3
Schedule 3 - Schedule of Water Management Expenditures	4
Schedule 4 - Schedule of Environmental Planning Expenditures	5
Schedule 5 - Schedule of Forestry Expenditures	6
Schedule 6 - Schedule of Conservation and Administrative Expenditures	7
Schedule 7 - Schedule of Programming Expenditures	8
Schedule 8 - Schedule of Operating Surplus	9
Schedule 9 - Schedule of Major and Other Project Expenditures	10

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, 2019, 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 June 24, 2020 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
June 24, 2020

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Government Grants			
Provincial and Federal - Programming			
Flood control and warning	71,779	37,056	71,779
Stewardship program	81,145	87,067	35,319
Groundwater monitoring	-	1,008	973
Provincial and Federal - Other	-	-	14,329
Other	14,000	10,474	19,947
	166,924	135,605	142,347
Federal and local governments - Risk assessment of flood hazards (Note 12)	164,816	47,530	30,741
Provincial and Federal - Other			
Special capital - current funding	-	-	13,445
	331,740	183,135	186,533
Grey Sauble Forestry/Trees Ontario			
Trees and landscape stock	68,330	90,590	76,693
Planning	-	15,792	6,797
Planting	-	4,001	1,420
Site inspections	-	900	367
Vegetation control	-	525	15,593
Other	-	100	284
Trees Ontario Foundation grants	165,000	119,807	102,588
	233,330	231,715	203,742
User Fees, Service Fees and Other Revenue Sources			
Parking fees	95,200	88,891	92,505
Planning fees	297,000	325,269	284,091
Rentals	35,740	58,672	42,175
The Great Outdoors Day Camp	35,264	32,775	29,964
GIS consulting	12,400	495	525
	475,604	506,102	449,260

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Recoveries			
Vehicle			
Flood control and warning	-	7,570	6,656
Operating conservation property	-	24,379	22,957
Forest management	-	18,861	22,261
Grey Sauble Forestry/Trees Ontario	-	6,348	4,604
Erosion control	-	166	65
Land use planning and regulation	-	10,724	9,264
Information and education	-	431	704
Administrative support	-	1,970	2,614
Special programs	-	1,858	4,196
Equipment			
Grey Sauble Forestry services	-	-	687
	85,425	72,307	74,008
Expenditures			
Vehicle			
Fuel	30,000	26,847	25,997
Repairs	10,804	19,333	17,906
Licenses and insurance	18,500	7,337	7,102
Equipment			
Fuel	-	1,006	971
Repairs	-	589	3,941
	59,304	55,112	55,917
Excess of recoveries over expenditures	26,121	17,195	18,091

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Flood Forecast and Warning			
Salaries and benefits	112,658	97,245	97,763
Service contracts	3,500	285	-
Vehicle and equipment rentals	4,000	4,845	4,392
Materials and supplies	3,500	3,626	2,837
Training	750	706	252
Services, rents and utilities	-	1,405	1,868
	124,408	108,112	107,112
Flood Control Structures			
Clendenan dam	7,530	4,768	11,120
Taylor Street retention pond	-	53	453
	7,530	4,821	11,573
Dams			
Salaries and benefits	7,844	2,832	5,133
Service contracts	2,000	-	1,272
Vehicle and equipment rentals	1,200	894	1,162
Materials and supplies	1,500	1,049	571
Dam maintenance	-	-	573
	12,544	4,775	8,711
Ice Management			
Various	4,000	-	-
Erosion Control			
Salaries and benefits	750	563	234
Vehicle and equipment rentals	250	166	65
Materials and supplies	1,000	-	-
	2,000	729	299
	150,482	118,437	127,695

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Bio-Mapping			
Salaries and benefits	-	1,429	3,297
Vehicle and equipment rentals	-	288	158
Materials and supplies	-	102	8
	-	1,819	3,463
Groundwater Monitoring			
Salaries and benefits	-	6,260	5,237
Vehicle and equipment rentals	-	956	650
Materials and supplies	-	-	123
	-	7,216	6,010
Watershed Management			
Salaries and benefits	105,654	96,909	99,391
Vehicle and equipment rentals	11,000	3,821	5,508
Materials and supplies	60,735	76,765	12,187
Services, rents and utilities	750	-	-
Watershed monitoring	13,000	14,043	10,221
	191,139	191,538	127,307
Land Use Planning and Regulation			
Salaries and benefits	357,288	336,274	282,400
Service contracts	-	394	-
Vehicle and equipment rentals	13,000	9,828	9,171
Materials and supplies	5,000	5,248	6,418
Training	5,000	6,217	4,136
	380,288	357,961	302,125
	571,427	558,534	438,905

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Operations on Authority Land			
Salaries and benefits	152,137	124,204	143,036
Service contracts	-	-	9,269
Vehicle and equipment rentals	9,200	5,496	6,862
Materials and supplies	2,500	2,143	4,639
Training	4,460	812	2,137
Services, rents and utilities	-	-	2,500
	168,297	132,655	168,443
Grey Sauble Forestry/Trees Ontario			
Purchases and Trees Ontario expenses	100,550	105,449	99,519
Salaries and benefits	127,580	129,522	77,580
50 Million Trees program	-	-	1,270
Other	5,200	7,671	2,642
	233,330	242,642	181,011
Grey County Forest Management			
Salaries and benefits	133,042	113,040	119,178
Vehicle and equipment rentals	16,500	12,240	13,280
Supplies	-	1,498	742
	149,542	126,778	133,200

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Conservation Lands Operations			
Salaries and benefits	182,939	185,687	185,628
Service contracts	35,000	9,919	12,158
Vehicle and equipment rentals	19,975	22,028	20,681
Materials and supplies	17,000	15,060	19,171
Services, rents and utilities	-	11,308	13,823
Training	-	1,029	179
	254,914	245,031	251,640
Conservation Lands Policy and Strategy			
Salaries and benefits	94,222	97,906	91,667
Service contracts	1,000	2,827	211
Vehicle and equipment rentals	1,500	1,465	107
Property taxes	72,000	65,982	67,449
Materials and supplies	3,000	857	1,060
Training	2,000	703	316
	173,722	169,740	160,810
Conservation Information and Education			
Salaries and benefits	106,256	80,675	92,023
Contracts and services	28,200	3,176	5,828
Vehicle and equipment rentals	1,000	505	681
Materials and supplies	3,900	3,567	3,218
Advertising contracts	800	5,050	2,812
The Great Outdoors Day Camp	-	28,712	24,236
	140,156	121,685	128,798
Administrative			
Salaries and benefits	366,253	328,152	356,315
Board members' allowances	5,500	8,631	6,577
Service contracts	46,940	-	-
Vehicle and equipment rentals	1,100	3,100	1,460
Materials and supplies	14,000	17,979	12,314
Services, rents and utilities	99,000	137,054	144,947
	532,793	494,916	521,613

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Sourcewater Protection			
Salaries and benefits	137,938	136,613	199,942
Committee members' allowance	-	7,607	3,927
Vehicle and equipment rentals	1,300	1,246	1,345
Materials and supplies	3,000	4,752	4,946
Services, rents and utilities	16,500	15,173	22,410
	158,738	165,391	232,570
Risk Management			
Salaries and benefits	29,928	65,808	73,031
Vehicle and equipment rentals	1,500	1,161	786
Materials and supplies	11,000	9,182	6,477
Services, rents and utilities	1,000	2,798	-
	43,428	78,949	80,294
GIS and IT Support			
Salaries and benefits	234,303	160,838	107,215
Service contracts	111,712	29,258	55,238
Vehicle and equipment rentals	1,000	797	432
Materials and supplies	5,750	2,025	3,671
Hardware and software	-	13,344	2,963
Training	3,000	3	-
	355,765	206,265	169,519
Risk Assessment of Flood Hazards in the Georgian Bay Shoreline Areas of Grey County (Note 12)			
Salaries and benefits	-	5,282	8,868
Services and supplies	-	-	20,369
Vehicle and equipment	-	83	279
Materials and supplies	-	28	665
Light detection and ranging (Lidar)	-	41,500	-
	-	46,893	30,181

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Revenue			
Municipal levies	1,388,556	1,388,556	1,335,481
Government grants	166,924	135,605	155,792
Grey Sauble Forestry/Ontario Trees	233,330	231,715	203,742
Grey County Forestry Management	169,498	144,362	180,778
Timber and wood sales	140,100	71,334	47,835
User fees	475,604	506,102	449,260
Sourcewater Protection	158,738	165,391	232,570
Net rental recoveries	26,121	17,195	18,091
Donations	1,600	7,410	26,664
Risk management	76,679	69,011	100,166
Contributed tangible capital assets	-	-	46,000
Miscellaneous	19,788	29,337	8,482
Interest earned	2,500	15,264	7,464
Proceeds on disposal of tangible capital assets	-	-	4,425
	2,859,438	2,781,282	2,816,750
Expenditures			
Water management	150,482	118,437	127,695
Environmental planning	571,427	558,536	438,905
Forestry			
-Operations on Authority land	168,297	132,655	168,443
-Grey Bruce Forestry/Ontario Trees	233,330	242,642	181,011
-Grey County Forest Management	149,542	126,778	133,200
Conservation lands policy and procedures	173,722	169,740	160,810
Conservation lands operations	254,914	245,031	251,641
Conservation information and education	140,156	121,685	128,798
Administrative support	532,793	494,916	521,613
Miscellaneous	-	10,533	7,682
Risk management	43,428	78,949	80,295
Sourcewater protection	158,738	165,391	232,570
GIS/IT department	355,765	206,266	169,519
Major projects (Schedule 9)	193,066	40,383	91,964
	3,125,660	2,711,942	2,694,146
Net (expenditures) revenues	(266,222)	69,340	122,604
Appropriations			
From reserve funds	192,975	53,856	123,014
To reserve funds	(87,372)	(111,165)	(184,647)
	105,603	(57,309)	(61,633)
Net surplus (deficit) for the year	(160,619)	12,031	60,971
Operating surplus, beginning of the year	175,652	175,652	114,681
Operating surplus, end of the year	15,033	187,683	175,652

GREY SAUBLE CONSERVATION AUTHORITY

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

	Budget 2019	Actual 2019	Actual 2018
	\$	\$	\$
Buildings	2,500	4,676	-
IT equipment	10,500	8,700	3,061
Vehicle replacement	60,000	-	-
Flood forecasting equipment	5,000	4,826	24,071
Admin Centre - Concept design	20,000	-	-
Admin Centre - Renewal	20,000	-	-
Other equipment	28,000	19,509	6,944
Office furniture	-	741	-
Minor infrastructure	-	-	6,600
Pottawatomi - Foot bridge	-	-	43,295
Spirit Rock - Upgrades	7,066	1,931	7,993
Inglis Falls - Septic	40,000	-	-
	193,066	40,383	91,964