

LONG POINT REGION CONSERVATION AUTHORITY

**Financial Statements
December 31, 2020**

LONG POINT REGION CONSERVATION AUTHORITY

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DECEMBER 31, 2020

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LONG POINT REGION CONSERVATION AUTHORITY

MANAGEMENT REPORT

Management's Responsibility for the Financial Statements

The accompanying financial statements are the responsibility of the management of Long Point Region Conservation Authority and have been prepared by management in accordance with Canadian public sector accounting standards. Management is also responsible for the notes to the financial statements, schedules and the integrity and objectivity of these financial statements. The preparation of financial statements involves the use of estimates based on management's judgment to which management has determined such amounts on a reasonable basis in order to ensure that the financial statements and any other supplementary information presented are consistent with that in the financial statements.

The Authority is also responsible to maintain a system of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable, available on a timely basis, and accurate, and that the transactions are properly authorized and that the Authority's assets are properly accounted for and adequately safeguarded.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board reviews internal financial statements on a quarterly basis with management, as well as with the external auditors to satisfy itself that each party is properly discharging its responsibilities with respect to internal controls and financial reporting. The external auditors MNP LLP have full and free access to financial information and the Board of Directors prior to the approval of the financial statements.

The financial statements have been examined by MNP LLP, the external auditors of the Authority. The responsibility of the external auditors is to conduct an independent examination in accordance with Canadian generally accepted auditing standards, and to express their opinion on whether the financial statements are fairly presented in all material respects in accordance with Canadian public sector accounting standards.



Michael Columbus
Chairman of the Board



Judy Maxwell, CPA, CGA
General Manager, Secretary/Treasurer

Tillsonburg, Canada
March 5, 2021

To the Board of Directors of Long Point Region Conservation Authority:

Opinion

We have audited the financial statements of Long Point Region Conservation Authority (the "Authority"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and change in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2020, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

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.

London, Ontario

March 5, 2021

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

LONG POINT REGION CONSERVATION AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
Financial Assets		
Cash (note 3)	\$ 3,114,955	\$ 326,464
Investments (note 4)	5,770,114	8,156,930
Accounts receivable	1,034,444	729,440
Accrued receivable	100,568	213,347
Other assets	53,376	95,788
	<u>10,073,457</u>	<u>9,521,969</u>
Financial Liabilities		
Accounts payable and accrued liabilities	208,655	292,099
Deferred revenue (schedule 1)	715,664	583,240
	<u>924,319</u>	<u>875,339</u>
Net financial assets	<u>9,149,138</u>	<u>8,646,630</u>
Non-Financial Assets		
Tangible capital assets (schedule 2)	7,476,233	7,133,523
Net assets	<u>16,625,371</u>	<u>15,780,153</u>
Commitment (note 6)		
Contingent liabilities (note 10)		
Accumulated Surplus		
Accumulated surplus - internally restricted (schedule 3)	3,854,607	3,430,159
Accumulated surplus - externally restricted (schedule 4)	5,294,531	5,216,471
Accumulated surplus - tangible capital assets	7,476,233	7,133,523
Total accumulated surplus	<u>\$ 16,625,371</u>	<u>\$ 15,780,153</u>

On behalf of the Board of Directors:



Michael Columbus
Chair, Board of Directors



Dave Beres
Chair, Audit and Finance Committee

LONG POINT REGION CONSERVATION AUTHORITY

STATEMENT OF OPERATIONS AND CHANGE IN ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget 2020 (note 5)	Actual 2020	Actual 2019
Revenues			
Municipal levies:			
General	\$1,644,960	\$1,644,960	\$1,607,452
Special	609,450	434,450	435,750
Government grants:			
Provincial	35,229	35,229	35,229
Corporate services (note 7)	155,478	212,710	240,737
Planning and watershed services	279,286	468,742	768,965
Forestry services	461,659	419,684	427,439
Backus Heritage conservation area	472,748	238,763	495,609
Conservation parks	1,138,300	588,900	935,089
Donations (note 8)	-	325,000	-
Maintenance operations services	253,680	135,799	165,498
ALUS Elgin Partnership	-	229,105	204,964
Gain on disposal of tangible capital assets (note 9)	-	131,446	643,574
Total Revenues	5,050,790	4,864,788	5,960,306
Expenditures			
Corporate services	1,222,074	1,124,578	1,173,603
Planning and watershed services	776,307	995,119	1,195,483
Forestry services	386,197	283,889	395,589
Backus Heritage conservation area	606,661	316,683	606,313
Conservation parks	863,376	554,953	728,079
Maintenance operations services	586,725	515,243	544,479
ALUS Elgin Partnership	-	229,105	204,964
Total expenditures	4,441,340	4,019,570	4,848,510
Annual Surplus	\$609,450	\$845,218	\$1,111,796
Accumulated surplus, beginning of the year	15,780,153	15,780,153	14,668,357
Accumulated surplus, end of the year	<u>\$16,389,603</u>	<u>\$16,625,371</u>	<u>\$15,780,153</u>

LONG POINT REGION CONSERVATION AUTHORITY

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget <u>2020</u> (note 5)	Actual <u>2020</u>	Actual <u>2019</u>
Annual Surplus	\$609,450	\$845,218	\$1,111,796
Acquisition of tangible capital assets	(963,450)	(238,936)	(705,083)
Donated tangible capital assets	-	(325,000)	-
Gain on disposal of tangible capital assets	-	(131,446)	(643,574)
Proceeds on disposal of tangible capital assets	-	131,491	662,698
Amortization of tangible capital assets	-	221,181	185,672
Change in net financial assets	(354,000)	502,508	611,509
Net financial assets, beginning of year	8,646,630	8,646,630	8,035,121
Net financial assets, end of year	<u>\$8,292,630</u>	<u>\$9,149,138</u>	<u>\$8,646,630</u>

LONG POINT REGION CONSERVATION AUTHORITY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Operating activities:		
Annual Surplus	\$845,218	\$1,111,796
Items not affecting cash:		
Amortization of tangible capital assets	221,181	185,672
Gain on disposal of tangible capital assets	(131,446)	(643,574)
Donated tangible capital assets	(325,000)	-
	609,953	653,894
Change in non-cash working capital:		
Accounts receivable	(305,004)	(511,024)
Accrued receivable	112,779	(139,511)
Other receivables	42,412	(26,792)
Accounts payable and accrued liabilities	(75,491)	8,742
Long term liabilities	(7,953)	(7,858)
Deferred revenue	132,424	(297,874)
	509,120	(320,423)
Investing activities:		
Acquisition of tangible capital assets	(238,936)	(705,083)
Change in investments	2,386,816	279,795
Proceeds on disposal of tangible capital assets	131,491	662,698
	2,279,371	237,410
Change in cash	2,788,491	(83,013)
Cash, beginning of year	326,464	409,477
Cash, end of year	\$3,114,955	\$326,464

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

1. Purpose of the Organization

Long Point Region Conservation Authority (the "Authority") is a special purpose environmental body established under the Conservation Authorities Act of Ontario and works with member municipalities, other stakeholders, and undertakes programming to protect, restore and manage the natural resources and features in the Long Point Region Watershed.

2. Significant Accounting Policies

The financial statements of Long Point Region Conservation Authority are the representation of management, prepared in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The policies that are considered to be particularly significant are as follows:

[a] Revenue Recognition

The Authority follows the deferral method of accounting for contributions and government transfers. Restricted contributions and government transfers are deferred and are recognized as revenues in the year in which the related expenses are incurred or services performed. Unrestricted contributions and government transfers are recognized as revenues in the period in which events giving rise to the revenue occur, provided that the transactions are authorized, any eligibility criteria have been met, and a reasonable estimate can be made of the amount to be received.

General grants and levies are recognized in the period they pertain to.

Corporate services, Planning and watershed services, Forestry services, Conservation parks and Maintenance operations services are recognized as the related expenses are incurred and the services are provided.

Interest and investment income is recognized on the accrual basis as it is earned.

[b] Accrual Accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

2. Significant Accounting Policies (continued from previous page)

[c] Internal Transactions

All inter-departmental revenues and expenditures have been eliminated for these financial statements.

[d] Investments

All of the investments are carried at amortized cost using the effective interest rate method. The Board of Directors has the intention to hold investments until maturity.

[e] Reserve Fund Balances

Internally restricted reserves are those with restrictions imposed by the Board of Directors in order to ensure funds are available for financial relief in the event of a significant loss of revenues or other financial emergency for which there is no other source of funding available. Internally restricted funds are as follows:

- (i) The Education Centre Maintenance Fund for the maintenance of the Backus Conservation Education Centre.
- (ii) The OPG Forest Corridor Fund for the long-term monitoring of forest areas.
- (iii) The Memorial Woodlot fund for the donations to the Memorial Woodlot Fund and cost to Memorial Woodlot Fund at Backus.
- (iv) The Lee Brown Waterfowl M.A. Capital Replacement Fund for the capital replacements of Lee Brown Waterfowl M.A.
- (v) The Capital Levy fund for capital additions, replacements or improvements within the authority.
- (vi) The Dam Fund is for maintenance and capital upgrades to LPRCA owned flood control structures
- (vii) The Administration Office Fund is for the future acquisition of office space that meets the organization's needs.
- (viii) The Strategic Investments in Operation/Capital Fund is for investment in operations and capital alignment with the organization's strategic plan.

Externally restricted reserves are those with restriction imposed by individuals external to the Board of Directors. Externally restricted funds are as follows:

- (i) Revenues and expenditures related to the Backus Heritage Village are recorded in the Backus Heritage Village Trust Fund.
- (ii) Revenues and expenditures related to the Leighton and Betty Brown scholarships are recorded in the Leighton and Betty Brown Scholarship Fund.
- (iii) Disposition of Lands Reserve shall use the funds for dam duties and repairs, flood hazard mapping and flood forecasting tools.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

2. Significant Accounting Policies (continued from previous page)

[f] Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual values, of the tangible capital asset, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	20 years
Buildings and building improvements	20 - 50 years
Machinery & equipment	20 years
Furniture and fixtures	10 years
Computers	5 years
Motor vehicles	10 years
Infrastructure	10 - 50 years

Amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Contributed tangible capital assets are recorded into revenues at their fair market values on the date of a donation.

[g] Donations

Unrestricted donations are recorded as revenue in the year they are received. Externally restricted donations are deferred and recognized as revenue in the year in which the related expenses are recognized. Donated materials and services are recorded as revenue and expenditure when the fair market value of the materials and services donated is verifiable, only to the extent the Authority has issued a charitable donation receipt for those materials and services.

[h] Use of Estimates

The preparation of the financial statements of the Authority, in conformity with Canadian public sector accounting standards, requires management to make estimates that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

2. Significant Accounting Policies (continued from previous page)

[i] Contaminated Sites

Contaminated sites are the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or living organism that exceed an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) LPRCA is directly responsible or accepts responsibility for the liability;
- (iv) future economic benefits will be given up; and
- (v) a reasonable estimate of the liability can be made.

[j] Deferred Revenue

The Authority receives contributions principally from public sector bodies pursuant to legislation, regulations or agreements that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or service is performed.

[k] Financial instruments

- (i) Measurement of financial instruments

The Authority initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Authority subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and accrued receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long term liabilities.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

2. Significant Accounting Policies (continued from previous page)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the Statement of Operations and Changes in Accumulated Surplus. The write-down reflects the difference between the carrying amount and the higher of:

- a) the present value of the cash flows expected to be generated by the asset or group of assets;
- b) the amount that could be realized by selling the assets or group of assets;
- c) the net realizable value of any collateral held to secure repayment of the assets of group of assets.

When the event occurring after the impairment confirms that a reversal is necessary, the reversal is recognized in the Statement of Operations and Accumulated Surplus up to the amount of the previously recognized impairment.

3. Cash

Cash consists of cash on hand and all bank account deposits. The cash balance is comprised of the following:

	2020	2019
General	\$3,001,778	\$312,387
Externally restricted:		
Backus Heritage Village	49,412	9,912
Leighton and Betty Brown Scholarship	63,765	4,165
	\$3,114,955	\$326,464

General cash includes a bank account earning interest at 0.65% (2019 – 1.75%).

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

4. Investments

The Authority holds short-term guaranteed investment certificates, money market funds and cash within their investments. The investment balance is comprised of:

	2020	2019
Government and corporate bonds, maturing at various dates between 2021 and 2035, yields varying between 1.50% and 4.859%	\$3,525,000	\$3,580,000
Guaranteed investment certificates maturing at various dates in 2021, yields varying between 0.55% and 2.0%	84,614	2,479,662
Principal protected notes - fixed income note, yields varying between 0% and 7.5%	2,000,000	2,000,000
Money market funds, no specified maturity or yield	7,389	9,167
Cash	96,921	44,607
	5,713,924	8,113,436
Plus: accrued interest	17,055	15,064
Plus: unamortized purchase premium	39,135	28,430
	56,190	43,494
	\$5,770,114	\$8,156,930

5. Budget Figures

The unaudited budget data presented in these financial statements are based upon the 2020 operating and capital budgets approved by the Board of Directors on January 8, 2020.

6. Commitment

The Authority rents a premise under a long-term operating lease that expires October 2023, with three optional renewal periods. The operating lease payments are as follows:

2021	106,563
2022	108,694
2023	87,406
	\$302,663

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

7. Investment Income

Included in corporate services revenue is interest income on investments of \$62,490 (2019 - \$79,368).

8. Donation

The Authority received a land donation recognized at fair market value on the contribution date of \$325,000.

9. Disposition of Lands

The Authority disposed of a property in 2019 under a lease to own agreement. An early transfer date of February 2021 was initiated and approved subsequent to year end. As such the proceeds will be received for the property over 3 fiscal periods (2019 – 2021) and the Authority recognized a gain on the sale of \$124,398 in 2020. The Authority shall use the proceeds for specific purposes. As at December 31, 2020 the Authority has an externally restricted reserve (Lands disposition reserve) balance of \$226,260 for the funds received.

10. Contingent Liabilities

From time to time, the Authority is subject to claims and other lawsuits that arise in the course of ordinary business, in which damages have been sought. These matters may give rise to future liabilities for which the Authority maintains insurance coverage to mitigate such risks. The outcome of these actions is not determinable, and accordingly, no provision has been made in these financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year in which the related litigation is settled.

11. Pension Agreements

The Authority makes contributions to the Ontario Municipal Employees Retirement System (“OMERS”) plan, which is a multi-employer plan, on behalf of full-time and qualifying part-time employees. The plan is a defined benefit pension plan, which specifies the amount of the retirement benefit to be received by employees based on the length of service, pension formula and employee earnings. Employees and employers contribute equally to the plan. In 2020, the Authority’s contribution to OMERS was \$160,161 (2019 – \$126,849).

The latest available report for the OMERS plan was December 31, 2019. At that time the plan reported a \$3.4 billion actuarial deficit (2018 - \$4.2 billion deficit), based on actuarial liabilities of \$106.4 billion (2018 - \$99.1 billion) and actuarial assets of \$103.0 billion (2018 - \$94.9 billion). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

11. Pension Agreements (continued from previous page)

As OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all eligible organizations and their employees. As a result, LPRCA does not recognize any share of the OMERS pension actuarial surplus or deficit.

12. Segmented information

The Authority provides a range of services. Distinguishable functional segments have been separately disclosed in the segmented information schedule. The nature of those segments and the activities they encompass are as follows:

Corporate services

Corporate services is comprised of Governance and general administration. These areas include the Board of Directors, Office of the General Manager, Administration, Accounting and Finance, Communications, Information Services and Human Resources.

Planning and Watershed

Planning and watershed provides services related to property development, technical reviews, operation of flood control structures, flood forecasting and warning, restoration programming, source water protection and water quality monitoring.

Forestry services

Forestry is comprised of Stewardship services and Forestry. Stewardship provides tree planting, restoration and establishment programs. Forestry sustainably manages the Authority's forest tracts resources.

Backus Heritage conservation area

Backus Heritage Conservation Area provides conservation education programming, heritage programming, recreational and camping activities and is home to the Backhouse National Historic Site.

Conservation parks

Conservation parks provides recreational and camping activities at: Deer Creek Conservation Area, Haldimand Conservation Area, Norfolk Conservation Area and Waterford North Conservation Area.

Maintenance operations services

Maintenance Operations Services provides property, plant and equipment maintenance services and includes the Lee Brown Marsh.

ALUS Elgin Partnership

Alternative Land Uses Services (ALUS) Elgin Partnership provides ecosystem services on agricultural lands in Elgin County.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

13. Financial instruments and risks

Unless otherwise noted, it is management's opinion that the Authority is not exposed to significant risks. There have been no changes in the Authority's risk exposures from the prior year.

Credit risk

The Authority is exposed to credit risk through its cash and accounts receivable. The Authority reduces its exposure to credit risk by creating an allowance for bad debts when applicable. The majority of the Authority's receivables are from government entities. The Authority mitigates its exposure to credit loss by placing its cash with major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its obligations as they become due. The Authority manages this risk by establishing budgets and funding plans to fund its expenses.

14. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.

15. Significant Events

The COVID-19 (coronavirus) pandemic has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Authority as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The Authority continues to provide services throughout the watershed and no changes to essential services funding are anticipated for the coming year.

In December 2020 the Province of Ontario approved Bill 229, Ontario's Budget Measures Act, including Schedule 6 amendments will directly impacts Conservation Authorities. The extent of the impact is unknown at this time. The Authority anticipates Bill 229 amendments to impact fiscal 2022 and beyond.

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 1 –SCHEDULE OF DEFERRED REVENUE FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
Balance, beginning of year	\$583,240	\$881,114
Externally restricted contributions	534,121	370,535
Interest earned, restricted	90,774	139,325
Contributions used in operations	(492,471)	(807,734)
Balance, end of year	\$715,664	\$583,240

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 2 –SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2020

For the year ended December 31, 2020									
Cost					Accumulated Amortization				
2020									
	Opening Balance	Additions	Disposals	Balance End of Year	Accumulated Amortization Beginning of Year	Reversals	Amortization	Accumulated Amortization End of Year	Net Carrying Amount End of Year
Land	\$4,276,193	\$ 329,089	\$ 45	\$ 4,605,237	\$ -	\$ -	\$ -	\$ -	\$ 4,605,237
Land improvements	75,047	1,338	-	76,385	4,954	-	3,752	8,706	67,679
Buildings	2,182,594	6,951	-	2,189,545	1,069,808	-	44,066	1,113,873	1,075,672
Machinery and equipment	453,183	13,278	-	466,461	197,510	-	20,427	217,937	248,524
Furniture and fixtures	7,611	984	-	8,595	565	-	860	1,424	7,171
Computers	236,048	9,898	-	245,946	215,419	-	10,525	225,945	20,001
Motor vehicles	507,959	68,830	-	576,789	269,721	-	47,634	317,355	259,434
Infrastructure	1,706,300	133,568	-	1,839,868	553,437	-	93,916	647,353	1,192,515
Total	\$9,444,935	\$ 563,936	\$ 45	\$10,008,826	\$ 2,311,413	\$ -	\$ 221,181	\$ 2,532,594	\$ 7,476,233

For the year ended December 31, 2019									
Cost					Accumulated Amortization				
2019									
	Opening Balance	Additions	Disposals	Balance End of Year	Accumulated Amortization Beginning of Year	Reversals	Amortization	Accumulated Amortization End of Year	Net Carrying Amount End of Year
Land	\$4,281,194	\$ -	\$ 5,000	\$ 4,276,193	\$ -	\$ -	\$ -	\$ -	\$ 4,276,193
Land improvements	19,733	55,314	-	75,047	4,094	-	859	4,954	70,094
Buildings	2,085,838	96,756	-	2,182,594	1,026,090	-	43,719	1,069,808	1,112,787
Machinery and equipment	410,992	64,028	21,836	453,183	187,826	10,251	19,935	197,510	255,673
Furniture and fixtures	3,765	3,846	-	7,611	188	-	377	565	7,047
Computers	227,702	8,347	-	236,048	206,291	-	9,128	215,419	20,629
Motor vehicles	458,641	70,765	21,447	507,959	245,623	18,908	43,006	269,721	238,238
Infrastructure	1,300,271	406,027	-	1,706,300	484,790	-	68,648	553,437	1,152,862
Total	\$8,788,136	\$ 705,083	\$ 48,283	\$ 9,444,935	\$ 2,154,902	\$ 29,160	\$ 185,672	\$ 2,311,413	\$ 7,133,523

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 3 –SCHEDULE OF INTERNALLY RESTRICTED RESERVES FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance, beginning of year	Transfer from operations	Transfer to operations	Balance, end of year
Education Centre	\$ 50,880	\$ -	\$ -	\$ 50,880
OPG Forest Corridor	45,328	-	-	45,328
Memorial Woodlot	13,688	1,592	-	15,280
Lee Brown Waterfowl Capital	14,676	2,575	-	17,251
Dam Reserve	50,000	-	-	50,000
Administration Office	569,567	-	-	569,567
Strategic Investments in operations/capital	255,645	-	-	255,645
Capital Levy	361,554	434,450	298,455	497,549
Unrestricted Reserve	2,068,821	328,541	44,255	2,353,107
	\$ 3,430,159	\$ 767,158	\$ 342,710	\$3,854,607

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 4 –SCHEDULE OF EXTERNALLY RESTRICTED RESERVES FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance, beginning of year	Excess revenue over expenditures	Transfer to internally restricted	Balance, end of year
Backus Heritage Village	\$ 69,974	\$ 1,500	\$ -	\$ 71,474
Leighton & Betty Brown Scholarship	123,997	300	-	124,297
Backus Woods	4,872,500	-	-	4,872,500
Disposition of Lands Reserve	150,000	76,260	-	226,260
	\$ 5,216,471	\$ 78,060	\$ -	\$ 5,294,531

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 5 –SCHEDULE OF SEGMENTED REPORTING (continued) FOR THE YEAR ENDED DECEMBER 31, 2020

2020 Schedule of Segmented Reporting

	Corporate services	Planning and watershed services	Forestry services	Backus Heritage conservation area	Conservation parks	Maintenance operations services	ALUS Elgin Partnership	2020 Total
Revenue:								
Levies	\$711,025	\$573,939	-	\$133,913	-	\$660,533	-	\$2,079,410
Grants	-	35,229	-	-	-	-	-	35,229
Fees	212,710	468,742	-	238,763	588,900	135,799	229,105	1,874,019
Forestry	-	-	419,684	-	-	-	-	419,684
Donations	325,000	-	-	-	-	-	-	325,000
Gain on disposal of tangible capital assets	131,446	-	-	-	-	-	-	131,446
Total revenue	1,380,181	1,077,910	419,684	372,676	588,900	796,332	229,105	4,864,788
Expenditures:								
Compensation	604,264	587,843	184,205	200,680	326,593	318,166	61,309	2,283,060
Administration	236,407	7,073	770	42,188	67,444	12,012	87,770	453,664
Professional/contracted services	140,204	336,832	57,624	9,411	41,228	13,378	67,149	665,826
Materials and supplies	16,756	16,643	41,290	14,604	35,209	19,848	12,166	156,516
Amortization	8,732	43,192	-	38,722	61,220	69,316	-	221,182
Repairs and maintenance	118,215	-	-	10,821	22,787	39,864	316	192,003
Motor pool	-	3,536	-	257	472	42,659	395	47,319
Total expenditures	1,124,578	995,119	283,889	316,683	554,953	515,243	229,105	4,019,570
Surplus	\$255,603	\$82,791	\$135,795	\$55,993	\$33,947	\$281,089	-	\$845,218

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 5 –SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2020

2019 Schedule of Segmented Reporting

	Corporate services	Planning and watershed services	Forestry services	Backus Heritage conservation area	Conservation parks	Maintenance operations services	ALUS Elgin Partnership	2019 Total
Revenue:								
Levies	\$762,090	\$683,316	-	\$152,708	-	\$445,088	-	\$2,043,202
Grants	-	35,229	-	-	-	-	-	35,229
Fees	240,737	768,965	-	495,609	935,089	165,498	204,964	2,810,862
Forestry	-	-	427,439	-	-	-	-	427,439
Donations	-	-	-	-	-	-	-	-
Gain on disposal of tangible capital assets	643,574	-	-	-	-	-	-	643,574
Total revenue	1,646,401	1,487,510	427,439	648,317	935,089	610,586	204,964	5,960,306
Expenditures:								
Compensation	619,286	637,266	172,428	457,498	439,226	341,976	73,289	2,740,969
Administration	235,484	6,444	801	56,414	63,127	13,175	82,816	458,261
Professional/ contracted services	182,288	503,201	132,430	19,953	105,716	7,487	28,776	979,851
Materials and Supplies	20,078	11,872	89,846	23,945	41,309	26,504	17,776	231,330
Amortization	6,852	30,117	-	36,850	49,643	62,209	-	185,671
Repairs and maintenance	109,616	6,583	84	11,225	27,815	32,770	449	188,542
Motor pool	-	-	-	428	1,242	60,358	1,858	63,886
Total expenditures	1,173,604	1,195,483	395,589	606,313	728,078	544,479	204,964	4,848,510
Surplus	\$472,797	\$292,027	\$31,850	\$42,004	\$207,011	\$66,107	-	\$1,111,796