



Financial Statements

Niagara Peninsula Conservation Authority

December 31, 2014

Contents

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Debt	5
Statement of Continuity of Reserves and Reserve Fund	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 15
Schedules of Segment Revenues and Expenses	16 - 26

Independent Auditor's Report

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To the Members of
Niagara Peninsula Conservation Authority

We have audited the accompanying financial statements of the Niagara Peninsula Conservation Authority, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in net debt, continuity of reserves and reserve fund, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Niagara Peninsula Conservation Authority as at December 31, 2014, and the results of its operations, changes in net debt and its cash flows and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



St. Catharines, Canada
September 17, 2015

Chartered Accountants
Licensed Public Accountants

Niagara Peninsula Conservation Authority

Statement of Financial Position

As at December 31

2014

2013

Financial assets

Cash and cash equivalents	\$ 4,054,645	\$ 5,604,466
Portfolio investments (Note 3)	3,059,016	3,003,193
Accounts receivable		
Government transfers	37,500	111,329
Municipal levies	4,289	5,257
Niagara Peninsula Conservation Foundation	1,386	30,010
Other	221,729	242,448
	<u>264,904</u>	<u>389,044</u>
	<u>7,378,565</u>	<u>8,996,703</u>

Liabilities

Accounts payable and accrued liabilities	425,746	667,052
Employee future benefits (Note 4)	122,000	150,000
Deferred revenue - Other	421,005	378,633
Deferred revenue -		
Welland River restoration (Ontario Power Generation)	1,939,702	2,076,143
Long-term debt (Note 5)	4,825,443	6,214,431
	<u>7,733,896</u>	<u>9,486,259</u>

Net debt

(355,331) (489,556)

Non-financial assets

Prepaid expenses	24,000	24,000
Tangible capital assets (Note 6)	17,747,541	16,521,320

Accumulated surplus

\$17,416,210 \$16,055,764

Accumulated surplus consists of the following:

Reserves (Page 6)

Unexpended capital reserves	\$ 3,836,373	\$ 4,696,958
Operating reserves	641,636	1,026,981
	<u>4,478,009</u>	<u>5,723,939</u>

Reserve fund (Page 6)

Accumulated sick leave (Note 8)	16,103	24,936
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Net assets invested in tangible capital assets (Note 10)

12,922,098 10,306,889
\$17,416,210 \$16,055,764

Approved on behalf of the Authority

Chair _____ Chief Administrative Officer

Niagara Peninsula Conservation Authority Statement of Operations

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Revenues			
Government transfers			
Province of Ontario - Ministry of Natural Resources and Forestry	\$ 174,500	\$ 174,496	\$ 174,496
Province of Ontario - Other	404,067	346,482	688,834
Government of Canada	222,000	199,857	234,980
Municipal levies			
General	3,871,353	3,871,353	3,153,850
Special	3,959,692	3,954,257	4,491,863
Authority generated			
User fees, sales and admissions	1,441,076	1,394,341	1,256,785
Niagara Peninsula Conservation Foundation	81,000	-	39,802
Administration fees	260,000	375,326	321,433
Interest	50,000	100,423	114,766
Land contribution (Note 6)	-	-	67,000
Other	371,762	543,182	626,952
	<u>10,835,450</u>	<u>10,959,717</u>	<u>11,170,761</u>
Expenses			
Corporate services (Page)	2,382,603	2,629,467	1,350,689
Watershed management and health monitoring (Page 17)	2,410,411	2,317,969	2,942,227
Environmental advisory services (Page 20)	691,171	710,572	503,303
Conservation land management (Page 21)	820,943	820,580	1,390,330
Conservation land programming and development (Page 22)	2,375,160	2,497,743	2,366,033
Vehicle and equipment, net of usage charged (Page 25)	74,940	47,472	23,550
	<u>8,755,228</u>	<u>9,023,803</u>	<u>8,576,132</u>
Annual surplus before amortization	2,080,222	1,935,914	2,594,629
Amortization	575,468	575,468	542,005
Annual surplus	<u>1,504,754</u>	<u>1,360,446</u>	<u>2,052,624</u>
Accumulated surplus			
Beginning of year	16,055,764	16,055,764	14,003,140
End of year	<u>\$17,560,518</u>	<u>\$17,416,210</u>	<u>\$16,055,764</u>

Niagara Peninsula Conservation Authority Statement of Changes in Net Debt

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Annual surplus	\$ 1,504,754	\$ 1,360,446	\$ 2,052,624
Changes in non-financial assets			
Acquisition of tangible capital assets	(1,337,000)	(1,908,934)	(653,378)
Contributed tangible capital assets	-	-	(67,000)
Disposal of tangible capital assets	-	107,245	-
Amortization	<u>575,468</u>	<u>575,468</u>	<u>542,005</u>
	743,222	134,225	1,874,251
Net debt			
Beginning of year	<u>(489,556)</u>	<u>(489,556)</u>	<u>(2,363,807)</u>
End of year	<u>\$ 253,666</u>	<u>\$ (355,331)</u>	<u>\$ (489,556)</u>

Niagara Peninsula Conservation Authority

Statement of Continuity of Reserves and Reserve Fund

Year ended December 31	Appropriations			
	2013	From Operations	To Operations	2014
Unexpended capital reserves				
Capital assets				
Vehicle	\$ 214,789	\$ 15,508	\$ 19,566	\$ 210,731
Equipment	85,078	26,127	31,623	79,582
Computers and office equipment	<u>79,522</u>	<u>-</u>	<u>-</u>	<u>79,522</u>
	<u>379,389</u>	<u>41,635</u>	<u>51,189</u>	<u>369,835</u>
Conservation area capital reserve				
Regional Municipality of Niagara	544,053	164,156	-	708,209
City of Hamilton	41,034	61,615	-	102,649
Haldimand County	11,274	320	-	11,594
Jordan Harbour	86,286	-	86,286	-
Land acquisition - Hamilton	600,000	100,000	-	700,000
Land acquisition - Niagara	<u>1,857,330</u>	<u>500,000</u>	<u>1,627,615</u>	<u>729,715</u>
	<u>3,139,977</u>	<u>826,091</u>	<u>1,713,901</u>	<u>2,252,167</u>
Water management capital projects				
Welland River restoration - capital	5,153	-	5,153	-
Welland River restoration - Niagara	217,054	25,156	-	242,210
Welland River restoration - Hamilton	3,160	7,516	-	10,676
Water Management	94,472	-	48,305	46,167
Watershed Studies - Niagara	3,162	-	-	3,162
Watershed Studies - Hamilton	20,260	-	-	20,260
Watershed Studies - Haldimand	22,032	-	-	22,032
Flood protection services	414,642	69,336	-	483,978
Resource inventory & monitoring	<u>397,657</u>	<u>-</u>	<u>11,771</u>	<u>385,886</u>
	<u>1,177,592</u>	<u>102,008</u>	<u>65,229</u>	<u>1,214,371</u>
	<u>\$ 4,696,958</u>	<u>\$ 969,734</u>	<u>\$ 1,830,319</u>	<u>\$ 3,836,373</u>
Operating reserves				
Conservation areas				
Regional Municipality of Niagara	\$ 90,274	\$ -	\$ -	\$ 90,274
City of Hamilton	205,989	-	14,617	191,372
Haldimand County	<u>18,575</u>	<u>-</u>	<u>3,644</u>	<u>14,931</u>
	<u>314,838</u>	<u>-</u>	<u>18,261</u>	<u>296,577</u>
Conservation land management				
Tree bylaw	57,998	3,767	-	61,765
Agreement forest	20,606	-	-	20,606
Regulations and planning services	309,100	-	100,000	209,100
General operating contingency	303,210	53,588	303,210	53,588
Debt charge reserve	<u>21,229</u>	<u>4,873</u>	<u>26,102</u>	<u>-</u>
	<u>712,143</u>	<u>62,228</u>	<u>429,312</u>	<u>345,059</u>
	<u>\$ 1,026,981</u>	<u>\$ 62,228</u>	<u>\$ 447,573</u>	<u>\$ 641,636</u>
Reserve fund				
Accumulated sick leave	<u>\$ 24,936</u>	<u>\$ 1,167</u>	<u>\$ 10,000</u>	<u>\$ 16,103</u>

Niagara Peninsula Conservation Authority

Statement of Cash Flows

Year ended December 31

2014

2013

Increase (decrease) in cash and cash equivalents

Operating activities

Annual surplus	\$ 1,360,446	\$ 2,052,624
Adjustments for non-cash items		
Amortization of tangible capital assets	575,468	542,005
Contributed tangible capital assets	-	(67,000)
Loss (gain) on disposal of tangible capital assets	88,322	(12,474)
Employee future benefits	(28,000)	(43,000)
	1,996,236	2,472,155
Changes in non-cash working capital		
Accounts receivable	124,140	61,702
Accrued interest on investments	(323)	830
Accounts payable and accrued liabilities	(241,306)	185,138
Deferred revenue - Other	42,372	(179,696)
Deferred revenue - Welland River restoration (Ontario Power Generation)	(136,441)	(141,543)
	1,784,678	2,398,586

Investing activities

Proceeds from sale of investments	3,000,000	3,350,000
Purchases of investments	(3,055,500)	(3,000,000)
	(55,500)	350,000

Capital activities

Purchases of tangible capital assets	(1,908,935)	(653,378)
Proceeds from disposal of tangible capital assets	18,924	12,474
Payments on long-term debt	(1,388,988)	(1,298,352)
	(3,278,999)	(1,939,256)

(Decrease) increase in cash and cash equivalents

(1,549,821) 809,330

Cash and cash equivalents

Beginning of year	5,604,466	4,795,136
End of year	\$ 4,054,645	\$ 5,604,466

Niagara Peninsula Conservation Authority

Notes to the Financial Statements

December 31, 2014

1. Nature of operations

The Niagara Peninsula Conservation Authority ("the Authority") is established under The Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources. It is exempt from income taxes under section 149(1)(c) of the Income Tax Act.

2. Significant accounting policies

Management responsibility

The financial statements are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The significant accounting policies used are as follows:

Basis of 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.

Cash and cash equivalents

Cash and temporary investments include cash on hand, balances with banks and guaranteed investment certificates that mature within one year.

Portfolio investments

Portfolio investments are valued at the lower of cost and market value. Interest income is reported as revenue in the period earned.

Deferred revenue

Deferred revenues represent government transfers and user fees which have been collected but for which related expenditures or related services have yet to be performed. These amounts will be recognized as revenues in the year the expenditures are made or services provided.

Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenses in the acquisition, construction, development and/or betterment of the asset required to install the asset at the location and in the condition necessary for its intended use. Contributed tangible capital assets are capitalized at their estimated fair value upon acquisition.

Niagara Peninsula Conservation Authority

Notes to the Financial Statements

December 31, 2014

2. Significant accounting policies (continued)

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits incidental to ownership are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Amortization is calculated on a straight-line basis to write-off the net cost of each asset over its estimated useful life for all classes except land. Land is considered to have an infinite life without amortization. Residual values of assets are assumed to be zero with any net gain or loss arising from the disposal of assets recognized in the Statement of Operations as "Other" revenue. Full-year amortization is charged in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

Amortization is based on the following classifications and useful lives:

Land improvements	20 years
Buildings	30 years
Dams	15 to 100 years
Gauge stations	15 to 30 years
Equipment	10 years
Vehicles	5 years
Office equipment	5 years

Vehicles and equipment

The Authority maintains reserves for replacement of vehicles and equipment. Internal charges for the use of the vehicles and equipment are made to the various projects and programs of the Authority. The internal charges are designed to recover the costs of operating equipment including replacement.

Reserves

Reserves for future expenditures and contingencies are established as required at the discretion of the board of directors of the Authority. Increases or decreases in these reserves are made by appropriations from or to operations.

Revenue recognition

a) Government transfers

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

b) Municipal levies

Municipal levies are recognized as revenue in the period in which the levy is issued.

c) Authority generated

User fees, sales and admissions are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection. Other revenues are recorded when they are earned and collection is reasonably assured.

Niagara Peninsula Conservation Authority

Notes to the Financial Statements

December 31, 2014

2. Significant accounting policies (continued)

Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. One area in which management makes an estimate is with regards to obligations for employee benefits.

3. Portfolio investments

Portfolio investments consist of a bank guaranteed investment certificate bearing interest of 2% maturing in December 2015. Interest is receivable on maturity. Carrying value approximates market value.

4. Employee future benefits

The Authority provides extended life, health and dental benefits for early retirees to age 65 which will require funding in future periods. The Authority recognizes these post-retirement costs in the period in which the employees rendered the services. The accrued benefit liability at December 31, 2014 was estimated by management to be \$150,000 (2013 - \$150,000).

5. Long-term debt

	<u>2014</u>	<u>2013</u>
The Authority has assumed responsibility for the payment of principal and interest charges on long-term debt issued by the Region of Niagara. The debt bears interest at 5%. At the end of the year, the outstanding principal amount of this debt is:	<u>\$ 4,825,443</u>	<u>\$ 6,214,431</u>

Principal repayments in each of the next five years are due as follows:

2015	\$ 1,204,393
2016	1,177,920
2017	982,670
2018	760,429
2019	483,705

The Authority paid \$258,685 (2013 - \$331,392) in interest on long-term debt during the year.

Niagara Peninsula Conservation Authority

Notes to the Financial Statements

December 31, 2014

6. Tangible capital assets

	Cost Beginning of Year	Additions	Disposals	Cost End of Year	Accumulated Amortization Beginning of Year	Amortization	Disposals	Accumulated Amortization End of Year	Net Book Value 2014
Land	\$5,881,089	\$1,590,707	\$ -	\$7,471,796	\$ -	\$ -	\$ -	\$ -	\$ 7,471,796
Land improvements	4,341,645	100,460	92,551	4,349,554	1,973,809	175,029	9,687	2,139,151	2,210,403
Buildings	5,104,384	297,030	-	5,401,414	1,416,287	171,315	-	1,587,602	3,813,812
Dams	4,977,128	9,514	-	4,986,642	1,417,616	59,085	-	1,476,701	3,509,941
Gauge stations	294,931	49,671	-	344,602	103,163	18,237	-	121,400	223,202
Equipment	974,756	67,296	44,330	997,722	538,534	85,927	19,949	604,512	393,210
Vehicles	211,610	19,566	-	231,176	143,275	34,545	-	177,820	53,356
Office equipment	261,898	41,232	-	303,130	203,118	31,330	-	234,448	68,682
Work-in-progress	269,681	3,139	269,681	3,139	-	-	-	-	3,139
	<u>\$22,317,122</u>	<u>\$2,178,615</u>	<u>\$ 406,562</u>	<u>\$24,089,175</u>	<u>\$5,795,802</u>	<u>\$ 575,468</u>	<u>\$ 29,636</u>	<u>\$6,341,634</u>	<u>\$17,747,541</u>

	Cost Beginning of Year	Additions	Disposals	Cost End of Year	Accumulated Amortization Beginning of Year	Amortization	Disposals	Accumulated Amortization End of Year	Net Book Value 2013
Land	\$5,814,089	\$ 67,000	\$ -	\$5,881,089	\$ -	\$ -	\$ -	\$ -	\$5,881,089
Land improvements	4,079,653	261,992	-	4,341,645	1,803,803	170,006	-	1,973,809	2,367,836
Buildings	5,100,841	3,543	-	5,104,384	1,254,873	161,414	-	1,416,287	3,688,097
Dams	4,977,128	-	-	4,977,128	1,359,165	58,451	-	1,417,616	3,559,512
Gauge stations	294,931	-	-	294,931	88,238	14,925	-	103,163	191,768
Equipment	916,928	57,828	-	974,756	451,167	87,367	-	538,534	436,222
Vehicles	189,709	40,401	18,500	211,610	137,013	24,762	18,500	143,275	68,335
Office equipment	229,258	32,640	-	261,898	178,038	25,080	-	203,118	58,780
Work-in-progress	13,448	256,974	741	269,681	-	-	-	-	269,681
	<u>\$21,615,985</u>	<u>\$ 720,378</u>	<u>\$ 19,241</u>	<u>\$22,317,122</u>	<u>\$5,272,297</u>	<u>\$ 542,005</u>	<u>\$ 18,500</u>	<u>\$5,795,802</u>	<u>\$16,521,320</u>

On November 13, 2013 the Authority received a donation of property. The property was appraised and recorded at a fair value of \$67,000. This amount has been added to the cost of the land and reported in revenue as a land contribution in 2013.

7. Credit facility

The Authority's credit facility includes an overdraft lending account of \$800,000 bearing interest at prime. No amount was outstanding as at the year end. The facility is secured by a general security agreement.

Niagara Peninsula Conservation Authority

Notes to the Financial Statements

December 31, 2014

8. Liability for sick leave benefits

Under the sick leave benefit plan, unused sick leave was accumulated to March 1, 1990 and employees may become entitled to a cash payment at their current rate of pay when they leave the Authority's employment.

The liability for these accumulated days to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$20,459 (2013 - \$19,637) at the end of the year. A reserve fund of \$16,103 (2013 - \$24,936) has been provided for this past service liability at December 31, 2014.

9. Pension plan

The Authority makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of the 58 (2013 - 60) members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, the Authority does not recognize any share of the pension plan deficit of \$5.3 billion (2013 - \$8.3 billion) based on the fair market value of the Plan's assets, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2014 calendar year at rates ranging from 9.0% to 15.9% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the Statement of Operations. Employer contributions to OMERS for 2014 current and past service was \$412,501 (2013 - \$392,282) and were matched by employee contributions in a similar amount.

10. Net assets invested in tangible capital assets

The net assets invested in tangible capital assets is represented by:

	<u>2014</u>	<u>2013</u>
Tangible capital assets net book value	\$17,747,541	\$16,521,320
Less: Past capital levy due to the Region (Note 5)	<u>(4,825,443)</u>	<u>(6,214,431)</u>
	<u>\$12,922,098</u>	<u>\$10,306,889</u>

11. Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Niagara Peninsula Conservation Authority

Notes to the Financial Statements

December 31, 2014

12. Economic interest in Niagara Peninsula Conservation Foundation

The Authority has an economic interest in the Niagara Peninsula Conservation Foundation ("Foundation"). The Foundation is incorporated under the laws of Ontario to assist in the cultivation and advancement of conservation by actively seeking support for conservation projects and programs through fund raising efforts and by serving as custodian for the donations and gifts. The Foundation is a charity that is exempt from income tax under the Income Tax Act. The Authority is the main beneficiary of the Foundation's externally restricted and unrestricted funds.

The Foundation follows Canadian accounting standards for non-profit organizations, the financial highlights of the Foundation for the year ending December 31, 2014 are as follows:

Statement of Financial Position

	<u>2014</u>	<u>2013</u>
Assets	<u>\$ 249,262</u>	<u>\$ 249,841</u>
Liabilities	<u>\$ 4,446</u>	<u>\$ 33,010</u>
Net assets		
Endowment fund	73,673	69,986
Externally restricted fund	65,527	65,527
Unrestricted fund	<u>105,616</u>	<u>81,318</u>
	<u>244,816</u>	<u>216,831</u>
	<u>\$ 249,262</u>	<u>\$ 249,841</u>

Statement of Operations

	<u>2014</u>	<u>2013</u>
Revenues	<u>\$ 53,976</u>	<u>\$ 80,069</u>
Expenses	<u>25,991</u>	<u>33,654</u>
Excess of revenues before transfers	<u>27,985</u>	<u>46,415</u>
Transfers to the Authority	<u>-</u>	<u>39,802</u>
Excess of revenues over expenses for the year	<u>\$ 27,985</u>	<u>\$ 6,613</u>

Statement of Cash Flows

	<u>2014</u>	<u>2013</u>
Excess of revenues over expenses for the year	<u>\$ 27,985</u>	<u>\$ 6,613</u>
Changes in non-cash working capital	<u>(26,362)</u>	<u>22,377</u>
Increase (decrease) in cash and equivalents	<u>1,623</u>	<u>28,990</u>
Cash and equivalents, beginning of year	<u>248,049</u>	<u>219,059</u>
Cash and equivalents, end of year	<u>\$ 249,672</u>	<u>\$ 248,049</u>

Niagara Peninsula Conservation Authority

Notes to the Financial Statements

December 31, 2014

13. Budget

The budget adopted by the Authority on March 19, 2014 was not prepared on a basis consistent with that used to report actual results in accordance with Canadian public sector accounting standards. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. As a result, the budget figures presented in the statement of operations and statement of changes in net debt represent the budget adopted by by the Authority with the following adjustments:

Budgeted annual surplus	\$	-
Add:		
Acquisition of tangible capital assets		1,337,000
Repayment of long term debt		1,304,448
Less:		
Transfers to (from) reserves, net		(561,226)
Amortization of tangible capital assets		<u>(575,468)</u>
Budgeted surplus per statement of operations	\$	<u>1,504,754</u>

14. Segmented information

The Authority provides a wide range of services which are categorized by department. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Corporate services

Corporate services is comprised of the administration of the offices.

Watershed management and health monitoring

The watershed management department is the umbrella for three divisions dedicated to monitoring, regulating, protecting and improving the health and safety of our watershed.

Environmental advisory services

The environmental advisory services department provides municipal and development plan input and review services.

Conservation land management

Conservation land management is the administration department for the conservation areas.

Conservation land programming and development

Conservation land programming and development is responsible for maintenance and improvements to the conservation areas.

Niagara Peninsula Conservation Authority

Notes to the Financial Statements

December 31, 2014

14. Segmented information (continued)

Vehicles and equipment

The vehicles and equipment department accounts for the cost of maintaining the vehicles and equipment. The use of the vehicles and equipment are charged to other departments as they are used based on fixed rates.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

Niagara Peninsula Conservation Authority

Notes to the Financial Statements

December 31, 2014

Revenues

Government transfers			
Province of Ontario - Other	\$ 35,700	\$ -	\$ 125,000
Municipal levies			
General	1,949,903	1,949,903	1,188,324
Special	35,000	35,000	24,101
Authority generated			
Interest	50,000	100,423	114,766
Other	-	5,635	13,644
	<u>2,070,603</u>	<u>2,090,961</u>	<u>1,465,835</u>

Expenses

Corporate management	739,368	872,283	367,738
Office services	470,900	487,312	320,209
Financial services	204,739	242,642	205,891
Human resources	129,180	103,004	65,026
Information technology	371,933	413,363	111,733
Corporate communications	466,483	510,863	280,092
	<u>2,382,603</u>	<u>2,629,467</u>	<u>1,350,689</u>

Annual (deficit) surplus (312,000) (538,506) 115,146

Acquisition of tangible capital assets 33,000 15,528 16,625

Annual (deficit) surplus after acquisition of tangible capital assets \$ (345,000) \$ (554,034) \$ 98,521

Niagara Peninsula Conservation Authority

Watershed Management and Health Monitoring

Schedule of Segment Disclosure

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Revenues			
Government transfers			
Province of Ontario - Ministry of Natural Resources and Forestry	\$ 115,700	\$ 115,696	\$ 115,700
Province of Ontario - Other	348,367	346,482	555,284
Government of Canada	222,000	199,857	234,980
Municipal levies			
General	977,917	977,917	1,221,922
Special	406,937	401,502	491,462
Authority generated			
Administration fees	120,000	151,580	152,283
Other	<u>172,890</u>	<u>382,244</u>	<u>394,046</u>
	<u>2,363,811</u>	<u>2,575,278</u>	<u>3,165,677</u>
Expenses			
Watershed studies	260,067	263,171	443,585
Resource inventory and environmental monitoring (Page 18)	1,307,236	1,370,981	2,004,339
Flood protection services (Page 19)	<u>843,108</u>	<u>683,817</u>	<u>756,429</u>
	<u>2,410,411</u>	<u>2,317,969</u>	<u>3,204,353</u>
Annual surplus (deficit) before allocation	(46,600)	257,309	(38,676)
Allocation from Land Management	-	-	262,126
Annual surplus (deficit)	(46,600)	257,309	223,450
Acquisition of tangible capital assets	<u>3,400</u>	<u>66,595</u>	<u>54,603</u>
Annual surplus (deficit) after acquisition of tangible capital assets	\$ <u>(50,000)</u>	\$ <u>190,714</u>	\$ <u>168,847</u>

**Niagara Peninsula Conservation Authority
Watershed Management and Health Monitoring
Schedule of Resource Inventory and Environmental
Monitoring Expenses**

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Resource Inventory and Environmental Monitoring			
Niagara River remedial action plan co-ordination	\$ 99,300	\$ 103,353	\$ 104,838
Welland River watershed restoration	250,011	214,572	542,789
Watershed general restoration	195,371	254,867	252,668
12 Mile Creek watershed restoration	144,959	140,132	162,345
Watershed well de-commissioning program	25,000	18,862	19,993
20 Mile Creek restoration	100,039	85,590	139,006
Watershed water quality monitoring program	255,634	271,488	212,577
Lyon's creek sediment remediation	-	-	10,250
Niagara Children's Water Festival	130,393	181,822	195,868
15, 16, 18 Mile creeks restoration	-	-	128,295
Fort Erie creeks restoration	-	-	52,415
Niagara-on-the-Lake creeks restoration	93,639	94,291	170,092
Other	<u>12,890</u>	<u>6,004</u>	<u>13,203</u>
Expenses for the year	1,307,236	1,370,981	2,004,339
<i>Acquisition of tangible capital assets</i>	<u>3,200</u>	<u>23,812</u>	<u>4,586</u>
<i>Expenses for the year</i>	<u>\$ 1,310,436</u>	<u>\$ 1,394,793</u>	<u>\$ 2,008,925</u>

Niagara Peninsula Conservation Authority
Watershed Management and Health Monitoring
Schedule of Flood Protection Services Expenses

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Flood Protection Services			
Flood forecasting and warning	\$ 176,215	\$ 190,013	\$ 207,562
Flood control structures	143,786	122,701	117,858
Floodplain regulations	325,704	293,036	232,985
Watershed floodplain mapping update	<u>197,403</u>	<u>78,067</u>	<u>198,024</u>
Expenses for the year	843,108	683,817	756,429
<i>Acquisition of tangible capital assets</i>	<u>200</u>	<u>9,514</u>	<u>46,795</u>
<i>Expenses for the year</i>	<u>\$ 843,308</u>	<u>\$ 693,331</u>	<u>\$ 803,224</u>

**Niagara Peninsula Conservation Authority
Environmental Advisory Services
Schedule of Segment Disclosure**

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Revenues			
Government transfers			
Province of Ontario - Ministry of Natural Resources and Forestry	\$ 58,800	\$ 58,800	\$ 58,796
Municipal levies			
General	492,371	492,371	320,389
Authority generated			
Administration fees	140,000	223,746	169,150
Other	<u>-</u>	<u>7,500</u>	<u>-</u>
	<u>691,171</u>	<u>782,417</u>	<u>548,335</u>
Expenses			
Municipal plan input and review	422,173	426,130	363,813
Development plan input and review	<u>268,998</u>	<u>284,442</u>	<u>139,490</u>
	<u>691,171</u>	<u>710,572</u>	<u>503,303</u>
Annual surplus	-	71,845	45,032
<i>Acquisition of tangible capital assets</i>	<u>-</u>	<u>-</u>	<u>682</u>
<i>Annual surplus after acquisition of tangible capital assets</i>	<u>\$ -</u>	<u>\$ 71,845</u>	<u>\$ 44,350</u>

Niagara Peninsula Conservation Authority

Conservation Land Management

Schedule of Segment Disclosure

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Revenues			
Municipal levies			
General	\$ 349,722	\$ 349,722	\$ 322,275
Special	1,747,569	1,747,569	2,429,743
Authority generated			
User fees, sales and admissions	9,100	9,651	9,375
Other	19,000	23,011	25,014
	<u>2,125,391</u>	<u>2,129,953</u>	<u>2,786,407</u>
Expenses			
Operations	636,507	639,911	682,798
Tree conservation by-law - Niagara	184,436	180,669	107,532
	<u>820,943</u>	<u>820,580</u>	<u>790,330</u>
Annual surplus before allocations	1,304,448	1,309,373	1,996,077
Allocations to:			
Land Programming and Development	-	-	(337,874)
Watershed Management and Health Monitoring	-	-	(262,126)
Annual surplus	1,304,448	1,309,373	1,396,077
Acquisition of tangible capital assets	-	-	682
Principal payments on long-term debt	1,304,448	1,388,988	1,298,652
Annual (deficit) surplus after acquisition of tangible capital assets and principal payments on long-term debt	\$ -	\$ (79,615)	\$ 96,743

Niagara Peninsula Conservation Authority **Conservation Land Programming and Development** **Schedule of Segment Disclosure**

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Revenues			
Government transfers			
Province of Ontario - Other	\$ 20,000	\$ -	\$ 8,550
Municipal levies			
Special	1,770,186	1,770,186	1,546,557
Authority generated			
User fees, sales and admissions	1,431,976	1,384,690	1,247,410
Niagara Peninsula Conservation Foundation	81,000	-	39,802
Land contribution (Note 6)	-	-	67,000
Other	178,872	129,575	169,301
	<u>3,482,034</u>	<u>3,284,451</u>	<u>3,078,620</u>
Expenses			
Programming (Page 23)	2,375,160	2,271,182	2,331,384
Development (Page 24)	-	226,561	372,523
	<u>2,375,160</u>	<u>2,497,743</u>	<u>2,703,907</u>
Annual surplus (deficit) before allocation	1,106,874	786,708	374,713
Allocation from Land Management	-	-	337,874
Annual surplus	1,106,874	786,708	712,587
<i>Acquisition of tangible capital assets</i>	<u>1,210,600</u>	<u>1,761,235</u>	<u>575,369</u>
<i>Annual (deficit) surplus after acquisition of tangible capital assets</i>	\$ (103,726)	\$ (974,527)	\$ 137,218

Niagara Peninsula Conservation Authority
Conservation Land Programming
Schedule of Expenses

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Conservation Land Programming			
Ball's Falls	\$ 666,644	\$ 720,850	\$ 974,844
Binbrook	342,533	343,527	329,660
Chippawa Creek	398,629	380,862	332,070
Long Beach	<u>376,946</u>	<u>363,432</u>	<u>319,116</u>
	1,784,752	1,808,671	1,955,690
Central Workshop maintained areas	<u>590,408</u>	<u>462,511</u>	<u>375,694</u>
Expenses for the year	2,375,160	2,271,182	2,331,384
 <i>Acquisition of tangible capital assets</i>	 <u>-</u>	 <u>4,910</u>	 <u>-</u>
<i>Expenses for the year</i>	<u>\$ 2,375,160</u>	<u>\$ 2,276,092</u>	<u>\$ 2,331,384</u>

Niagara Peninsula Conservation Authority **Conservation Land Development** **Schedule of Expenses**

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Conservation Land Development			
Ball's Falls	\$ -	\$ 20,119	\$ 2,922
Binbrook	-	37,066	57,466
Chippawa Creek	-	-	46,770
Long Beach	-	1,705	48,454
	-	58,890	155,612
 Central Workshop maintained areas			
Land acquisition	-	584	1,476
Gainsborough	-	8,740	807
Gord Harry Conservation Trail	-	-	683
Jordan Harbour	-	-	1,210
St. John's	-	1,064	3,626
St. John's Centre	-	157,283	186,082
Virgil	-	-	19,364
Woodend	-	-	3,663
	-	167,671	216,911
Expenses for the year	-	226,561	372,523
<i>Acquisition of tangible capital assets</i>	<u>1,210,600</u>	<u>1,756,325</u>	<u>575,369</u>
<i>Expenses for the year</i>	<u>\$ 1,210,600</u>	<u>\$ 1,982,886</u>	<u>\$ 947,892</u>

**Niagara Peninsula Conservation Authority
Vehicles and Equipment
Schedule of Segment Disclosure**

Year ended December 31	2014 Budget	2014 Actual	2013 Actual
Revenues			
Municipal levies			
General	\$ 101,440	\$ 101,440	\$ 100,940
Authority generated			
Other	<u>1,000</u>	<u>(4,783)</u>	<u>24,947</u>
	<u>102,440</u>	<u>96,657</u>	<u>125,887</u>
Expenses			
Operations			
Fuel	41,200	43,628	43,580
Maintenance and repairs	19,800	37,118	56,260
Supplies and small tools	2,600	2,258	1,910
Insurance	<u>11,340</u>	<u>6,102</u>	<u>5,944</u>
	74,940	89,106	107,694
Allocations to departments based on usage	<u>-</u>	<u>(41,634)</u>	<u>(84,144)</u>
	<u>74,940</u>	<u>47,472</u>	<u>23,550</u>
Annual surplus	27,500	49,185	102,337
<i>Acquisition of tangible capital assets</i>	<u>90,000</u>	<u>65,576</u>	<u>72,417</u>
<i>Annual (deficit) surplus after acquisition of tangible capital assets</i>	<u>\$ (62,500)</u>	<u>\$ (16,391)</u>	<u>\$ 29,920</u>

Niagara Peninsula Conservation Authority
Schedule of Segment Disclosure by Object
Year ended December 31

	Corporate Services	Watershed Management & Health Monitoring	Environmental Advisory Services	Conservation Land Management	Conservation Land Programming & Development	Vehicles and Equipment	2014 Total
Revenues							
MNRF transfers	\$ -	\$ 115,696	\$ 58,800	\$ -	\$ -	\$ -	\$ 174,496
Other transfers	-	546,339	-	-	-	-	546,339
Municipal levies	1,984,903	1,379,419	492,371	2,097,291	1,770,186	101,440	7,825,610
User fees, sales and admissions	-	-	-	9,651	1,384,690	-	1,394,341
NPCF	-	-	-	-	-	-	-
Administration fees	-	151,580	223,746	-	-	-	375,326
Interest	100,423	-	-	-	-	-	100,423
Land contribution	-	-	-	-	-	-	-
Other	5,635	382,244	7,500	23,011	129,575	(4,783)	543,182
	<u>\$ 2,090,961</u>	<u>\$ 2,575,278</u>	<u>\$ 782,417</u>	<u>\$ 2,129,953</u>	<u>\$ 3,284,451</u>	<u>\$ 96,657</u>	<u>\$ 10,959,717</u>
Expenses							
Salaries and benefits	\$ 1,400,225	\$ 1,496,047	\$ 654,242	\$ 506,701	\$ 1,578,251	\$ -	\$ 5,635,466
Materials and supplies	877,680	644,248	56,330	55,194	847,051	47,472	2,527,975
Contracted services	198,106	167,682	-	-	18,982	-	384,770
Rent and financial expenses	153,456	9,992	-	-	53,459	-	216,907
Debt service	-	-	-	258,685	-	-	258,685
Intersegment transfers	-	-	-	-	-	-	-
	<u>2,629,467</u>	<u>2,317,969</u>	<u>710,572</u>	<u>820,580</u>	<u>2,497,743</u>	<u>47,472</u>	<u>9,023,803</u>
Annual surplus	<u>\$ (538,506)</u>	<u>\$ 257,309</u>	<u>\$ 71,845</u>	<u>\$ 1,309,373</u>	<u>\$ 786,708</u>	<u>\$ 49,185</u>	<u>\$ 1,935,914</u>

	Corporate Services	Watershed Management & Health Monitoring	Environmental Advisory Services	Conservation Land Management	Conservation Land Programming & Development	Vehicles and Equipment	2013 Total
Revenues							
MNRF transfers	\$ -	\$ 115,700	\$ 58,796	\$ -	\$ -	\$ -	\$ 174,496
Other transfers	125,000	790,264	-	-	8,550	-	923,814
Municipal levies	1,212,425	1,713,384	320,389	2,752,018	1,546,557	100,940	7,645,713
User fees, sales and admissions	-	-	-	9,375	1,247,410	-	1,256,785
NPCF	-	-	-	-	39,802	-	39,802
Administration fees	-	152,283	169,150	-	-	-	321,433
Interest	114,766	-	-	-	-	-	114,766
Land contribution	-	-	-	-	67,000	-	67,000
Other	13,644	394,046	-	25,014	169,301	24,947	626,952
	<u>\$ 1,465,835</u>	<u>\$ 3,165,677</u>	<u>\$ 548,335</u>	<u>\$ 2,786,407</u>	<u>\$ 3,078,620</u>	<u>\$ 125,887</u>	<u>\$ 11,170,761</u>
Expenses							
Salaries and benefits	\$ 642,968	\$ 2,063,654	\$ 479,853	\$ 545,782	\$ 1,777,127	\$ 9,199	\$ 5,518,583
Materials and supplies	413,000	929,556	22,750	41,944	793,468	14,351	2,215,069
Contracted services	155,536	199,600	700	-	76,192	-	432,028
Rent and financial expenses	139,185	11,543	-	-	57,120	-	207,848
Debt service	-	-	-	202,604	-	-	202,604
Intersegment transfers	-	(262,126)	-	600,000	(337,874)	-	-
	<u>1,350,689</u>	<u>2,942,227</u>	<u>503,303</u>	<u>1,390,330</u>	<u>2,366,033</u>	<u>23,550</u>	<u>8,576,132</u>
Annual surplus	<u>\$ 115,146</u>	<u>\$ 223,450</u>	<u>\$ 45,032</u>	<u>\$ 1,396,077</u>	<u>\$ 712,587</u>	<u>\$ 102,337</u>	<u>\$ 2,594,629</u>