Central Lake Ontario Conservation Authority
Non-Consolidated Financial Statements
For the year ended December 31, 2023

Contents

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Central Lake Ontario Conservation Authority (the "Authority") are the responsibility of the Authority's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are 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 controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by Management.

Members meet with Management and the external auditors 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 BDO Canada LLP, independent external auditors 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.

Elizabeth Roy

Chair
Elizabeth Roy

Vice Chair
Bob Chapman

Tel: 705 726 6331
Fax: 705 722 6588
www.bdo.ca

BDO Canada LLP
300 Lakeshore Drive, Suite 300
Barrie, ON L4N 0B4
Canada

Independent Auditor's Report

To the Members of Central Lake Ontario Conservation Authority

Qualified Opinion

We have audited the non-consolidated financial statements of Central Lake Ontario Conservation Authority (the Authority), which comprise the non-consolidated statement of financial position as at December 31, 2023, and the non-consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, a summary of significant accounting policies and notes to the non-consolidated financial statements.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Authority as at December 31, 2023, and its non-consolidated results of operations, non-consolidated changes in net financial assets and its non-consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As explained in Note 9 to the non-consolidated financial statements, the Authority exercises control over Central Lake Ontario Conservation Fund. These financial statements have been prepared on a non-consolidated basis, which constitutes a departure from Canadian public sector accounting standards. This is a result of a decision taken by management in a prior year. If these financial statements had been prepared on a consolidated basis, cash would have been increased by $340,602 (2022 - $273,686), temporary investments would have been increased by $1,454,773 (2022 - $1,630,688), accounts receivable would have been increased by $201 (2022- $171), accounts payable would have been increased by $18,470 (2022 - $5,628), deferred revenue would have been increased by $23,301 (2022 - $23,301), deferred contributions would have been increased by $270,546 (2022 - $382,055), accumulated surplus would have been increased by $1,483,259 (2022 - $1,493,562), revenue would have been increased by $71,539 (2022 - $60,849) and expenses would have been increased by $81,842 (2022 - $63,074). Our opinion on the non-consolidated financial statements for the year ended December 31, 2022 was modified accordingly because of the effects of this departure from Canadian public sector accounting standards.

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 non-consolidated 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 non-consolidated 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 qualified audit opinion.

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

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
June 18, 2024

Central Lake Ontario Conservation Authority
Non-Consolidated Statement of Financial Position

December 31	2023	2022
Financial assets		
Cash and temporary investments (Note 2)	$ 6,055,790	$ 3,053,405
Short-term investments (Note 2)	2,260,699	3,749,760
Accounts receivable		
Government grants and projects	986,426	1,568,284
Other	275,825	693,658
	9,578,740	9,065,107
Liabilities		
Accounts payable and accrued liabilities	604,908	659,812
Vehicle loan	-	9,988
Deferred revenue (Note 3)	1,610,662	1,890,374
Employee future benefits payable (Note 4)	880,735	870,833
Vacation pay liability	124,583	122,848
Sick leave entitlements (Note 5)	364,922	375,986
	3,585,810	3,929,841
Net Financial Assets	5,992,930	5,135,266
Non-financial assets		
Prepaid expenses	81,654	89,054
Tangible capital assets (Note 9)	32,473,819	31,861,886
Construction in progress	33,794	30,843
	32,589,267	31,981,783
Accumulated surplus (Note)	$ 38,582,197	$ 37,117,049

On behalf of the Board:

Elizabeth Roy ______________________ Director

______________________ Director

The accompanying notes are an integral part of these non-consolidated financial statements.

Central Lake Ontario Conservation Authority
Non-Consolidated Statement of Operations

For the year ended December 31	2023 Budget (Note)	2023 Actual	2022 Actual
Revenue			
Government grants			
Municipal levy	$ 4,380,990	**$ 4,380,990**	$ 4,274,135
Special regional levy	819,500	**582,684**	881,467
Federal	189,065	**84,201**	123,130
Transfer payments	64,445	**64,445**	64,445
Other grants	-	**81,347**	51,000
Provincial other	50,000	**43,018**	176,182
Authority generated	4,583,710	**5,510,539**	4,537,242
Gain on disposition of tangible capital assets	-	**-**	15,710
	10,087,710	**10,747,224**	10,123,311
Expenses (Note 10)			
C.A. land management	1,358,650	**1,581,735**	1,662,632
Environmental plan review and regulations	2,103,140	**2,350,728**	1,838,950
Corporate services	2,035,445	**2,098,398**	1,798,897
Watershed management and monitoring	1,656,905	**1,633,155**	1,515,951
Oak Ridges Moraine Groundwater Program	988,150	**961,906**	883,350
Community engagement	559,380	**656,154**	470,644
	8,701,670	**9,282,076**	8,170,424
Annual surplus	$ 1,386,040	**$ 1,465,148**	$ 1,952,887
Accumulated surplus, beginning of year		**$ 37,117,049**	$ 35,164,162
Accumulated surplus, end of year		**$ 38,582,197**	$ 37,117,049

The accompanying notes are an integral part of these non-consolidated financial statements.