

GRAND RIVER CONSERVATION AUTHORITY
AUDITED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT THEREON
DECEMBER 31, 2022

GRAND RIVER CONSERVATION AUTHORITY

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DECEMBER 31, 2022

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STATEMENT 1

GRAND RIVER CONSERVATION AUTHORITY

(Established by the Conservation Authorities Act)

Statement of Financial Position

As at December 31, 2022

(with comparative information for 2021)

	2022	2021
Financial Assets		
Cash	\$ 9,532,451	\$ 16,439,071
Investments (Note 2)	46,306,659	22,831,954
Accounts Receivable - Government Grants	787,775	545,121
Accounts Receivable - Municipal Levies and Other	365,437	172,116
Other Receivables	882,427	1,041,643
	<u>57,874,749</u>	<u>41,029,905</u>
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	3,699,510	2,741,353
Deferred Revenue (Note 3)	4,812,932	7,519,618
Deposits	427,367	367,063
	<u>8,939,809</u>	<u>10,628,034</u>
Net Financial Assets	<u>48,934,940</u>	<u>30,401,871</u>
Non-Financial Assets		
Tangible Capital Assets (Note 4)	91,376,903	91,173,334
Prepaid Expenses and Inventory	386,800	287,114
	<u>91,763,703</u>	<u>91,460,448</u>
ACCUMULATED SURPLUS	<u>\$ 140,698,643</u>	<u>\$ 121,862,319</u>

ACCUMULATED SURPLUS COMPRISED OF

Accumulated Surplus - Reserves - Operating	(Note 9)	\$ 11,979,896	\$ 10,000,408
Accumulated Surplus - Reserves - Capital	(Note 9)	34,807,910	17,868,467
Accumulated Surplus - Reserves - Motor Pool	(Note 9)	1,971,432	2,252,933
Accumulated Surplus - Other		562,502	567,177
Accumulated Surplus - Tangible Capital Assets		91,376,903	91,173,334
ACCUMULATED SURPLUS		<u>\$ 140,698,643</u>	<u>\$ 121,862,319</u>

Commitments and Contingencies (Notes 7 and 8)

(see accompanying notes to the financial statements)

GRAND RIVER CONSERVATION AUTHORITY
STATEMENT OF OPERATIONS AND CHANGES IN ACCUMULATED SURPLUS
For the Year Ended December 31, 2022
(with comparative figures for 2021)

STATEMENT 2

	Budget 2022 Note 6	Actual 2022	Actual 2021
Revenue			
Municipal			
Grants:			
<i>General-Operating</i>	\$ 11,580,000	\$ 11,580,000	\$ 11,275,000
<i>General-Capital</i>	950,000	950,000	950,000
<i>Special</i>	130,000	99,593	96,139
Other	800,000	536,972	645,375
Total Municipal Revenue	13,460,000	13,166,565	12,966,514
Government Grants			
MNR Transfer Payments	449,688	449,688	449,688
Source Protection Program-Provincial	640,000	569,995	569,655
Other Provincial	1,587,500	688,888	961,274
Federal	320,000	431,023	409,607
Total Government Grants	2,997,188	2,139,594	2,390,224
Self-Generated			
User Fees and Sales:			
<i>Enquiries and Permits</i>	599,000	591,330	720,304
<i>Plan Input and Review</i>	445,000	598,852	470,256
<i>Nursery and Woodlot Management</i>	415,000	636,388	505,659
<i>Conservation Lands Income</i>	71,000	65,050	80,640
<i>Conservation Areas User Fees</i>	9,000,000	11,232,461	9,504,504
<i>Nature Centres and Camps</i>	500,000	519,747	362,455
Property Rentals	2,921,000	2,910,172	2,892,673
Hydro Generation	530,000	589,334	601,942
Grand River Conservation Foundation	767,000	435,142	141,534
Donations	100,000	23,473	68,772
Landowner Contributions	180,000	163,602	175,304
Investment Income	475,000	866,001	457,806
Miscellaneous Income	8,000	28,693	12,001
Gain on Sale of Tangible Capital Assets (Note 4)	-	15,176,165	-
Total Self-Generated Revenue	16,011,000	33,836,410	15,993,850
Total Revenue	\$ 32,468,188	\$ 49,142,569	\$ 31,350,588
Expenditures			
Watershed Management and Monitoring	7,485,761	6,946,382	6,581,825
Source Protection Program	640,000	569,995	569,655
Resource Planning	2,351,200	2,229,262	1,971,193
Watershed Stewardship	3,667,554	3,004,021	3,001,456
Conservation Land Management	4,527,737	3,793,701	4,089,860
Recreation and Education	9,775,794	9,739,662	8,845,719
Corporate Services / Information Systems and Motor Pool	3,896,815	4,023,222	3,194,890
Total Expenditures	\$ 32,344,861	\$ 30,306,245	\$ 28,254,598
Annual Surplus	123,327	18,836,324	3,095,990
Accumulated Surplus, Beginning of Year		121,862,319	118,766,329
Accumulated Surplus, End of Year		\$ 140,698,643	\$ 121,862,319

(see accompanying notes to the financial statements)

STATEMENT 3

GRAND RIVER CONSERVATION AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022
(with comparative information for 2021)

	<u>Actual 2022</u>	<u>Actual 2021</u>
<u>Operating Activities</u>		
Annual surplus	\$ 18,836,324	\$ 3,095,990
Items not involving cash:		
Amortization	3,422,288	3,255,909
Loss (gain) on sale of tangible capital assets	(15,176,165)	215,879
Change in non-cash operating assets and liabilities:		
Accounts receivable	(276,759)	(96,805)
Prepaid expenses and inventory	(99,686)	(40,812)
Accounts payable and accrued liabilities	958,157	(460,390)
Deferred revenue and deposits	(2,646,382)	3,443,299
Net change in cash from operating activities	<u>5,017,777</u>	<u>9,413,070</u>
<u>Capital Activities</u>		
Cash used to acquire tangible capital assets	(3,697,300)	(2,322,226)
Proceeds on sale of tangible capital assets (Note 4)	15,247,608	(178,933)
Net change in cash from capital activities	<u>11,550,308</u>	<u>(2,501,159)</u>
<u>Investing Activities</u>		
Change in investments	(23,474,705)	(1,511,817)
Net change in cash from investing activities	<u>(23,474,705)</u>	<u>(1,511,817)</u>
Net change in cash	<u>(6,906,620)</u>	<u>5,400,094</u>
Cash, beginning of year	16,439,071	11,038,977
Cash, end of the year	<u>\$ 9,532,451</u>	<u>\$ 16,439,071</u>

(see accompanying notes to the financial statements)

STATEMENT 4

GRAND RIVER CONSERVATION AUTHORITY
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2022
(with comparative information for 2021)

	Actual 2022	Actual 2021
Annual surplus	\$ 18,836,324	\$ 3,095,990
Acquisition of tangible capital assets	(3,697,300)	(2,322,226)
Amortization of tangible capital assets	3,422,288	3,255,909
Loss (gain) on sale of tangible capital assets	(15,176,165)	215,879
Proceeds on sale of tangible capital assets	<u>15,247,608</u>	<u>(178,933)</u>
	18,632,755	4,066,619
Net changes in prepaid expenses and inventory	(99,686)	(40,812)
Net change in financial assets	<u>18,533,069</u>	<u>4,025,807</u>
Net financial assets, beginning of year	30,401,871	26,376,064
Net financial assets, end of year	\$ <u><u>48,934,940</u></u>	\$ <u><u>30,401,871</u></u>

(see accompanying notes to the financial statements)

GRAND RIVER CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

(1) Summary of Significant Accounting Policies

The financial statements of Grand River Conservation Authority (the "Authority") are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Chartered Professional Accountants. Significant aspects of the accounting policies adopted by the Authority are as follows:

(a) Basis of Accounting

The Authority follows the accrual method of accounting for revenues and expenditures. Revenues are normally recognized in the year in which they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Deferred Revenue and Deposits

Balance includes funds that have been advanced to the Authority from government agencies and/or the general public and as at year end the funds have not been expended for the purpose for which they were received. In most instances, service and/or product delivery is anticipated to be performed in the following fiscal period. Typical balances include tree planting cash receipts, rural water quality program funding from municipalities, advance payments on conservation area camping reservations and special projects funding that has been paid in advance of project completion. These amounts will be recognized as revenues in the fiscal year the services are performed.

(c) **Classification of Expenditures**

Expenditures are reported in nine main categories, which follow the format adopted by Conservation Ontario. By following these guidelines, there will be consistency of reporting by all Conservation Authorities in Ontario. These are further explained as follows:

Watershed Management and Monitoring

Watershed Management and Monitoring includes expenditures and revenues for programs which provide the information required to develop appropriate resource management strategies and to identify priority actions to maintain a healthy watershed. Also included are the maintenance and operations of all Flood and Erosion Control Structures and the operations of the Flood Forecasting and Warning system.

Source Protection Program

The Source Protection Program includes expenditures and revenues for the development of a "Drinking Water Source Protection" plan for the Lake Erie Source Protection Region (includes Grand River, Long Point Region, Kettle Creek, and Catfish Creek Conservation Authorities).

Resource Planning

Resource Planning includes expenditures and revenues associated with reviewing official plans, zoning bylaws, development plans and other planning proposals, in accordance with Conservation Authority and Municipal Agreements. It also includes, administration of floodplain regulations and watershed management consulting outside of the Grand River watershed, which is performed on a fee-for-service basis and generates a profit.

Watershed Stewardship

Watershed Stewardship includes those activities associated with providing service and/or assistance to private and public landowners, and community groups on sound environmental practices that will enhance, restore or protect natural heritage features on their properties.

Conservation Land Management

Conservation Land Management includes all expenditures and revenues associated with the acquisition and management of land owned/managed by the Authority. This includes the protection of provincially significant conservation lands, woodlot management, rental/lease agreements and other revenues generated from managing lands and facilities. These expenditures do not include those associated with recreation and education programs on Authority lands.

Recreation and Education

Recreation and Education includes expenditures and revenues associated with delivering recreational and educational programs on Authority lands at a number of active conservation areas and nature centres.

Corporate Services

Corporate services include the costs associated with head office facilities and functions other than technical staff and associated programs.

Information Systems and Motor Pool

Net Information Systems and Motor Pool usage charges includes the support areas that are charged out to other cost centres on an "as used" basis. Information Systems consists of the head office, conservation area and nature centre computer systems. User cost centres incur a charge for their computer use. Motor Pool is the vehicles and equipment that are used for operations and capital projects by other cost centres. When equipment or vehicles are used, the cost centre is charged for the use of the asset.

(d) Investments

Investments include term deposits and Federal and Provincial Government bonds in accordance with the investment policy that was approved by the general membership. Investments are carried at the redemption amount adjusted for unamortized purchase premiums or discounts. Premiums and discounts are amortized on an effective-yield basis over the term to maturity. Interest income is recorded as it accrues. When the value of any investment is identified as impaired, the carrying amount is adjusted to the estimated realizable value and any adjustments are included in investment income in the year the impairment is recognized.

(e) Accounts Receivable

Accounts Receivable is reported net of any allowance for doubtful accounts.

(f) Inventory

Inventory is valued at the lower of cost or replacement cost.

(g) Interest Allocation

The Authority follows the policy of consolidating funds on hand for investment purposes. Interest income is generally recognized into income unless the provisions of a relevant agreement or legislation require that the income be restricted, then restricted interest income is recognized in deferred revenue until used for the purpose or purposes specified.

(h) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include accrued liabilities, contaminated site liability, contingencies and tangible capital assets. Actual results could differ from estimates.

(i) **Tangible Capital Assets**

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

Asset	Useful Life - Years
Site Improvements	10 - 50
Buildings	10 - 50
Furniture and Equipment	10 - 15
Motor Pool	5 - 10
Communications and Computer	5
Water Control Structures	20 - 80

Annual 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.

(i) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(ii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in the financial statements.

(j) **Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(k) **Contaminated Sites**

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds 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:

- a) An environmental standard exists
- b) Contamination exceeds the environmental standard
- c) The Authority is directly responsible or accepts responsibility for the liability
- d) Future economic benefits will be given up, and
- e) A reasonable estimate of the liability can be made.

(l) **Employee Future Benefits**

The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.

(2) **Investments**

Investments include the following amounts:

	2022	2021
Term Deposit maturing within one year Market value at December 31, 2022 - \$1,959,882 (2021 - \$nil)	\$ 2,050,356	\$ -
Term Deposit maturing within one to five years Market value at December 31, 2022 - \$1,975,010 (2021 - \$4,118,788)	2,300,000	4,350,356
GIC maturing within one year (Interest rates vary between 3.4% and 3.5%) Market value at December 31, 2022 - \$6,895,835 (2021 - \$nil)	6,850,532	-
Bonds maturing within one year (Interest rates vary between 2.333% and 3.45%) Market value at December 31, 2022 - \$9,703,959 (2021 - \$1,722,520)	\$9,829,000	1,700,000
Bonds maturing within one to five years (Interest rates vary between 2.597% and 3.3%) Market value at December 31, 2022 - \$18,059,662 (2021 - \$10,559,017)	18,760,000	10,331,000
Bonds maturing within six to ten years (Interest rate is 2.237%) Market Value at December 31, 2022 - \$1,855,390 (2021 - \$2,012,098)	2,000,000	2,000,000
High interest savings account (Interest rates vary between 3.65% and 4.715%) Market value at December 31, 2022 - \$4,889,673 (2021 - \$4,446,903)	4,889,673	4,446,903
Sub-Total	\$ 46,679,561	\$ 22,828,259
Plus: Unamortized purchase net premiums and discounts	(372,902)	3,695
Total	\$ 46,306,659	\$ 22,831,954

(3) Deferred Revenue

(a) Deferred revenue includes the following amounts:

	2022	2021
Balance, end of year:		
Source Protection Program	\$ 219,740	\$ 407,281
Rural Water Quality Program	972,846	955,949
Water and Erosion Control Infrastructure	197,254	22,070
Canada Emergency Wage Subsidy (Note 3(b))	-	3,157,379
Other Watershed Programs	1,883,874	1,408,998
Cottage Rent	472,554	479,131
Other Miscellaneous	1,066,664	1,088,810
Total Deferred Revenue	\$ 4,812,932	\$ 7,519,618
Balance, beginning of year:		
Source Protection Program	\$ 407,281	\$ 194,481
Rural Water Quality Program	955,949	970,780
Water and Erosion Control Infrastructure	22,070	92,297
Canada Emergency Wage Subsidy (Note 3 (b))	3,157,379	-
Other Watershed Programs	1,408,998	1,583,376
Cottage Rent	479,131	485,114
Other Miscellaneous	1,088,810	775,560
	7,519,618	4,101,608
Grant Contributions	(125,041)	3,030,934
CEWS Contributions	-	3,157,379
Other	2,567,655	2,734,841
Total Contributions Received	2,442,614	8,923,154
CEWS Contributions Used	3,157,379	-
Contributions Used	1,991,921	5,505,144
Total Contributions Used	5,149,300	5,505,144
Balance, end of year	\$ 4,812,932	\$ 7,519,618

(b) The Authority applied for funding through the Canada Emergency Wage Subsidy (CEWS). The Authority received funding totalling \$3,157,379 in 2021 and the amount was recorded as deferred revenue until the year ended December 31, 2021. The Canada Revenue Agency (CRA) through an audit determined that the Authority was not eligible for this subsidy. The subsidy was refunded to the CRA during 2022 in the full amount of \$3,157,379 plus interest charges of \$245,573. During the year, the interest of \$245,573 was expensed in Corporate Services on the statement of operations. The Authority is appealing this assessment and has also requested that interest charges be waived. A final decision by the CRA is pending as at December 31, 2022.

(4) Tangible Capital Assets

Cost	Balance at 31-Dec-21	Additions	Disposals/ Transfers	Balance at 31-Dec-22
Land and Land Improvements	\$ 30,918,340	\$ -	\$ (25,817)	\$ 30,892,523
Site Improvements	17,074,824	1,861,857	(4,893)	18,931,788
Buildings	18,827,478	274,838	(96,224)	19,006,092
Furniture and Equipment	2,373,429	207,259	(10,542)	2,570,146
Motor Pool	5,191,097	692,803	(256,553)	5,627,347
Communications and Computers	1,923,592	39,757	-	1,963,349
Water Control Structures	100,282,697	2,281,412	-	102,564,109
Assets Under Construction	4,470,527	2,193,255	(3,853,881)	2,809,901
	<u>\$ 181,061,984</u>	<u>\$ 7,551,181</u>	<u>\$ (4,247,910)</u>	<u>\$ 184,365,255</u>

Accumulated Amortization	Balance at 31-Dec-21	Disposals	Amortization Expense	Balance at 31-Dec-22
Site Improvements	\$ 10,263,522	\$ (4,848)	\$ 527,443	\$ 10,786,117
Buildings	10,507,966	(74,166)	440,173	10,873,973
Furniture and Equipment	1,225,760	(10,542)	178,300	1,393,518
Motor Pool	3,686,033	(233,030)	345,956	3,798,959
Communications and Computers	1,649,483	-	97,682	1,747,165
Water Control Structures	62,555,886	-	1,832,734	64,388,620
	<u>\$ 89,888,650</u>	<u>\$ (322,586)</u>	<u>\$ 3,422,288</u>	<u>\$ 92,988,352</u>

	Net Book Value 31-Dec-21	Net Book Value 31-Dec-22
Land and Land Improvements	\$ 30,918,340	\$ 30,892,523
Site Improvements	6,811,301	8,145,671
Buildings	8,319,512	8,132,119
Furniture and Equipment	1,147,669	1,176,628
Motor Pool	1,505,064	1,828,388
Communications and Computers	274,110	216,184
Water Control Structures	37,726,811	38,175,489
Assets Under Construction	4,470,527	2,809,901
	<u>\$ 91,173,334</u>	<u>\$ 91,376,903</u>

Cost	Balance at 31-Dec-20	Additions	Disposals/ Transfers	Balance at 31-Dec-21
Land and Land Improvements	\$ 30,918,340	\$ -	\$ -	\$ 30,918,340
Site Improvements	16,841,302	240,522	(7,000)	17,074,824
Buildings	17,754,921	1,194,011	(121,454)	18,827,478
Furniture and Equipment	2,220,359	213,862	(60,792)	2,373,429
Motor Pool	5,224,296	232,138	(265,337)	5,191,097
Communications and Computers	1,782,667	140,925	-	1,923,592
Water Control Structures	100,238,228	44,469	-	100,282,697
Assets Under Construction	4,214,228	1,467,796	(1,211,497)	4,470,527
	<u>\$ 179,194,341</u>	<u>\$ 3,533,723</u>	<u>\$ (1,666,080)</u>	<u>\$ 181,061,984</u>

Accumulated Amortization	Balance at 31-Dec-20	Disposals	Amortization Expense	Balance at 31-Dec-21
Site Improvements	\$ 9,861,247	\$ (7,000)	\$ 409,276	\$ 10,263,523
Buildings	10,173,679	(96,833)	431,120	10,507,966
Furniture and Equipment	1,121,836	(59,578)	163,502	1,225,760
Motor Pool	3,583,612	(254,226)	356,647	3,686,033
Communications and Computers	1,561,177	-	88,305	1,649,482
Water Control Structures	60,748,827	-	1,807,059	62,555,886
	<u>\$ 87,050,378</u>	<u>\$ (417,637)</u>	<u>\$ 3,255,909</u>	<u>\$ 89,888,650</u>

	Net Book Value 31-Dec-20	Net Book Value 31-Dec-21
Land and Land Improvements	\$ 30,918,340	\$ 30,918,340
Site Improvements	6,980,055	6,811,301
Buildings	7,581,242	8,319,512
Furniture and Equipment	1,098,523	1,147,669
Motor Pool	1,640,684	1,505,064
Communications and Computers	221,490	274,110
Water Control Structures	39,489,401	37,726,811
Assets Under Construction	4,214,228	4,470,527
	<u>\$ 92,143,963</u>	<u>\$ 91,173,334</u>

Assets Under Construction

Assets under construction having a value of \$2,809,901 (2021 - \$4,470,527) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Write-down of Tangible Capital Assets

The write-down of tangible capital assets during the year was \$14,450 (2021 - \$16,518).

Gain on Sale of Tangible Capital Assets

During the year, the Authority disposed of three significant properties (land) with a total carrying value of \$25,817. The total proceeds on these sales were \$15,184,309, which resulted in a gain on sale of \$15,158,492.

In 2021, net outflow of cash for proceeds on sale of tangible capital assets of \$178,933 on the Statement of Cashflows represents proceeds of \$75,698 net of demolition costs of \$254,631.

(5) Contaminated Site Liability

The Authority has an estimated liability of \$812,912 as at December 31, 2022 (2021 - \$812,912) for future remediation of two of its properties. During the year, there was no activity or events impacting the liability estimate from prior year. The properties include a former landfill site in the City of Brantford, and a former residential site in the City of Cambridge. The properties were purchased by the Authority in the 1970s under flood control projects. The Ministry of the Environment, Conservation and Parks has requested remediation on the Brantford and Cambridge properties. The estimated future cost of the work at Brantford is based on a detailed remediation plan prepared by a qualified external consultant. Staff have estimated the future cost of remediation for the Cambridge property based on preliminary investigations carried out by an environmental consulting firm.

(6) **2022 Budget**

The budget figures are those adopted at the General Meeting of the Authority held February 25, 2022. The Authority only prepares a budget for the statement of operations, the budget figures in the statement of change in net financial assets has not been provided.

(7) **Commitments**

The Authority is committed under contracts for various infrastructure projects. The amount expected to be incurred in 2023 under contracts is approximately \$3,507,162.

(8) **Contingencies**

The Authority recognizes that liabilities may arise due to certain contract and labour relations matters that were outstanding at year end, in the normal course of business. Legal action may be taken against the Authority for personal injury claims, property damage and other contractual matters. The outcome of these actions is not presently determinable. It is management's opinion that the Authority's insurance coverage and/or accumulated surplus will adequately cover any potential liabilities arising from these matters.

(9) Accumulated Surplus

Accumulated surplus consists of tangible capital asset and other surplus and reserve funds. Details of the reserve funds are as follows:

	2022	2021
Operating		
Property and Liability Insurance	\$ 270,383	\$ 270,383
Building and Mechanical Equipment	1,231,833	1,231,833
Small Office Equipment	8,013	7,831
Personnel	1,104,112	1,349,112
Transition	2,048,704	1,562,180
Apps' Mill Nature Centre	73,501	64,982
Laurel Creek Nature Centre	120,611	111,016
Guelph Lake Nature Centre	139,487	129,459
Shade's Mills Nature Centre	77,836	69,219
Taquanyah Nature Centre	22,197	14,849
Computer Replacement	1,318,602	1,329,784
Forestry Management	1,312,640	1,078,801
Cottage Operations	1,180,650	983,652
Property Rental	737,976	706,458
Planning Enforcement	526,179	475,071
Master Plan	424,958	327,307
Grand River Management Plan	113,939	111,336
Watershed Restoration	268,275	177,135
Water Management	1,000,000	
Total Operating Reserves	\$ 11,979,896	\$ 10,000,408
Capital		
Completion of Capital Projects	\$ 162,000	\$ 162,000
Cambridge Desiltation Pond	5,709	6,237
Gravel	259,716	253,783
General Capital	1,163,108	1,116,991
Major Dam Maintenance	2,734,473	3,466,428
Gauges	971,275	905,113
Conservation Area	7,339,262	4,971,802
Land Reserves	22,172,367	6,986,113
Total Capital Reserves	\$ 34,807,910	\$ 17,868,467
Motor Pool		
Motor Pool Equipment Replacement	\$ 1,879,368	\$ 2,162,973
Vehicle Insurance	92,064	89,960
Total Motor Pool Reserves	\$ 1,971,432	\$ 2,252,933
Total Reserves	\$ 48,759,238	\$ 30,121,808

Land reserves represent the net proceeds of land sales and are available for approved projects including purchases of conservation lands within the Watershed in accordance with Authority policies and Provincial Regulations.

(10) Pension and Retirement Benefits

The Authority makes contributions to the Ontario Municipal Employees Retirement System (“OMERS”), which is a multi-employer plan, on behalf of all eligible members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit.

The latest available report for the OMERS plan was December 31, 2021. At that time the plan reported a \$3.1 billion actuarial deficit (2020 - \$3.2 billion), based on actuarial liabilities of \$119.3 billion (2020 - \$111.8 billion) and actuarial assets of \$116.2 billion (2020 - \$108.6 billion). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

In 2022, the Authority’s contribution to OMERS was \$1,204,260 (2021 - \$1,174,248).

(11) Related Entity

The Grand River Conservation Foundation (“the Foundation”) is an independent organization and a Registered Charity that raises funds to finance selected operating and capital expenditures of the Authority. Although the Foundation disburses funds at the discretion of its own Board of Directors, it only funds approved projects of the Authority and the Chair of the Authority is a permanent member of the Foundation Board. The accounts of The Grand River Conservation Foundation are not included in these financial statements.

During 2022, the Foundation contributed \$435,142 (2021 - \$141,534) to fund projects carried out by the Authority. At December 31, 2022, the amount due from the Foundation to the Authority is \$291,227 (2021 - \$129,781). This receivable is included in "Other Receivables" on the Statement of Financial Position.

(12) Public Sector Salary Disclosure

Grand River Conservation Authority is subject to The Public Sector Salary Disclosure Act, 1996. Salaries and benefits that have been paid by the Authority and reported to the Province of Ontario in compliance with this legislation are listed on the Ontario Ministry of Finance website at <https://www.ontario.ca/page/public-sector-salary-disclosure#section-0> or can be provided in an alternate format upon request from the Authority.

(13) Segmented Information

2022								
	Watershed Management and Monitoring	Source Protection Program	Resource Planning	Watershed Stewardship	Conservation Land Management	Recreation and Education	Corporate Services/IS and Motor Pool	Total
Revenue:								
Levies	\$ 5,445,505	\$ -	\$ 1,307,200	\$ 1,906,200	\$ -	\$ 284,600	\$ 3,686,088	\$ 12,629,593
Grants	1,314,841	569,995	-	760,181	225	30,874	450	2,676,566
User fees and Other	-	-	1,190,182	663,392	18,877,319	11,755,215	891,687	33,377,795
Donations	-	-	-	67,498	252,053	111,741	27,323	458,615
Total Revenue	6,760,346	569,995	2,497,382	3,397,271	19,129,597	12,182,430	4,605,548	49,142,569
Expenses:								
Salaries, Wages and Benefits	3,381,584	464,091	1,987,108	1,330,896	1,941,251	5,118,667	3,368,620	17,592,217
Operating Expenses	1,806,702	105,904	242,154	1,659,521	1,630,327	3,839,875	2,569,958	11,854,441
Amortization	1,758,096	-	-	13,604	222,123	781,120	647,345	3,422,288
Less: Chargebacks	-	-	-	-	-	-	(2,562,701)	(2,562,701)
Total Expenses	6,946,382	569,995	2,229,262	3,004,021	3,793,701	9,739,662	4,023,222	30,306,245
Annual surplus/ (deficit)	\$ (186,036)	\$ -	\$ 268,120	\$ 393,250	\$ 15,335,896	\$ 2,442,768	\$ 582,326	\$ 18,836,324

2021

	Watershed Management and Monitoring	Source Protection Program	Resource Planning	Watershed Stewardship	Conservation Land Management	Recreation and Education	Corporate Services/IS and Motor Pool	Total
Revenue:								
Levies	\$ 5,369,151	\$ -	\$ 1,223,200	\$ 2,038,700	\$ -	\$ 340,600	\$ 3,349,488	\$ 12,321,139
Grants	1,457,047	569,655	-	822,030	-	186,367	500	3,035,599
User fees and Other	-	-	1,190,560	600,015	3,666,203	9,867,416	459,350	15,783,544
Donations	-	-	-	98,933	71,675	39,698	-	210,306
Total Revenue	6,826,198	569,655	2,413,760	3,559,678	3,737,878	10,434,081	3,809,338	31,350,588
Expenses:								
Salaries, Wages and Benefits	3,231,453	462,068	1,736,286	1,298,525	1,788,904	4,564,710	3,218,357	16,300,303
Operating Expenses	1,636,656	107,587	234,907	1,689,011	2,075,809	3,637,458	1,790,246	11,171,674
Amortization	1,713,716	-	-	13,920	225,147	643,551	659,575	3,255,909
Less: Chargebacks	-	-	-	-	-	-	(2,473,288)	(2,473,288)
Total Expenses	6,581,825	569,655	1,971,193	3,001,456	4,089,860	8,845,719	3,194,890	28,254,598
Annual surplus/ (deficit)	\$ 244,373	\$ -	\$ 442,567	\$ 558,222	\$ (351,982)	\$ 1,588,362	\$ 614,448	\$ 3,095,990