

LONG POINT REGION CONSERVATION AUTHORITY

**Financial Statements
December 31, 2023**

LONG POINT REGION CONSERVATION AUTHORITY

INDEX TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

	Page(s)
Management Report	1
Independent Auditor's Report	2 – 3
Statement of Financial Position	4
Statement of Operations and Change in Accumulated Surplus	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 – 16
Schedule 1 – Schedule of Deferred Revenue	17
Schedule 2 – Schedule of Tangible Capital Assets	18
Schedule 3 – Schedule of Internally Restricted Reserves	19
Schedule 4 – Schedule of Externally Restricted Reserves	20
Schedule 5 – Schedule of Segmented Reporting	21 – 22

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.

Robert Chambers

Robert Chambers
Chairman of the Board

Judy Maxwell

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

Tillsonburg, Canada
March 1, 2024

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, 2023, 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, 2023, 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 1, 2024

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

LONG POINT REGION CONSERVATION AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Financial Assets		
Cash (note 3)	\$ 4,059,009	\$ 4,234,795
Investments (note 4)	8,429,577	7,203,254
Accounts receivable	388,631	202,609
Accrued receivable	13,575	74,737
Other assets	75,824	119,063
	<hr/> 12,966,616	<hr/> 11,834,458
Financial Liabilities		
Accounts payable and accrued liabilities	356,288	216,917
Deferred revenue (schedule 1)	879,128	764,761
	<hr/> 1,235,416	<hr/> 981,678
Net financial assets	11,731,200	10,852,780
Non-Financial Assets		
Tangible capital assets (schedule 2)	8,063,197	7,938,694
	<hr/>	<hr/>
Net assets	<u>\$ 19,794,397</u>	<u>\$ 18,791,474</u>
Commitment (note 6)		
Contingent liabilities (note 8)		
Accumulated Surplus		
Accumulated surplus - internally restricted (schedule 3)	5,743,696	4,873,220
Accumulated surplus - externally restricted (schedule 4)	5,987,504	5,979,560
Accumulated surplus - tangible capital assets	8,063,197	7,938,694
	<hr/>	<hr/>
Total accumulated surplus	<u>\$ 19,794,397</u>	<u>\$ 18,791,474</u>

On behalf of the Board of Directors:

Robert Chambers

Robert Chambers
Chair, Board of Directors

Dave Beres

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, 2023

	Budget <u>2023</u> (note 5)	Actual <u>2023</u>	Actual <u>2022</u>
Revenues			
Municipal levies:			
General	\$2,099,510	\$2,099,510	\$1,724,259
Special	150,000	150,000	381,700
Government grants:			
Provincial	35,229	35,229	35,229
Corporate services (note 7)	244,066	372,551	203,719
Planning and watershed services	335,170	532,681	596,905
Forestry services	446,788	499,788	512,506
Backus Heritage conservation area	175,236	213,802	210,656
Conservation parks	1,895,538	2,044,566	1,924,723
Donations	-	-	-
Maintenance operations services	572,015	359,381	199,238
Gain on disposal of tangible capital assets	-	11,271	13,339
Total Revenues	5,953,552	6,318,779	5,802,274
Expenditures			
Corporate services	1,319,123	1,305,091	1,199,132
Planning and watershed services	918,813	1,092,552	770,456
Forestry services	439,515	412,513	408,942
Backus Heritage conservation area	325,662	317,138	192,759
Conservation parks	1,612,933	1,410,308	1,306,541
Maintenance operations services	952,708	778,254	723,313
Total expenditures	5,568,754	5,315,856	4,601,143
Annual Surplus	\$384,798	\$1,002,923	\$1,201,131
Accumulated surplus, beginning of the year	18,791,474	18,791,474	17,590,343
Accumulated surplus, end of the year	\$19,176,272	\$19,794,397	\$18,791,474

LONG POINT REGION CONSERVATION AUTHORITY

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget <u>2023</u> (note 5)	Actual <u>2023</u>	Actual <u>2022</u>
Annual Surplus	\$384,798	\$1,002,923	\$1,201,131
Acquisition of tangible capital assets	(651,955)	(416,841)	(495,024)
Gain on disposal of tangible capital assets	-	(11,271)	(13,339)
Proceeds on disposal of tangible capital assets	-	20,890	42,749
Amortization of tangible capital assets	-	282,719	250,192
Change in net financial assets	(267,157)	878,420	985,709
Net financial assets, beginning of year	10,852,780	10,852,780	9,867,071
Net financial assets, end of year	\$10,585,623	\$11,731,200	\$10,852,780

LONG POINT REGION CONSERVATION AUTHORITY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Operating activities:		
Annual Surplus	\$1,002,923	\$1,201,131
Items not affecting cash:		
Amortization of tangible capital assets	282,719	250,192
Gain on disposal of tangible capital assets	(11,271)	(13,339)
	<hr/> 1,274,371	<hr/> 1,437,984
Change in non-cash working capital:		
Accounts receivable	(186,022)	105,047
Accrued receivable	61,162	(54,451)
Other receivables	43,239	(12,521)
Accounts payable and accrued liabilities	139,371	(214,284)
Deferred revenue	114,367	158,172
	<hr/> 1,446,488	<hr/> 1,419,947
Investing activities:		
Acquisition of tangible capital assets	(416,841)	(495,024)
Change in investments	(1,226,323)	(380,828)
Proceeds on disposal of tangible capital assets	20,890	42,749
	<hr/> (1,622,274)	<hr/> (833,103)
Change in cash	(175,786)	586,844
Cash, beginning of year	<hr/> 4,234,795	<hr/> 3,647,951
Cash, end of year	<hr/> \$4,059,009	<hr/> \$4,234,795

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023

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 the Authority 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.
- (ix) The Motor Pool Reserve is for the Operations/Capital replacement of the Authority's Motor Pool fleet and equipment.
- (x) The User Fee Reserve is for the Operations/Capital of the self-sustaining programs and services (Forestry and Parks).

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.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

2. Significant Accounting Policies (continued from previous page)

- (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 studies and repairs, flood hazard mapping and flood forecasting tools.
- (iv) The Backus Woods Reserve shall be used for conservation educational activities and capital expenditures related to educational activities at the Backus Heritage Conservation Area.

[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:

<u>Asset</u>	<u>Useful Life - Years</u>
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.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

2. Significant Accounting Policies (continued from previous page)

[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.

[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) the Authority 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.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

2. Significant Accounting Policies (continued from previous page)

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.

(ii) Impairment

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses. When the asset is sold, the unrealized gains and losses previously recognized in the Statement of Remeasurement Gains and Losses are reversed and recognized in the Statement of Operations. 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.

There are no items to be reported on the Statement of Remeasurement Gains and Losses, as a result, this statement has not been presented.

[I] Asset Retirement Obligations

Effective January 1, 2023, the Authority adopted the new accounting standard PS 3280, *Asset Retirement Obligations*, issued by the Canadian Public Sector Accounting Board. This standard provides guidance over the reporting of legal obligations associated with the retirement of capital assets that are either currently in productive use or no longer in productive use and controlled by the entity, and the costs associated with the retirement of these assets.

There was no impact on the financial statements as a result of this change in accounting policy.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

3. Cash

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

	2023	2022
General	\$4,009,811	\$4,084,554
Externally restricted:		
Backus Heritage Village	26,664	49,028
Leighton and Betty Brown Scholarship	22,534	101,213
	\$4,059,009	\$4,234,795

General cash includes a bank account earning interest at 5.40% (2022 – 4.65%).

4. Investments

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

	2023	2022
Government and corporate bonds, maturing at various dates between 2024 and 2035, yields varying between 1.4% and 5.0%	\$5,955,000	\$3,700,000
Guaranteed investment certificates maturing at various dates in 2024, yielding between 5.0% and 5.75%	1,505,000	400,000
Principal protected notes – fixed income note, yields varying between 0% and index return multiplied by the participation rate	1,000,000	1,000,000
Principal protected notes – fixed income note, yields varying between 0% and 7.5%	-	2,000,000
Money market funds, no specified maturity or yield	11,342	7,221
Cash	43,397	67,072
	8,514,739	7,174,293
Plus: accrued interest	32,469	19,247
Plus: unamortized purchase premium	(117,631)	9,714
	(85,162)	28,961
	\$8,429,577	\$7,203,254

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

5. Budget Figures

The unaudited budget data presented in these financial statements are based upon the 2023 operating and capital budgets approved by the Board of Directors on January 11, 2023.

6. Commitment

The Authority rents a premise under a long-term operating lease that expires October 2028, with two further 5 year optional renewal periods, with a final term ending October, 2038. The operating lease payments are as follows:

2024	113,086
2025	115,347
2026	117,654
2027	120,007
2028	122,407
Thereafter	1,335,558
	1,924,059

7. Investment Income

Included in corporate services revenue is interest income on investments of \$321,032 (2022 - \$142,770).

8. 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.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

9. 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 2023, the Authority’s contribution to OMERS was \$193,377 (2022 – \$152,467).

The latest available report for the OMERS plan was December 31, 2022. At that time the plan reported a \$6.7 billion actuarial deficit (2021 - \$3.1 billion deficit), based on actuarial liabilities of \$130.3 billion (2021 - \$120.8 billion) and actuarial assets of \$123.6 billion (2021 - \$117.7 billion). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

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, the Authority does not recognize any share of the OMERS pension actuarial surplus or deficit.

10. 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 and recreational activities and is home to the Backhouse National Historic Site.

LONG POINT REGION CONSERVATION AUTHORITY

NOTES TO THE FINANCAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

10. Segmented information (continued from previous page)

Conservation parks

Conservation parks provides recreational and camping activities at: Deer Creek Conservation Area, Backus 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.

11. 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.

12. 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.

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 1 –SCHEDULE OF DEFERRED REVENUE FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Balance, beginning of year	\$764,761	\$606,589
Externally restricted contributions	408,674	512,080
Interest earned, restricted	121,322	168,986
Contributions used in operations	(415,629)	(522,894)
Balance, end of year	\$879,128	\$764,761

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 2 –SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023

For the year ended December 31, 2023

	Cost			Accumulated Amortization						
										2023
	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	\$ 4,605,258	\$ -	\$ -	4,605,258	\$ -	\$ -	\$ -	\$ -	\$ 4,605,258	
Land improvements	95,604	21,510	-	117,114	18,266	-	5,639	23,905	93,209	
Buildings	2,362,314	148,182	12,857	2,497,639	1,202,893	8,856	55,959	1,249,996	1,247,643	
Machinery and equipment	661,491	49,484	21,889	689,086	247,857	14,958	31,276	264,175	424,911	
Furniture and fixtures	8,595	-	-	8,595	3,143	-	859	4,002	4,593	
Computers	201,922	8,328	-	210,250	183,162	-	8,600	191,762	18,488	
Motor vehicles	554,540	141,768	36,663	659,645	348,719	37,976	58,364	369,107	290,538	
Infrastructure	2,310,400	47,569	-	2,357,969	857,390	-	122,022	979,412	1,378,557	
Total	\$ 10,800,124	\$ 416,841	\$ 71,409	\$ 11,145,556	\$ 2,861,430	\$ 61,790	\$ 282,719	\$ 3,082,359	\$ 8,063,197	

For the year ended December 31, 2022

	Cost			Accumulated Amortization						
										2022
	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	\$ 4,605,258	\$ -	\$ -	\$ 4,605,258	\$ -	\$ -	\$ -	\$ -	\$ 4,605,258	
Land improvements	95,604	-	-	95,604	13,486	-	4,780	18,266	77,338	
Buildings	2,189,545	172,769	-	2,362,314	1,157,940	-	44,953	1,202,893	1,159,422	
Machinery and equipment	686,262	23,169	47,940	661,491	249,058	30,509	29,308	247,857	413,634	
Furniture and fixtures	8,595	-	-	8,595	2,284	-	860	3,143	5,452	
Computers	189,229	12,692	-	201,922	175,515	-	7,647	183,162	18,760	
Motor vehicles	611,377	-	56,837	554,540	343,996	44,859	49,583	348,719	205,821	
Infrastructure	2,024,007	286,394	-	2,310,400	744,329	-	113,061	857,390	1,453,010	
Total	\$ 10,409,877	\$ 495,024	\$ 104,778	\$ 10,800,124	\$ 2,686,605	\$ 75,369	\$ 250,192	\$ 2,861,430	\$ 7,938,694	

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 3 –SCHEDULE OF INTERNALLY RESTRICTED RESERVES FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance, beginning of year	Transfer from operations	Transfer to operations	Balance, end of year
Education Centre	\$ 50,880	\$ -	\$ 13,242	\$ 37,638
OPG Forest Corridor	36,757	-	6,420	30,337
Memorial Woodlot	19,412	1,490	-	20,902
Lee Brown Waterfowl Capital	19,566	22,583	-	42,149
Dam Reserve	50,000	-	-	50,000
Administration Office	569,567	-	-	569,567
Strategic Investments in operations/capital	210,938	-	-	210,938
Motor Pool Reserve	-	124,334	-	124,334
User Fee Reserve	-	1,070,924	-	1,070,924
Capital Levy	774,497	103,283	187,059	690,721
Unrestricted Reserve	3,141,603	737,730	983,147	2,896,186
	\$ 4,873,220	\$ 2,060,344	\$ 1,189,868	\$5,743,696

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 4 –SCHEDULE OF EXTERNALLY RESTRICTED RESERVES FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance, beginning of year	Transfer from operations	Transfer to operations	Balance, end of year
Backus Heritage Village	\$ 73,834	\$ 3,706	\$ -	\$ 77,540
Leighton & Betty Brown Scholarship	123,186	6,238	2,000	127,424
Backus Woods	4,872,500	-	-	4,872,500
Disposition of Lands Reserve	910,040	-	-	910,040
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 5,979,560	\$ 9,944	\$2,000	\$ 5,987,504

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 5 –SCHEDULE OF SEGMENTED REPORTING FOR THE YEAR ENDED DECEMBER 31, 2023

2023 Schedule of Segmented Reporting

	Corporate services	Planning and watershed services	Forestry services	Backus Heritage	Conservation parks	Maintenance operations services	2023 Total
Revenue:							
Levies	\$856,977	\$613,521	-	\$150,426	-	\$628,586	\$2,249,510
Grants	-	35,229	-	-	-	-	35,229
Fees	372,551	532,681	-	213,802	2,044,566	359,381	3,522,981
Forestry	-	-	499,788	-	-	-	499,788
Donations	-	-	-	-	-	-	-
Gain on disposal of tangible capital assets	11,271	-	-	-	-	-	11,271
Total revenue	1,240,799	1,181,431	499,788	364,228	2,044,566	987,967	6,318,779
Expenditures:							
Compensation	737,030	641,233	290,410	209,018	844,012	370,595	3,092,298
Administration	196,626	12,735	791	19,561	208,553	174,843	613,109
Professional/contracted services	216,712	300,607	55,934	12,023	125,702	15,208	726,186
Materials and Supplies	15,943	80,313	65,378	15,222	94,371	32,274	303,501
Amortization	10,317	47,800	-	50,803	104,605	69,194	282,719
Repairs and maintenance	128,463	9,864	-	10,511	32,292	42,305	223,435
Motor pool	-	-	-	-	773	73,835	74,608
Total expenditures	1,305,091	1,092,552	412,513	317,138	1,410,308	778,254	5,315,856
Surplus	(\$64,292)	\$88,879	\$87,275	\$47,090	\$634,258	\$209,713	\$1,002,923

LONG POINT REGION CONSERVATION AUTHORITY

SCHEDULE 5 –SCHEDULE OF SEGMENTED REPORTING (continued) FOR THE YEAR ENDED DECEMBER 31, 2023

2022 Schedule of Segmented Reporting

	Corporate services	Planning and watershed services	Forestry services	Backus Heritage	Conservation parks	Maintenance operations services	2022 Total
Revenue:							
Levies	\$622,056	\$493,252	-	\$94,968	-	\$895,683	\$2,105,959
Grants	-	35,229	-	-	-	-	35,229
Fees	203,719	596,905	-	210,656	1,924,723	199,238	3,135,241
Forestry	-	-	512,506	-	-	-	512,506
Donations	-	-	-	-	-	-	-
Gain on disposal of tangible capital assets	13,339	-	-	-	-	-	13,339
Total revenue	839,114	1,125,386	512,506	305,624	1,924,723	1,094,921	5,802,274
Expenditures:							
Compensation	739,626	587,021	238,824	121,167	720,230	315,955	2,722,823
Administration	102,781	9,187	745	20,657	205,311	127,468	466,149
Professional/contracted services	205,438	56,713	75,223	4,555	150,690	47,865	540,484
Materials and Supplies	21,695	69,113	94,150	3,877	102,117	28,648	319,600
Amortization	9,364	39,030	-	39,902	78,930	82,966	250,192
Repairs and maintenance	120,228	9,392	-	2,601	47,981	35,633	215,835
Motor pool	-	-	-	-	1,282	84,778	86,060
Total expenditures	1,199,132	770,456	408,942	192,759	1,306,541	723,313	4,601,143
Surplus	(\$360,018)	\$354,930	\$103,564	\$112,865	\$618,182	\$371,608	\$1,201,131