



LOWER THAMES VALLEY CONSERVATION AUTHORITY

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
Lower Thames Valley Conservation Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Lower Thames Valley Conservation Authority, which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net 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, 2018, and its financial performance 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.

Other Information

The comparative figures were audited by a predecessor audit firm.

INDEPENDENT AUDITOR'S REPORT, continued

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.

INDEPENDENT AUDITOR'S REPORT, continued

- ◆ 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.

Chatham, Ontario
February 21, 2019

Baker Tilly CK, LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

LOWER THAMES VALLEY CONSERVATION AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2018

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LOWER THAMES VALLEY CONSERVATION AUTHORITY

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
REVENUES			
Municipal levies (note 10)	1,610,668	1,611,734	1,577,352
Miscellaneous income	-	8,790	25
Grants	841,471	778,170	1,277,021
Government grants - special projects	29,200	22,696	21,136
Direct benefitting	336,900	496,315	628,471
Rental recoveries	-	121,290	103,789
Oil and gas royalties	-	7,839	6,424
Interest income	-	36,597	21,672
Foundation revenue	7,000	4,091	7,448
Conservation area revenues	210,000	202,881	239,987
Ska-Nah-Doht Village, Schedule 1	82,992	98,483	97,263
	<u>3,118,231</u>	<u>3,388,886</u>	<u>3,980,588</u>
EXPENDITURES			
Ska-Nah-Doht Village, Schedule 1	229,094	200,113	233,817
Aerial photography, Schedule 2	-	-	5,000
Source protection, Schedule 3	24,664	33,353	31,955
Watershed monitoring, Schedule 4	102,760	88,765	100,487
Flood control structures, Schedule 5	262,794	178,160	207,990
Flood forecasting and warning, Schedule 6	156,753	218,308	168,897
Regulations and plan review, Schedule 7	175,526	144,999	129,834
Conservation services - Stewardship, Schedule 8	1,251,569	1,131,525	1,689,391
Maintenance and other non-eligible, Schedule 9	925,071	1,147,022	1,091,566
Administration and other	-	(575)	-
Administration building improvements	-	-	3,842
River clean up	1,204	1,229	-
Special projects	-	7,594	15,302
	<u>3,129,435</u>	<u>3,150,493</u>	<u>3,678,081</u>
ANNUAL SURPLUS BEFORE AMORTIZATION AND OTHER INCOME (EXPENSE)	<u>(11,204)</u>	<u>238,393</u>	<u>302,507</u>
AMORTIZATION AND OTHER INCOME (EXPENSE)			
Amortization of tangible capital assets	-	(249,195)	(260,114)
Amortization of deferred capital contributions (note 8)	-	4,074	-
Donations of tangible capital assets (note 13)	-	147,600	548,013
	<u>-</u>	<u>(97,521)</u>	<u>287,899</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,204)</u>	<u>140,872</u>	<u>590,406</u>

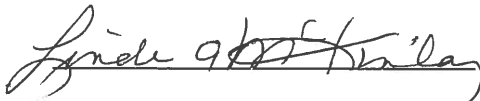
LOWER THAMES VALLEY CONSERVATION AUTHORITY


STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

	2018	2017
	\$	\$
FINANCIAL ASSETS		
Cash (note 5)	1,411,395	1,010,604
Accounts receivable (note 3)	<u>286,733</u>	<u>415,582</u>
	<u>1,698,128</u>	<u>1,426,186</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (note 6)	112,059	95,393
Deferred revenue (note 7)	848,268	762,802
Deferred capital contributions (note 8)	<u>36,670</u>	<u>-</u>
	<u>996,997</u>	<u>858,195</u>
Net financial assets (note 11)	<u>701,131</u>	<u>567,991</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	13,649	13,768
Tangible capital assets (note 4)	<u>6,579,466</u>	<u>6,571,615</u>
	<u>6,593,115</u>	<u>6,585,383</u>
ACCUMULATED SURPLUS (note 9)	<u>7,294,246</u>	<u>7,153,374</u>

ON BEHALF OF THE BOARD

 Chair

 Vice Chair

LOWER THAMES VALLEY CONSERVATION AUTHORITY

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2018

	INVESTMENT IN TANGIBLE CAPITAL ASSETS	RESERVES	OTHER	TOTAL 2018	TOTAL 2017
	\$	\$	\$	\$	\$
BALANCE, BEGINNING OF YEAR	6,571,614	469,223	112,537	7,153,374	6,562,968
Annual surplus (note 12)	7,852	-	133,020	140,872	590,406
Transfer from reserves (note 10)	-	10,798	(10,798)	-	-
BALANCE, END OF YEAR	<u>6,579,466</u>	<u>480,021</u>	<u>234,759</u>	<u>7,294,246</u>	<u>7,153,374</u>

LOWER THAMES VALLEY CONSERVATION AUTHORITY

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenditures	140,872	590,406
Adjustments for		
Amortization of tangible capital assets	249,195	260,114
Amortization of deferred capital contributions (note 8)	(4,074)	-
Contributed land (notes 13 and 14)	<u>(147,375)</u>	<u>-</u>
	238,618	850,520
Change in non-cash working capital items (note 14)	<u>231,101</u>	<u>(102,026)</u>
	469,719	748,494
FINANCING ACTIVITY		
Assets funded by capital contributions	40,744	-
CAPITAL ACTIVITY		
Purchase of tangible capital assets	<u>(109,672)</u>	<u>(678,980)</u>
INCREASE IN CASH	400,791	69,514
CASH, BEGINNING OF YEAR	<u>1,010,604</u>	<u>941,090</u>
CASH, END OF YEAR	<u><u>1,411,395</u></u>	<u><u>1,010,604</u></u>

LOWER THAMES VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. NATURE OF OPERATIONS

Lower Thames Valley Conservation Authority is a not-for-profit organization established under the Conservation Authorities Act of Ontario, in the area over which it has jurisdiction, and undertakes a program designed to further the conservation, preservation, restoration, development and management of natural resources other than gas, oil, coal and minerals.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority are prepared by management in accordance with Canadian public sector accounting standards. The significant accounting policies are as follows:

(a) CASH

Cash consists of balances with financial institutions, certificates of deposit, and short-term investments with maturities of 90 days or less.

(b) TANGIBLE CAPITAL ASSETS

Tangible capital assets are significant economic resources that are managed by the Authority and are a key component in the long-term delivery of the Authority's programs. Tangible capital assets are recorded at cost. Cost includes the purchase price of the asset and all other costs incurred to make the asset available for use. The Authority provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	20-50 years
Equipment	5-40 years
Automotive	6-25 years
Furniture and fixtures	10 years
Computer equipment	3 years

LOWER THAMES VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) RESERVES

Reserves for future expenditures and contingencies are established as required at the discretion of the members of the Authority. Increases or decreases in these reserves are made by appropriations to or from operations and, where appropriate, upon approval of the Board of Directors.

The reserve for vehicle and equipment acquisitions is used for the purchase of vehicles and equipment.

The reserve for Ska-Nah-Doht Village maintenance is used to hold funds earned by the Ska-Nah-Doht Advisory Committee to fund large projects.

The reserve for capital and maintenance projects on Authority lands and structures is used to hold royalties received from lands purchased using provincial funding to fund capital and maintenance projects on Authority lands.

The reserve for provincially eligible and mandated projects is used to hold royalties received from lands purchased using provincial funding to fund provincially-eligible expenditures.

The reserve for insurance deductibles is used to hold funding to pay the deductible on insurance claims and cover expenses related to the self-funded short-term disability policy.

The reserve for restructuring is used to hold funding to pay severance costs in the event of organizational restructuring.

(d) REVENUE RECOGNITION AND GOVERNMENT TRANSFERS

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.

Contributions and transfers related to tangible capital assets are credited to deferred capital contributions and are recognized as revenue on the same basis as amortization on the related asset is charged against operations.

LOWER THAMES VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) SEGMENTATION OF EXPENSES

The Authority's expenses are segregated into several key program areas in the statement of operations and supporting schedules. These segments are identified and segregated on the basis of the programs operated by the Lower Thames Valley Conservation Authority and expenses are allocated to these segments according to the program to which they relate.

(f) BASIS OF ACCOUNTING

Revenues and expenses of the Authority have been recorded on an accrual basis and are recognized in the statement of operations in the year in which they have been earned and incurred, respectively, regardless of whether or not such transactions have been settled by the payment or receipt of cash.

(g) CONTRIBUTED MATERIALS AND SERVICES

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased. When a fair value cannot be determined, the contributed materials and services are recorded at a nominal value.

(h) FINANCIAL INSTRUMENTS

The Authority's financial assets consist of cash and accounts receivable. The Authority's financial liabilities consist of accounts payable and accrued liabilities. The Authority initially measures these financial instruments at fair value except for certain non-arm's length transactions that are measured at the exchange amount.

These financial instruments are subsequently measured at amortized cost and are evaluated for impairment at each statement of financial position date, with the write down recorded in excess of revenues over expenditures. Impairment reversals may occur and the asset can be written up to its original cost.

LOWER THAMES VALLEY CONSERVATION AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2018**

2. SIGNIFICANT ACCOUNTING POLICIES, continued**(i) USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions, such as the allowance for doubtful accounts, useful life of capital assets, amortization, and warranty obligation, that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of certain revenues and expenditures during the year. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

3. ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
	\$	\$
Accounts receivable	288,962	415,582
Allowance for doubtful accounts	(2,229)	-
	<u>286,733</u>	<u>415,582</u>

LOWER THAMES VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

4. TANGIBLE CAPITAL ASSETS

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
	\$	\$	\$	\$
Land	3,268,075	-	3,101,764	-
Buildings	7,363,137	4,390,186	7,363,137	4,230,630
Equipment	820,534	588,741	770,465	527,342
Automotive	488,031	417,434	447,366	395,998
Furniture and fixtures	76,723	40,673	76,723	34,620
Computer equipment	89,763	89,763	89,763	89,013
	<u>12,106,263</u>	<u>5,526,797</u>	<u>11,849,218</u>	<u>5,277,603</u>
Net book value		<u>\$ 6,579,466</u>		<u>\$ 6,571,615</u>

During the year, the Authority acquired \$166,311, (2017 - \$564,863) of land, \$40,666, (2017 - \$16,852) of vehicles, and \$50,070, (2017 - \$97,265) of equipment. Land with a value of \$147,375 was acquired through a donation of capital property.

The Authority disposed of nil capital assets in the year with a net book value of \$nil, (2017 - \$308). No capital asset writedowns were recorded in the year.

5. BANK INDEBTEDNESS

The Authority has available a revolving demand operating line in the amount of \$300,000. This credit facility bears interest at the rate of prime less 0.75% and is unsecured. At year end, \$nil, (2017 - \$nil) of this operating line has been used.

The Authority has available a second revolving demand operating line in the amount of \$300,000. This credit facility bears interest at the rate of prime and is secured by a general security agreement. At year end, \$nil, (2017 - \$nil) of this operating line has been used.

LOWER THAMES VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2018</u>	<u>2017</u>
	\$	\$
Accounts payable	72,560	78,314
Accrued liabilities	29,776	17,079
Government remittances payable	723	-
Warranty obligation	9,000	-
	<u>112,059</u>	<u>95,393</u>

During the year, the Authority entered into a contract to provide tree planting and seeding services to a customer. This contract includes a provision that states that the Lower Thames Valley Conservation Authority will provide a warranty period to guarantee 80% survival and good to fair condition of seeding and planting areas until September 15, 2019. At year end, management has estimated that total costs to satisfy this warranty obligation will total \$9,000, which includes labour, equipment, and materials expenses.

7. DEFERRED REVENUE

The Lower Thames Valley Conservation Authority receives certain amounts, principally from other public sector bodies, which may only be used in the conduct of certain programs or completion of specific work. These amounts are deferred and are recognized as revenues in the year in which the related expenses are incurred or services performed.

	<u>2018</u>	<u>2017</u>
	\$	\$
Balance, beginning of year	762,802	630,768
Amounts received and deferred in the year	246,706	426,865
Amounts recognized as revenue in the year	<u>(161,240)</u>	<u>(294,831)</u>
Balance, end of year	<u>848,268</u>	<u>762,802</u>

LOWER THAMES VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions related to tangible capital assets represent the unamortized amount of funding received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	<u>2018</u>	<u>2017</u>
	\$	\$
Amount received during the year	40,744	-
Less: amount recognized in revenue in the year	<u>(4,074)</u>	<u>-</u>
	<u>36,670</u>	<u>-</u>

9. ACCUMULATED SURPLUS

	<u>2018</u>	<u>2017</u>
	\$	\$
Investment in tangible capital assets	6,579,466	6,571,614
Reserves	480,021	469,223
Other	<u>234,759</u>	<u>112,537</u>
	<u>7,294,246</u>	<u>7,153,374</u>

LOWER THAMES VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

10. RESERVES

The Lower Thames Valley Conservation Authority sets up internal reserves for operations, capital replacement, legal and other items in order to ensure funds are available to finance shortfalls. These reserves are replenished from operating surplus and, where appropriate, as directed by the Board of Directors.

	<u>BALANCE, BEGINNING OF YEAR</u>	<u>TRANSFER FROM SURPLUS</u>	<u>TRANSFER TO SURPLUS</u>	<u>BALANCE, END OF YEAR</u>
	\$	\$	\$	\$
Reserve for vehicle and equipment acquisitions	38,390	-	-	38,390
Reserve for Ska-Nah-Doht Village maintenance	(5,905)	3,458	-	(2,447)
Reserve for capital and maintenance projects on Authority lands and structures	167,495	3,670	-	171,165
Reserve for provincially eligible and mandated projects	22,566	3,670	-	26,236
Reserve for insurance deductibles	30,000	-	-	30,000
Reserve for restructuring	<u>216,677</u>	<u>-</u>	<u>-</u>	<u>216,677</u>
	<u>469,223</u>	<u>10,798</u>	<u>-</u>	<u>480,021</u>

Through acceptance of these financial statements, the Board of Directors approves a transfer of \$10,798, (2017 - \$18,194) from the annual surplus to reserve accounts and approved a transfer of \$nil, (2017 - \$35,049) from reserve accounts to the statement of operations.

It is management's opinion that the deficit in the reserve for Ska-Nah-Doht Village maintenance will be covered by revenues collected in the next fiscal year.

LOWER THAMES VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

11. CHANGES IN NET FINANCIAL ASSETS

	<u>2018</u>	<u>2017</u>
	\$	\$
Net financial assets, beginning of year	567,991	397,432
Annual surplus	140,872	590,406
Change in tangible capital assets (note 12)	(7,852)	(418,866)
Change in prepaid expenses (note 14)	120	(981)
	<u>701,131</u>	<u>567,991</u>

12. CHANGE IN TANGIBLE CAPITAL ASSETS

	<u>2018</u>	<u>2017</u>
	\$	\$
Acquisition of tangible capital assets	(257,047)	(678,980)
Amortization of tangible capital assets	249,195	260,114
	<u>(7,852)</u>	<u>(418,866)</u>

13. CONTRIBUTED MATERIALS AND SERVICES

During the year, the Authority received contributed materials and services. These contributed items consisted of land, taxidermy pieces, and trees and had a fair value of \$156,790. These items are used in the normal course of operations for the Authority and have been recorded in the financial statements at December 31, 2018.

LOWER THAMES VALLEY CONSERVATION AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2018****14. CHANGE IN NON-CASH WORKING CAPITAL ITEMS**

	<u>2018</u>	<u>2017</u>
	\$	\$
Accounts receivable	128,849	(177,239)
Accounts payable and accrued liabilities	16,666	(55,859)
Deferred revenue	85,466	132,053
Prepaid expenses	120	(981)
	<u>231,101</u>	<u>(102,026)</u>

During the year, the Authority acquired land with a fair value of \$147,375 through a donation of capital property. This land was capitalized with the corresponding value of the donation being reported as donation income.

During the year, the Authority acquired taxidermy pieces with a fair value of \$9,375 through a donation of goods. These non-cash contributions were recorded as conservation area revenue and expense in the current financial statements.

15. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

LOWER THAMES VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

16. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. In management's opinion, there has been no change to the Authority's risks during the year.

(a) MARKET RISK

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. These risks are generally outside of the control of the Authority. In management's opinion, the Authority is not exposed to significant market risk.

(b) CREDIT RISK

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority is exposed to credit risk in the event of non-payment by customers for their accounts receivable. The Authority reduces its exposure to credit risk by monitoring outstanding accounts receivable and creating an allowance for bad debts when applicable. In the opinion of management, the credit risk exposure to the Authority is low and is not material.

(c) INTEREST RATE RISK

Interest rate risk is the risk that future cash flows will be impacted by changes in interest rates. The Authority is exposed to interest rate risk on its bank indebtedness as the interest rate applicable to the Authority is variable based on the bank's prime rates. This exposure may have an impact on earnings in future years. The Authority reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates. The Authority does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management, the interest rate risk exposure to the Authority is low and is not material.

LOWER THAMES VALLEY CONSERVATION AUTHORITY

SCHEDULES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

SCHEDULE OF SKA-NAH-DOHT VILLAGE

Schedule 1

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
REVENUE			
Donations	-	2,631	3,121
Gate receipts	60,000	70,780	61,150
Grants	22,992	25,072	32,992
	<u>82,992</u>	<u>98,483</u>	<u>97,263</u>
EXPENDITURES			
Administration	-	2,013	2,772
Administration overhead	28,613	26,426	24,635
Advertising	-	639	1,140
Events and activities	-	1,229	2,976
Materials, supplies, taxes, insurance, utilities	20,000	10,986	25,082
Wages and benefits	180,481	158,820	177,212
	<u>229,094</u>	<u>200,113</u>	<u>233,817</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(146,102)</u>	<u>(101,630)</u>	<u>(136,554)</u>

LOWER THAMES VALLEY CONSERVATION AUTHORITY

SCHEDULES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

SCHEDULE OF AERIAL PHOTOGRAPHY EXPENDITURES

Schedule 2

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Services	-	-	5,000

SCHEDULE OF SOURCE PROTECTION EXPENDITURES

Schedule 3

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Travel, materials, taxes, insurance, and utilities	-	7,023	4,350
Wages and benefits	24,664	26,330	27,605
	<u>24,664</u>	<u>33,353</u>	<u>31,955</u>

SCHEDULE OF WATERSHED MONITORING EXPENDITURES

Schedule 4

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Administration overhead	12,834	10,840	10,112
Travel, materials, taxes, insurance and utilities	40,000	32,782	38,522
Wages and benefits	49,926	45,143	51,853
	<u>102,760</u>	<u>88,765</u>	<u>100,487</u>

SCHEDULE OF FLOOD CONTROL STRUCTURES EXPENDITURES

Schedule 5

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Administration overhead	32,821	23,535	22,700
Travel, materials, taxes, insurance, and utilities	49,000	36,410	35,588
Wages and benefits	180,973	118,215	149,702
	<u>262,794</u>	<u>178,160</u>	<u>207,990</u>

LOWER THAMES VALLEY CONSERVATION AUTHORITY

SCHEDULES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

SCHEDULE OF FLOOD FORECASTING AND WARNING EXPENDITURES

Schedule 6

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Administration overhead	19,578	28,849	17,806
Travel, materials, taxes, insurance, and utilities	33,000	32,726	22,079
Wages and benefits	104,175	156,733	129,012
	<u>156,753</u>	<u>218,308</u>	<u>168,897</u>

SCHEDULE OF REGULATIONS AND PLAN REVIEW EXPENDITURES

Schedule 7

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Administration overhead	28,167	14,814	11,708
Travel, materials, taxes, insurance, and utilities	15,000	36,941	26,466
Wages and benefits	182,359	161,849	158,177
Direct benefit recovery	(50,000)	(68,605)	(66,517)
	<u>175,526</u>	<u>144,999</u>	<u>129,834</u>

SCHEDULE OF CONSERVATION SERVICES - STEWARDSHIP EXPENDITURES

Schedule 8

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Administration overhead	156,314	139,775	178,111
Travel, materials, taxes, insurance, and utilities	645,000	544,129	1,111,129
Wages and benefits	450,255	447,621	400,151
	<u>1,251,569</u>	<u>1,131,525</u>	<u>1,689,391</u>

LOWER THAMES VALLEY CONSERVATION AUTHORITY

SCHEDULES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

SCHEDULE OF MAINTENANCE AND OTHER NON-ELIGIBLE EXPENDITURES

Schedule 9

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
	\$	\$	\$
Community relations	172,730	174,406	157,079
Conservation area maintenance	638,084	741,118	733,069
Conservation education	114,257	136,626	118,397
Vehicle and equipment	-	94,872	83,021
	<u>925,071</u>	<u>1,147,022</u>	<u>1,091,566</u>

LOWER THAMES VALLEY CONSERVATION AUTHORITY

SCHEDULES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

MUNICIPALITY	CURRENT VALUE ASSESSMENT IN THE WATERSHED	% OF LEVY	MATCHING LEVY 2018	NON-MATCHING LEVY 2018	SPECIAL LEVY 2018	TOTAL LEVY		TOTAL LEVY 2017
						2018	2018	
	\$	\$	\$	\$	\$	\$	\$	\$
Chatham-Kent	7,262,650,526	57.64	90,965	719,304	205,000	1,015,269	998,372	
City of London	1,465,554,563	11.63	18,356	145,151	-	163,507	157,790	
Dutton/Dunwich	447,925,569	3.55	5,610	44,364	-	49,974	46,508	
West Elgin	550,549,062	4.37	6,896	54,527	-	61,423	59,194	
Strathroy-Caradoc	736,241,058	5.84	9,221	72,919	-	82,140	78,951	
Middlesex Centre	201,209,522	1.60	2,520	19,928	-	22,448	21,654	
Southwest Middlesex	370,416,083	2.94	4,639	36,687	-	41,326	39,737	
Town of Leamington	289,174,849	2.30	3,622	28,640	-	32,262	32,101	
Southwold	133,316,363	1.06	1,670	13,204	-	14,874	16,782	
Town of Lakeshore	1,142,322,447	9.07	14,308	113,137	-	127,445	121,265	
	<u>12,599,360,042</u>	<u>100.00</u>	<u>157,807</u>	<u>1,247,861</u>	<u>205,000</u>	<u>1,610,668</u>	<u>1,572,354</u>	

Schedule 10

