



**Grand River Conservation Authority
Agenda - Annual General Meeting**

Friday, February 23, 2024

9:30 a.m.

Hybrid Meeting of the Board of Directors

GRCA Administration Centre

Zoom Virtual Meeting

Pages

1. **Call to Order**

2. **Certification of Quorum**

3. **Chair's Remarks**

4. **Review of Agenda**

Recommendation:

THAT the agenda for the Annual General Meeting be approved as circulated.

5. **Declarations of Pecuniary Interest**

6. **Minutes of the Previous Meeting**

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Recommendation:

THAT the minutes of the General Membership Meeting of January 26, 2024 be approved as circulated.

7. **Business Arising from Previous Minutes**

8. **Hearing of Delegations**

9. **Presentations**

a. Impacts of Climate Change on Precipitation Patterns - Vahid Taleban,
Manager of Flood Operations

b. GRCA Stewardship Program Highlights - Louise Heyming

10. Correspondence

- a. Guelph/Eramosa Township re Everton Millstone Retrieval 8

Recommendation:

THAT Correspondence from Guelph/Eramosa Township regarding the Everton Millstone retrieval be received as information.

11. 1st and 2nd Reading of By-Laws

12. Reports:

- a. GM-02-24-15 - Current Watershed Conditions 9

Recommendation:

THAT Report Number GM-02-24-15 – Current Watershed Conditions as of February 13, 2024 be received as information.

- b. GM-02-24-12 - Canadian Heritage River 30th Anniversary Planning Update 17

Recommendation:

THAT Report Number GM-02-24-12 – Canadian Heritage River 30th Anniversary Planning Update be received as information,

AND THAT the Grand River Conservation Authority send a letter to Grand River watershed municipalities to encourage them to celebrate the 30th anniversary of the designation of the Grand River as a Canadian Heritage River through their own commemorative activities.

- c. GM-02-24-10 - Afforestation Services for Spring 2024 20

Recommendation:

THAT the Grand River Conservation Authority award the 2024 contract for hand planting of seedlings to Brinkman & Associates Ltd. in the amount of \$146,475.00 (excluding taxes) and a total budget of \$168,446.25 (excluding taxes) be approved;

AND THAT the Grand River Conservation Authority award the 2024 contract for hand planting of tall stock to Brinkman & Associates Ltd. in the amount of \$87,200.00 (excluding taxes) and a total budget of \$100,280.00 (excluding taxes) be approved.

- d. GM-02-24-09 - Elora Gorge Pines Trailer Staging and Sanitary Release Station 22

Recommendation:

THAT the Grand River Conservation Authority (GRCA) award the tender for the Elora Gorge Pines Trailer Staging & Sanitary Release Station to

Dozlan Construction for the amount of \$138,934.00 excluding HST;
AND THAT a total budget of \$170,000.00 excluding HST be approved.

- e. GM-02-24-13 - Cash and Investment Status 25

Recommendation:

THAT Report Number GM-02-24-13 – Cash and Investment Status – January 2024 be received as information.

13. Committee of the Whole

14. General Business

- a. Report of the Audit Committee 27

Recommendation:

THAT the Chair's Report of the Audit Committee of the Grand River Conservation Authority be received and approved.

1. Accounting for Tangible Capital Assets (TCA) Policy 31

Recommendation:

THAT the Accounting for Tangible Capital Assets Policy dated February 14, 2024 be approved.

2. Audit Committee Terms of Reference 42

Recommendation:

THAT the Terms of Reference for the Audit Committee dated February 24, 2023 be approved and implemented with the approval date of February 23, 2024.

3. Reserve Movements

Recommendation:

THAT the Personnel Reserve be increased by \$150,000 as at December 31, 2023.

- b. Approval of Financial Statements and Report of the Auditor 43

Recommendation:

THAT the Financial Statements of Grand River Conservation Authority as at December 31, 2023 and the Report of the Auditors thereon be received and approved;

AND THAT the Audited Financial Statements be circulated to all Grand River watershed municipalities, posted on the Grand River Conservation Authority website, and submitted to the Ministry of Natural Resources

and Forestry.

c. Appointment of Auditors

Recommendation:

THAT KPMG Chartered Professional Accountants, Licensed Public Accountants, be appointed as Auditors for the Grand River Conservation Authority for the year ending December 31, 2024, at a fee not to exceed \$47,615.

d. Presentation of Budget Estimates for the Current Year

107

Recommendation:

THAT the Grand River Conservation Authority 2024 Budget of \$37,018,714 be approved.

e. Provision for Borrowing (Pending Receipt of Municipal Levies)

Recommendation:

WHEREAS it may be necessary for Grand River Conservation Authority (hereinafter called the "Authority") to borrow money, on an interim basis, to meet the Authority's financial obligations while awaiting payment of levies by participating municipalities designated as such under The Conservation Authorities Act, RSO 1990 (hereinafter called "Participating Municipalities");

THEREFORE BE IT RESOLVED:

THAT the Authority be authorized to borrow, on an interim basis, a sum or sums not exceeding in the aggregate One Million Dollars (\$1,000,000) from the Authority's bank at the said bank's minimum lending rate established from time to time, until the Authority has received payment of levies from Participating Municipalities;

AND THAT the Chair or Vice-Chair together with the Chief Administrative Officer or Secretary-Treasurer of the Authority be and they are hereby authorized to execute for and on behalf of the Authority, a promissory note or notes for the sum to be borrowed pursuant to this Resolution and to affix thereto the corporate seal of the Authority;

AND THAT the amount borrowed pursuant to this Resolution, together with interest thereon, be a charge upon the whole of the money received or to be received by the Authority by way of levies collected from Participating Municipalities when such moneys are received;

AND THAT the Chair or Vice-Chair or the Chief Administrative Officer or Secretary-Treasurer of the Authority be and is hereby authorized and directed to apply, in payment of the moneys borrowed pursuant to this Resolution together with interest thereon, all of the moneys received by

the Authority by way of levies collected from Participating Municipalities.

15. Appointments to Committees

- a. Appointment of Audit Committee

Recommendation:

THAT the following Members be appointed to the Audit Committee until the next Annual General Meeting: (Chair, First and Second Vice-Chairs, and four others)

- b. Appointment of Special Recognition Committee - Not required.

- c. Appointment of Conservation Ontario Council Representatives

Recommendation:

THAT the Chair and the Chief Administrative Officer be appointed as Members of Conservation Ontario Council;

AND THAT the Deputy Chief Administrative Officer and Secretary-Treasurer be appointed as an Alternate Member of Conservation Ontario Council.

16. 3rd Reading of By-Laws

17. Other Business

18. Closed Meeting

Recommendation:

THAT the Members enter into a Closed Meeting to discuss a confidential matter.

- a. Minutes of the previous closed session

19. Next Meeting - Friday, March 22, 2024, at 9:30 a.m.

20. Adjourn

Regrets only to:

Office of the Chief Administrative Officer, Phone: 519-621-2763 ext. 2200



Grand River Conservation Authority Minutes - General Membership Meeting

Date: January 26, 2024
Time: 9:30 am
Location: Hybrid Meeting of the General Membership
GRCA Administration Centre
Zoom Virtual Meeting

Members Present Bruce Banbury, Christine Billings, Gino Caputo, John Challinor II, Ken Yee Chew, Brian Coleman, Doug Craig, Kevin Davis, Mike Devine, Jim Erb, Susan Foxton, Guy Gardhouse, Gord Greavette, Lisa Hern, Daniel Lawrence, Dave Miller, Natasha Salonen, Sandy Shantz, Rob Shirton, Jerry Smith, Shawn Watters, Chris White, Kari Williams, Pam Wolf

Regrets Colleen James, Alex Wilson

Staff Samantha Lawson, Karen Armstrong, Beth Brown, Krista Bunn, Ron Gasparetto, Brandon Heyer, Janet Ivey, Murray Lister, Sonja Radoja, Lisa Stocco, Vahid Taleban, Pam Walther-Mabee, Marijan Blazevic, Tyler Slaght, Eowyn Spencer

1. Call to Order

The Chair called the meeting to order at 9:40 a.m. following technical difficulties.

2. Certification of Quorum

The Secretary-Treasurer certified quorum with more than half of the Members present. A total of 24 Members attended the meeting.

3. Chair's Remarks

The Chair welcomed the Members and made the following remarks:

- The annual ROMA conference was held earlier this week, with more than 1,600 participants from 300 municipalities in attendance. The event features dozens of speakers, sessions and workshops that reflect the broad scope of rural municipal responsibilities.
- GRCA staff continue to present the draft 2024 budget to municipalities when requested, and most recently to the County of Brant and the City of Hamilton. Both presentations were well received.
- The GRCA is the official winner of the Diamond award in the Campground category for the 2023 Readers' Choice awards. Congratulations to all of our conservation area staff!

4. Review of Agenda

24-01

Moved By Jerry Smith

Seconded By Shawn Watters

THAT the agenda for the General Membership Meeting be approved as circulated.

Carried

Dan Lawrence joined the meeting at 9:43 a.m.

5. Declarations of Pecuniary Interest

There were no declarations of pecuniary interests made in relation to the matters to be dealt with.

6. Minutes of the Previous Meetings

24-02

Moved By Natasha Salonen

Seconded By John Challinor II

THAT the minutes of the General Membership Meeting of December 15, 2023 be approved as circulated.

Carried

7. Business Arising from Previous Minutes

There was no business arising from the minutes of the previous meeting.

8. Hearing of Delegations

There were no Delegations.

9. Presentations

There were no Presentations.

10. Correspondence

10.a John Kemp re: Giant Hogweed in the Watershed

- D.Miller inquired about the possibility of coordinating mitigation efforts with municipalities. S.Lawson noted the GRCA has a program to eliminate the invasive weed on GRCA properties and provides education to municipalities and private landowners through information provided on GRCA's website.
- K.Davis commented that advocacy of a coordinated campaign could be beneficial given the GRCA's unique role in regards to matters of watershed jurisdiction. The Chair noted that the GRCA is not resourced or mandated to monitor or mitigate invasive plants outside of GRCA properties.
- J.Challinor commented that invasive species' management falls under the purview of the provincial government, and with the Ministry of Natural Resources and Forestry specifically. The municipalities implement programs on behalf of the province, and the GRCA responds as appropriate to requests of this nature and provides additional information wherever possible.

10.b Waterloo Region Nature re: Laurel Creek Nature Centre

10.c Brant Waterways Foundation re: Nature Centres

10.d Laura Muir: Agenda item GM-01-24-04 - Completion of Transition Period for Ontario Regulation 687/21

24-03

Moved By Gord Greavette

Seconded By Brian Coleman

THAT Correspondence from Waterloo Region Nature regarding the Laurel Creek Nature Centre, and from John Kemp regarding giant hogweed in the watershed; and from Brant Waterways regarding Nature Centres, and from Laura Muir regarding agenda item GM-01-24-04 – Completion of Transition Period for Ontario Regulation 687/21 be received as information.

Carried

11. 1st and 2nd Reading of By-Laws

None.

12. Reports:

12.a GM-01-24-04 - Completion of Transition Period for Ontario Regulation 687/21

There were no questions regarding this item, and the Chair thanked staff for their work in successfully fulfilling the legislated requirements during the transition period.

24-04

Moved By Susan Foxton

Seconded By Bruce Banbury

THAT Report Number GM-01-24-04 – Completion of Transition Period for Ontario Regulation 687/21 be approved, circulated to all Grand River watershed municipalities, posted on the Grand River Conservation Authority website, and submitted to the Ministry of Natural Resources and Forestry.

Carried

12.b GM-01-24-06 - Budget 2024 - Draft #2

There were no questions regarding this budget draft. The final budget will be prepared and presented for the Annual General Meeting to be held on February 22, 2024.

24-05

Moved By John Challinor II

Seconded By Christine Billings

THAT Report Number GM-01-24-06 - Budget 2024 - Draft #2 be received as information;

AND THAT the personnel reserve, property and liability insurance reserve, and the building and mechanical equipment reserve be allocated interest income for 2023;

AND THAT an amount equal to any undesignated surplus realized from the 2023 year-end operating results be included as a transfer to the Transition reserve in the year ending December 31, 2023 operating statements.

Carried

12.c GM-01-24-05 - Municipal Apportionment Approval 2024 (Weighted Vote)

There were no questions or comments regarding the 2024 municipal apportionment, and the Secretary-Treasurer recorded the vote in accordance with [O.Reg. 402/22](#).

24-06

Moved By Shawn Watters

Seconded By Susan Foxton

THAT the 2024 Municipal Apportionment for the Grand River Conservation Authority of \$13,292,000 be approved;

AND THAT the participating municipalities be assessed for payment of:

General operating expenses of \$3,310,888

Category 1 operating expenses of \$8,964,112

Category 2 operating expenses of \$1,017,000;

AND THAT each participating municipality's share of the 2024 Municipal Apportionment is calculated using "Modified Current Value Assessment" for General operating expenses and Category 1 operating expenses, and as per the signed Memoranda of Understanding for Category 2 operating expenses.

Member	Municipality/Group	Weight	Absent	Present	In Favour	Opposed
Bruce Banbury	County of Oxford	0.8%		0.8%	0.8%	
Christine Billings	City of Guelph	6.8%		6.8%	6.8%	
Gino Caputo	City of Brantford	3.8%	3.8%			
John Challinor II	Region of Halton	2.5%		2.5%	2.5%	

Member	Municipality/Group	Weight	Absent	Present	In Favour	Opposed
Ken Yee Chew	City of Guelph	6.8%		6.8%	6.8%	
Brian Coleman	County of Brant	1.5%		1.5%	1.5%	
Doug Craig	Region of Waterloo	5.0%		5.0%	5.0%	
Kevin Davis	City of Brantford	3.8%		3.8%	3.8%	
Mike Devine	Region of Waterloo	5.0%		5.0%	5.0%	
Jim Erb	Region of Waterloo	5.0%		5.0%	5.0%	
Susan Foxton	Region of Waterloo	5.0%		5.0%	5.0%	
Guy Gardhouse	Group 1 (E. Garafraxa, Amaranth, Southgate, Melancthon, Grand Valley)	1.1%		1.1%	1.1%	
Gord Greavette	Region of Waterloo	5.0%		5.0%	5.0%	
Lisa Hern	Group 2 (Mapleton, Wellington North)	1.3%		1.3%	1.3%	
Colleen James	Region of Waterloo	5.0%	5.0%			
Daniel Lawrence	Haldimand & Norfolk Counties	0.9%		0.9%	0.9%	
David Miller	County of Brant	1.5%		1.5%	1.5%	
Natasha Salonen	Region of Waterloo	5.0%		5.0%	5.0%	
Sandy Shantz	Region of Waterloo	5.0%		5.0%	5.0%	
Rob Shirton	Haldimand & Norfolk Counties	0.9%		0.9%	0.9%	
Jerry Smith	Group 3 (North Perth, Perth East)	0.4%		0.4%	0.4%	
Shawn Watters	Twp of Ctr Wellington	2.6%		2.6%	2.6%	
Chris White	Group 4 (Erin, Puslinch, Eramosa)	3.0%		3.0%	3.0%	
Kari Williams	Region of Waterloo	5.0%		5.0%	5.0%	
Alex Wilson	City of Hamilton	12.5%	12.5%			
Pam Wolf	Region of Waterloo	5.0%		5.0%	5.0%	
		100.0%	21.2%	78.8%	78.8%	0.0%
	Weighted Vote Result				100.0%	

Carried

12.d GM-01-24-01 - Cash and Investment Status

There were no questions or comments regarding this item.

24-07

Moved By Susan Foxton

Seconded By Lisa Hern

THAT Report Number GM-01-24-01 – Cash and Investment Status – December 2023 be received as information.

Carried

12.e GM-01-24-08 - Fee Schedule 2 - Conservation Areas - Amended

There were no questions or comments regarding this item.

24-08

Moved By Bruce Banbury

Seconded By Brian Coleman

THAT the Grand River Conservation Authority Fee Schedule 2 - Conservation Areas be approved as amended, and implemented effective January 26, 2024.

Carried

12.f GM-01-24-02 - Permits issued under Ontario Regulation 150/06

There were no questions or comments regarding this item.

24-09

Moved By John Challinor II

Seconded By Sandy Shantz

THAT Report Number GM-01-24-02 - Permits Issued under Ontario Regulation 150/06 be received as information.

Carried

12.g GM-01-24-03 - Amendment to the Policies for the Administration of Permits under Ontario Regulation 150/06

There were no questions or comments regarding this item.

24-10

Moved By Kari Williams

Seconded By Gord Greavette

THAT the proposed policy amendment outlined in Report Number GM-01-24-03 – Amendment to the Policies for the Administration of Permits under Ontario Regulation 150/06 be approved and effective immediately.

Carried

12.h GM-01-24-07 - Current Watershed Conditions

D.Miller asked if there is an increased risk of erosion around the great lakes shorelines as a result of warmer weather and less ice buildup. V.Taleban noted he would investigate specifics.

24-11

Moved By Rob Shirton

Seconded By Jim Erb

THAT Report Number GM-01-24-07 – Current Watershed Conditions as of January 15, 2024 be received as information.

Carried

13. Committee of the Whole

Not required.

14. General Business

There was no General Business.

15. 3rd Reading of By-Laws

None.

16. Election of Officers

- C.White welcomed Leslie Rich from Conservation Ontario, and Sarah Clayton and Cosmin Tarta from KPMG to the meeting, and vacated the position of Chair.
- L.Rich declared the positions of Chair and Vice-Chair vacant and stated the election procedures as outlined in GRCA By-law 2-2023.
- L.Rich assumed the role of Acting-Chair for the purpose of overseeing the Election of Officers.

16.a Appointment of Scrutineers - Motion Required

Moved By Guy Gardhouse

Seconded By Rob Shirton

THAT the Grand River Conservation Authority appoint Sarah Clayton and Cosmin Tarta as scrutineers for the purpose of electing officers of the General Membership.

Carried

16.b Election of Chair

16.b.1 Call for Nominations

- S.Foxton nominated C.White for the position of Chair on the first call for nominations. C.White accepted the nomination.
- No further nominations were presented during the second and third calls.

16.b.2 Motion to close nominations for Chair

24-13

Moved By Christine Billings

Seconded By Pam Wolf

THAT nominations for the position of Chair of the Grand River Conservation Authority General Membership be closed.

Carried

16.b.3 Distribution of ballots for in-person; virtual voting submissions, & collection of ballots and submissions by Scrutineers – Not required.

16.b.4 Announce Election Results

- C.White was acclaimed as Chair of the Grand River Conservation Authority for a one-year term to commence January 26, 2024 until the next Election of Officers.
- C.White thanked the Board for their confidence, noting that it is an honour to be acclaimed to the position of Chair for a fourth and final term.

16.b.5 Motion to destroy Ballots & Virtual Voting Submissions – Not required.

16.c Election of Vice-Chair

16.c.1 Call for Nominations

- J.Smith nominated S.Foxton for the position of Vice-Chair on the first call for nominations. S.Foxton accepted the nomination.
- D.Miller nominated K.Davis on the second call for nominations.
- L.Rich confirmed that the current GRCA Administrative By-law 2-2023 permits two Vice-chairs.
- There was brief discussion to clarify and confirm protocol since it has not been in practice to have both positions. There was general support from the Board to fill a second vice-chair position as an added support for the Chair and Vice-chair, and in consideration of succession planning.
- K.Davis expressed his support for the GRCA and staff, and his willingness to stand for the position of second Vice-chair.
- L.Rich completed a second and third call for the positions of first vice-chair, and no further nominations were received.

16.c.2 Motion to close nominations for Vice-Chair

24-14

Moved By Pam Wolf

Seconded By Sandy Shantz

THAT nominations for the position of First Vice-Chair of the Grand River Conservation Authority General Membership be closed.

Carried

L.Rich completed a second and third call for the position of second vice-chair, and no further nominations were received.

24-15

Moved By Brian Coleman

Seconded By Susan Foxton

THAT nominations for the position of Second Vice-Chair of the Grand River Conservation Authority General Membership be closed.

Carried

16.c.3 Distribution of ballots for in-person; virtual voting submissions, & collection of ballots and submissions by Scrutineers – Not required.

16.c.4 Announce Election Results

S.Foxton was acclaimed as First Vice-chair, and K.Davis was acclaimed as Second Vice-chair, for terms to commence on January 26, 2024 until the next Election of Officers.

16.c.5 Motion to destroy Ballots & Virtual Voting Submissions – Not required.

17. Other Business

None.

18. Closed Meeting

24-16

Moved By Kevin Davis

Seconded By Brian Coleman

THAT the General Membership enter a closed meeting in accordance with the *Municipal Act* section 239(2) for the following purpose(s): litigation or potential litigation.

Carried

24-18

Moved By John Challinor II

Seconded By Sandy Shantz

THAT the General Membership reconvene in open session.

Carried

18.a Minutes of the previous closed session

24-19

Moved By Dave Miller

Seconded By Susan Foxton

THAT the minutes of the previous closed session be approved as circulated.

Carried

18.b Litigation or potential litigation - Report circulation

Resolution 24-17 was passed in closed session in accordance with *the Municipal Act* section 239(6).

19. Next Meetings

- Wednesday, February 14, 2024 at 9:30 a.m. - Audit Committee
- Friday, February 23, 2024 at 9:30 a.m. - Annual General Meeting of the General Membership

20. Adjourn

The meeting was adjourned at 10:45 a.m.

24-20

Moved By Susan Foxton

Seconded By Jerry Smith

THAT the meeting of the General Membership be adjourned.

Chair

Secretary-Treasurer

2/12/2024

Grand River Conservation Authority
C/O Chris White, Chair

Re: Everton Millstone Retrieval

Dear Mr. White,

The Township of Guelph/Eramosa Heritage Committee passed the following resolution at its meeting held on January 31st, 2024:

Be it resolved that the heritage Committee for the Township of Guelph/Eramosa has discussed the Everton Millstone/Salvage Sculpture; and

That Committee directs staff to put together a letter to GRCA to acquire the millstone from the old Everton Mill and obtain ownership, and to move it accordingly onto municipal property for display; and

That Committee will come back to its next meeting with more plans for how to display the pieces from the mill.

As such, the Township is requesting that the Grand River Conservation Authority work with Township staff to retrieve the millstone from the old Everton Mill so it can be displayed within Guelph/Eramosa in conjunction with the other pieces already obtained.

Please let us know what action you require on our part in order to help make this happen.

The Township's Heritage Committee would like to express their gratitude for your time and effort in this matter.

Regards,



Chris Fraresso
Deputy Clerk

Grand River Conservation Authority

Report number: GM-02-24-15

Date: February 23, 2024

To: Members of the Grand River Conservation Authority

Subject: Current Watershed Conditions as of February 13, 2024

Recommendation:

THAT Report Number GM-02-24-15 – Current Watershed Conditions as of February 13, 2024 be received as information.

Summary:

Precipitation in January was above average with more recorded in the first half of the month. In the first half of February, the watershed received very little precipitation. The warm trend continued into mid-February with average temperatures more than 6 degrees above the long-term average. From mid-January into early February, precipitation tended to be rain more than snow. Rainfall combined with warm temperatures has completely depleted the snowpack formed in January. Major reservoirs were used to manage runoff from the snowmelt on February 9 and 10. With the loss of the snow pack and low precipitation in February, reservoirs are being held slightly above their normal operating levels to facilitate filling to the March 1 target. Downstream low flow targets are consistently being met.

The Low Water Response Team moved the watershed into a Level 1 low water condition on December 20, 2023 due to dry conditions in the fall. After receiving well above average precipitation in January, the Low Water Response Team moved the watershed back to normal condition on February 1. As of February 13, 3-month indicators for precipitation are showing normal conditions throughout the watershed but very little precipitation has been received in February so far.

Lake Erie continues to be above the long-term average, below the levels in 2021, and close to the levels in 2022. The long-term forecast over the next three months is for above normal temperatures and near normal to below normal precipitation.

Report:

Precipitation

Precipitation up to February 13 ranged from 3 to 10 percent of the long-term average for half of February at climate stations across the watershed, as shown in Table 1. To date, precipitation in February has fallen as rain, rather than snow.

Trends in precipitation, as presented in Table 2, show that during the past 3 months, the watershed has experienced slightly wetter than normal conditions on average, with precipitation levels ranging from around 93 percent at the Laurel climate station to 135 percent at the Brantford Airport climate station area with an overall average of around 109 percent. Over longer periods, the precipitation levels are approaching normal long-term averages. A visual representation of these trends for the Shand climate station is provided in Figure 1.

The snowpack was measured on February 1 and the snow water equivalent was normal to low in the central and northern part of the watershed and there was no snow in the southern part of the watershed. Since then, warm temperatures in February have completely diminished the snowpack.

Table 1: Current monthly precipitation for climate stations across the watershed up to February 13, 2024, including the long-term average precipitation for half of February.

Climate Station	Current Month Precipitation (millimeters)	Long Term Average Precipitation (millimeters)	Percentage of Long Term Average (%)
Shand	2.4	28.4	8%
Conestogo	3.4	32.9	10%
Guelph	1.5	27.4	5%
Luther	3.0	33.2	9%
Woolwich	0.8	28.8	3%
Laurel	0.8	29.8	3%
Shades	1.4	27.5	5%
Brantford	0.7	21.7	3%

Table 2: Precipitation trends as a percentage (%) of the long-term average over the last 18 months

Climate Station	Last Month	Last 3 Months	Last 6 Months	Last 12 Months	Last 18 Months
Shand	162%	109%	98%	110%	102%
Conestogo	131%	96%	87%	107%	101%
Guelph	179%	113%	94%	110%	101%
Luther	164%	106%	89%	111%	105%
Woolwich	148%	114%	95%	104%	95%
Laurel	123%	93%	83%	98%	90%
Shades	170%	111%	95%	113%	101%
Brantford	216%	135%	99%	118%	103%

Air Temperatures

January was very warm with temperatures 6 to 8 degrees Celsius higher than the long-term average. At the Shand Dam climate station, daily maximum temperatures exceeded 0 degrees Celsius for 10 days during the month of January and daily averages ranged between -14.0 to +3.5 degrees Celsius with an average daily temperature of -4.4 degrees Celsius.

The average temperature at the Shand Dam climate station over the first 13 days of February was -0.3 degrees Celsius which is over 7 degrees warmer than the long-term average for the first half of the month of February.

A visual representation of these trends for the Shand climate station is provided in Figure 2.

Lake Erie Water Levels

During January, the average lake level was approximately 0.25 meters above the long-term average. Levels increased at the beginning of February and are approximately 0.47 meters above the long-term average. The forecast for Lake Erie is for lake levels to increase over the next month following the normal spring rise in levels. Lake Erie remains mostly ice free. Figure 3

shows the range of water levels expected over the next six months as well as the observed water levels over the last four years.

Reservoir Conditions

Reservoirs were used to manage runoff from the snowmelt on February 9 and 10 and levels are slightly above their normal operating range. Discharges are normal and all downstream flow targets are being met.

Reservoirs will be used to manage flows during melt or rain events over the next couple of months. Spring filling of the reservoirs normally starts in late February or early March. With the loss of the snow pack and low precipitation in February, reservoirs are being held slightly above their normal operating levels to facilitate filling to the March 1 target. Flood storage is available in the large reservoirs with 64% available at Shand and 71% at Conestogo. Year to date reservoir levels and operating rule curves are shown in Figures 4 and 5 for the four largest reservoirs.

Low Water Response

The Low Water Response Team moved the watershed into a Level 1 low water condition on December 20, 2023 due to dry conditions in the fall. After receiving well above average precipitation in January, the Low Water Response Team moved the watershed back to normal condition on February 1. As of February 13, 3-month indicators for precipitation are showing normal conditions throughout the watershed but very little precipitation has been received in February so far. Precipitation and streamflow data will continue to be monitored along with groundwater level data.

The Grand River Low Water Response Team is comprised of representatives from municipalities, agriculture, golf course operators, aggregate operations, water bottlers, and provincial ministries. It meets as needed to carry out the Ontario Low Water Response Program in the Grand River Watershed.

Long Range Forecast

Environment and Climate Change Canada is forecasting above normal temperatures and normal to below normal precipitation for the watershed over the 3 months of February, March, and April.

Flood Preparedness and Flood Centre Activities

A small Lake Erie Surge occurred on Saturday January 13 in the afternoon. GRCA flood operation center issued two flood messages for this event, a Flood Watch message on Friday, January 12, and a Flood Warning on Saturday January 13, based on the MNR forecast of Lake Erie levels in the vicinity of Port Maitland. Local CEMCs and residents were warned to expect Lake Erie levels to reach Flood Zone 1.

The watershed experienced very cold temperatures in the middle of January followed by warmer than normal temperatures starting on January 23 along with 30-60 mm of rain on January 27. Consequently, small ice jams formed on several locations including the communities of West Montrose and New Hamburg. A watershed wide rainfall and snowmelt event led to flooding of low-lying areas. The Nith River system had the strongest response on January 27 and 28. Level 1 Flooding was observed in communities of New Hamburg on the afternoon of Saturday January 27 and Ayr on the morning of Sunday January 28. Local CEMCs and residents of both communities were warned by GRCA staff.

During the month of January, the flood operations center issued a total of 5 flood messages, including two watershed condition statements, one combined flood watch/flood warning message, one flood warning message and one flood warning termination message.

Conditions are being monitored closely. Staff continue to hold weekly meetings as part of planning initiatives, dam operations, and flood emergency preparedness.

Training sessions on the flood program and emergency management are being planned for new staff and for staff in new roles. Additional training sessions for dam operators and field staff will be conducted over the next few months as part of normal annual meetings.

Financial Implications:

Not applicable

Other Department Considerations:

Not applicable

Prepared by:

Mark Anderson, P. Eng.
Senior Engineer – Flood Management

Liz Fisher
Water Management Supervisor

Approved by:

Vahid Taleban, P. Eng.
Manager of Flood Operations

Figure 1: Shand Dam Monthly Precipitation 2020 to February 13, 2024

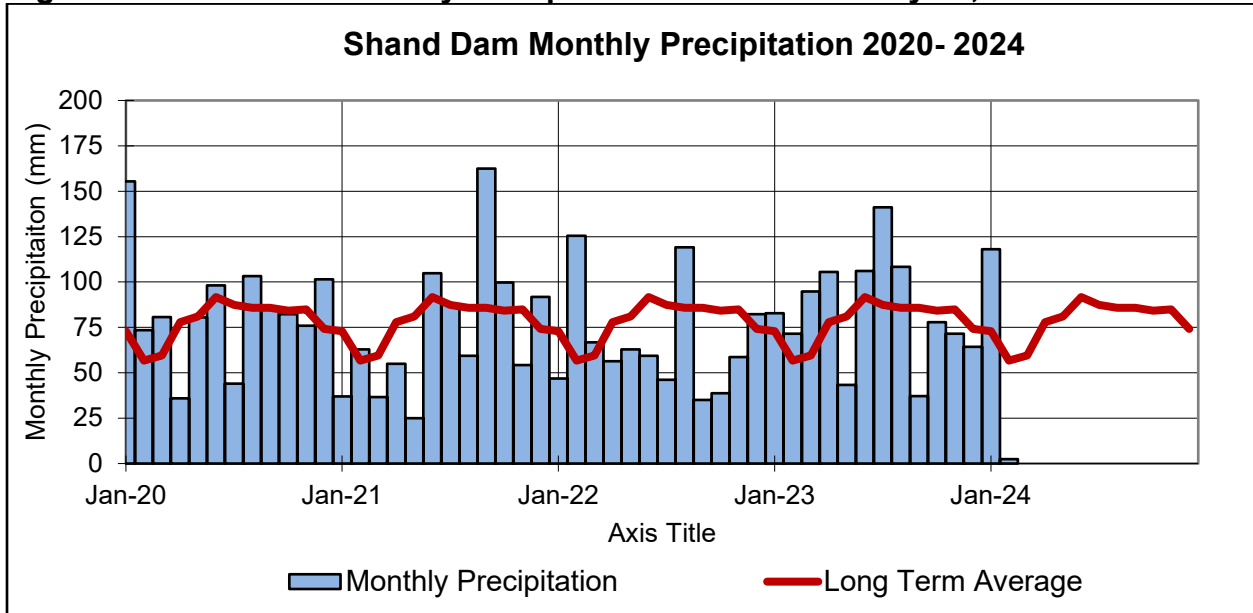


Figure 2: Monthly Average Air Temperatures at Shand Dam from 2020 to February 13, 2024

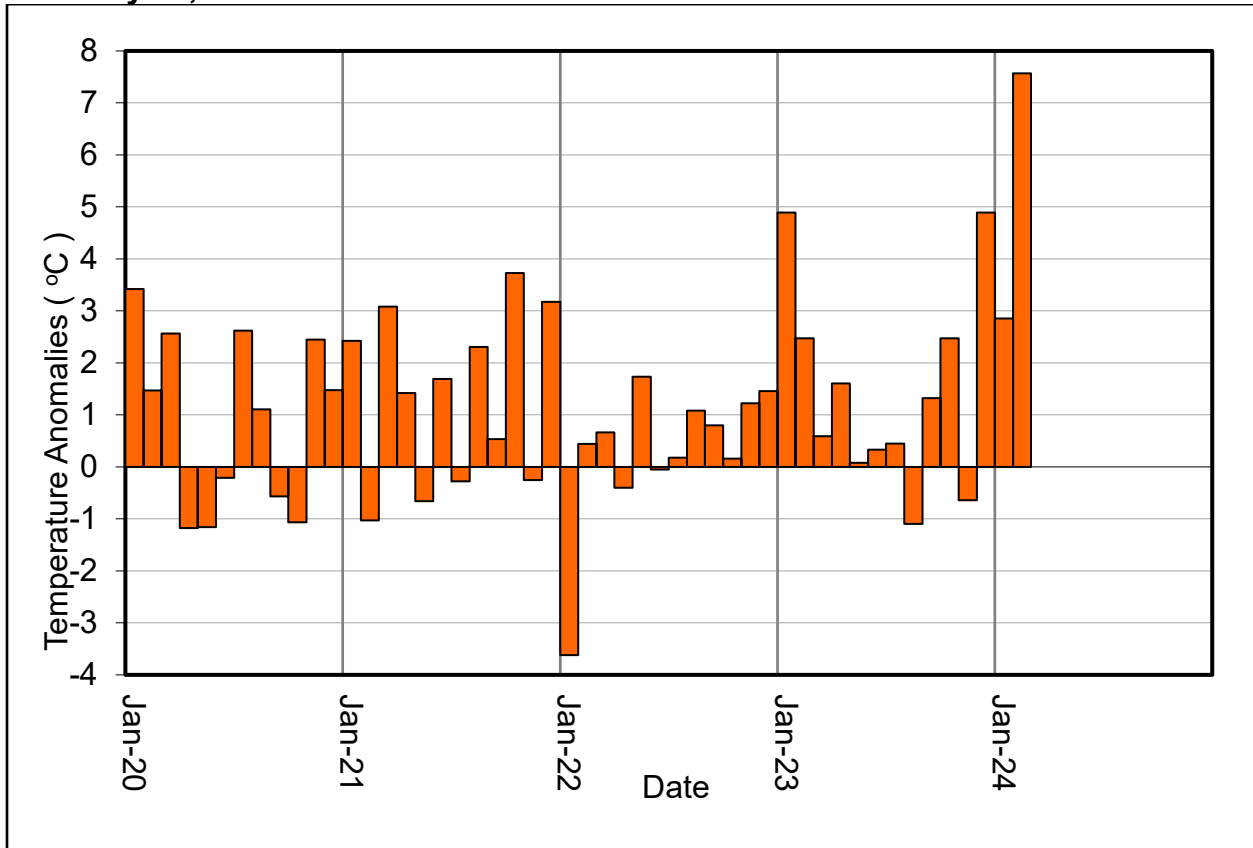


Figure 3: Water levels for Lake Erie at Port Colborne

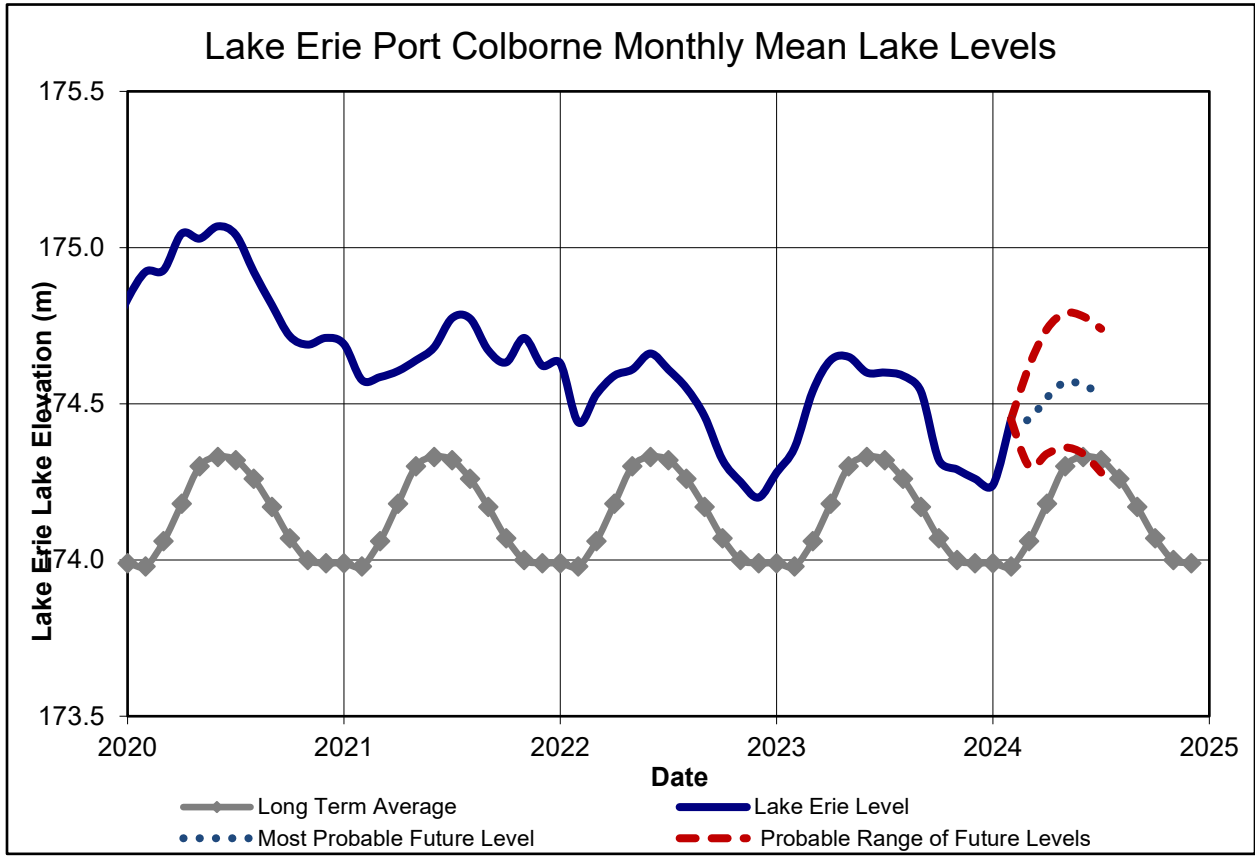


Figure 4: Shand and Conestogo Reservoir Elevation Plots for 2024

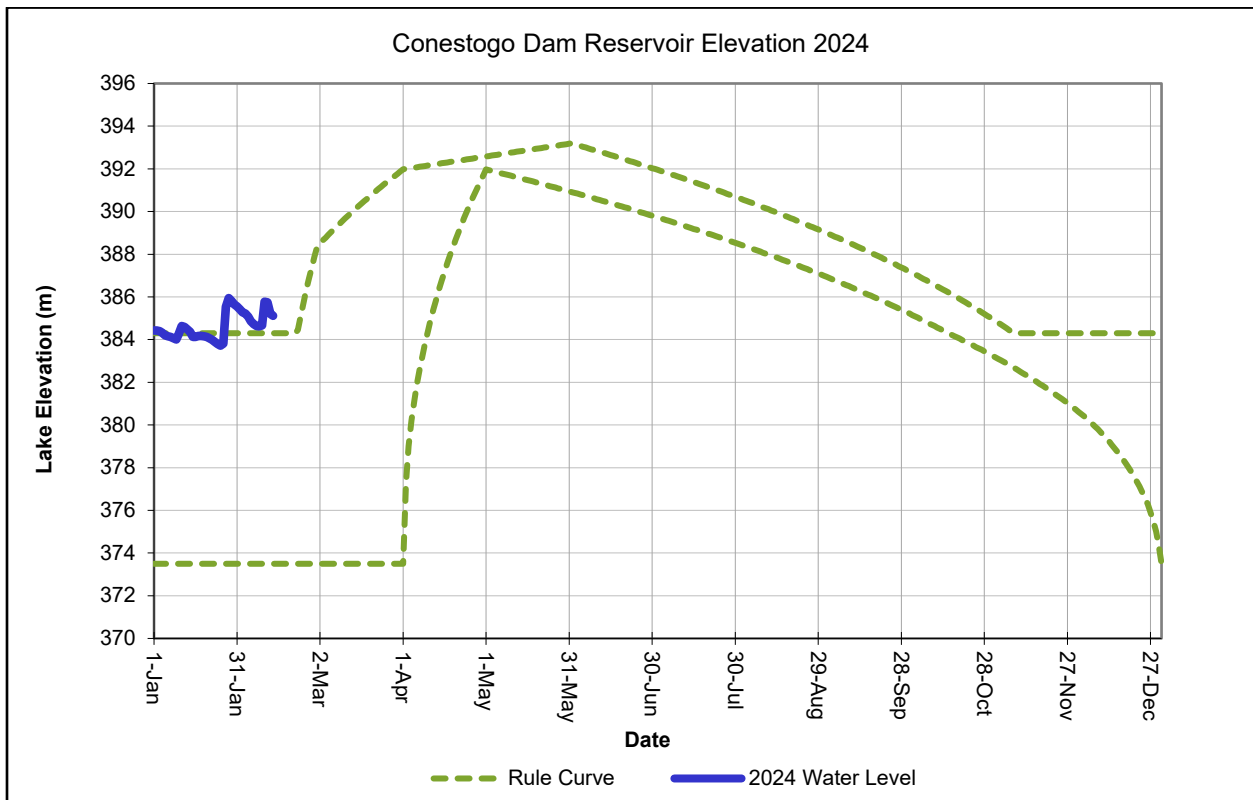
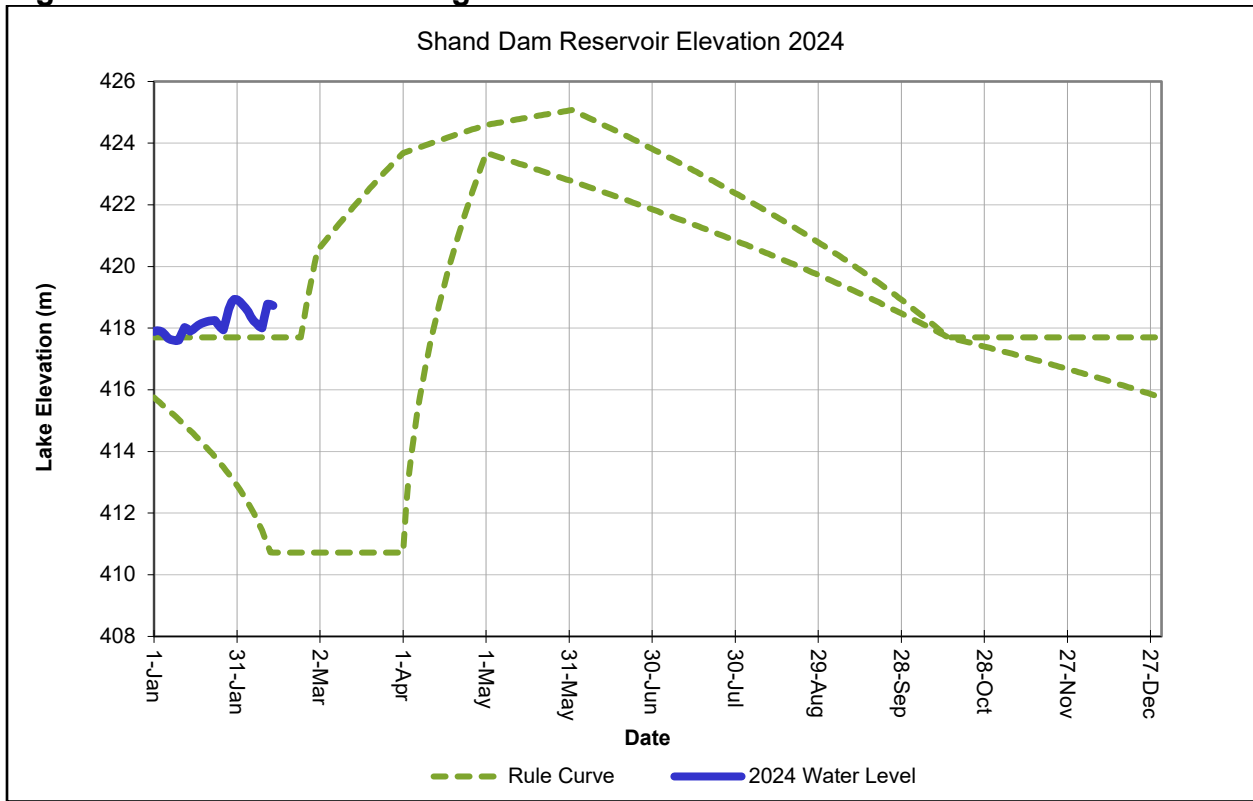
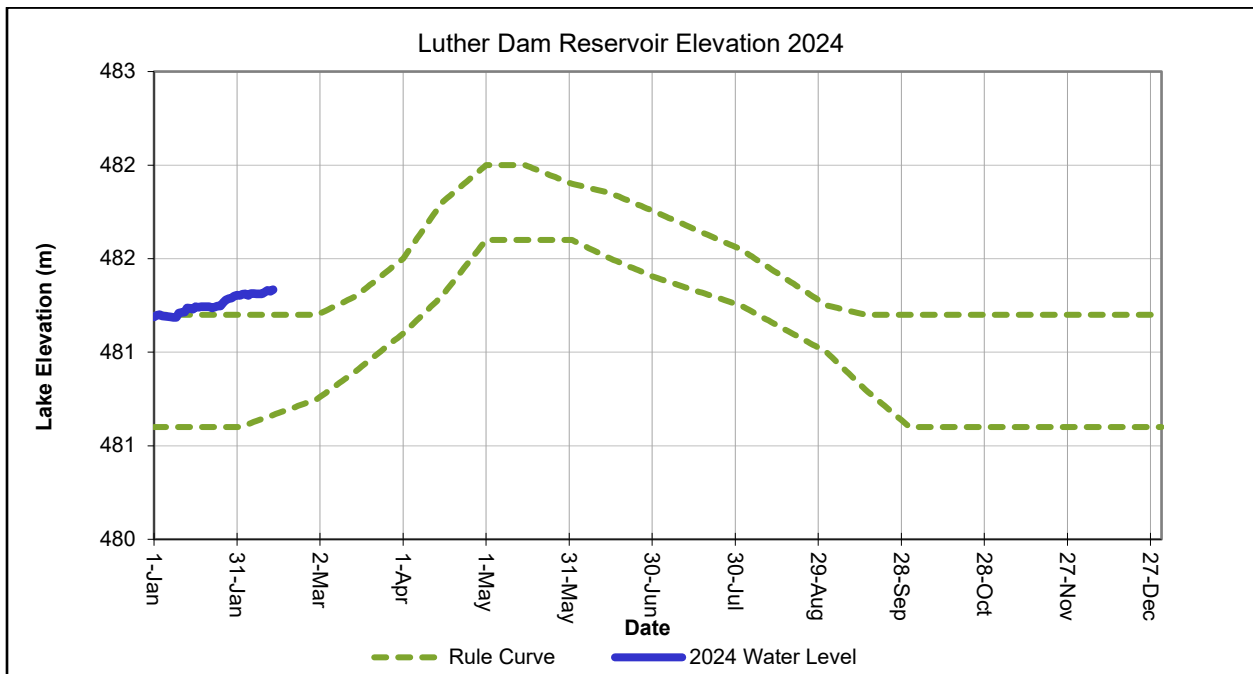
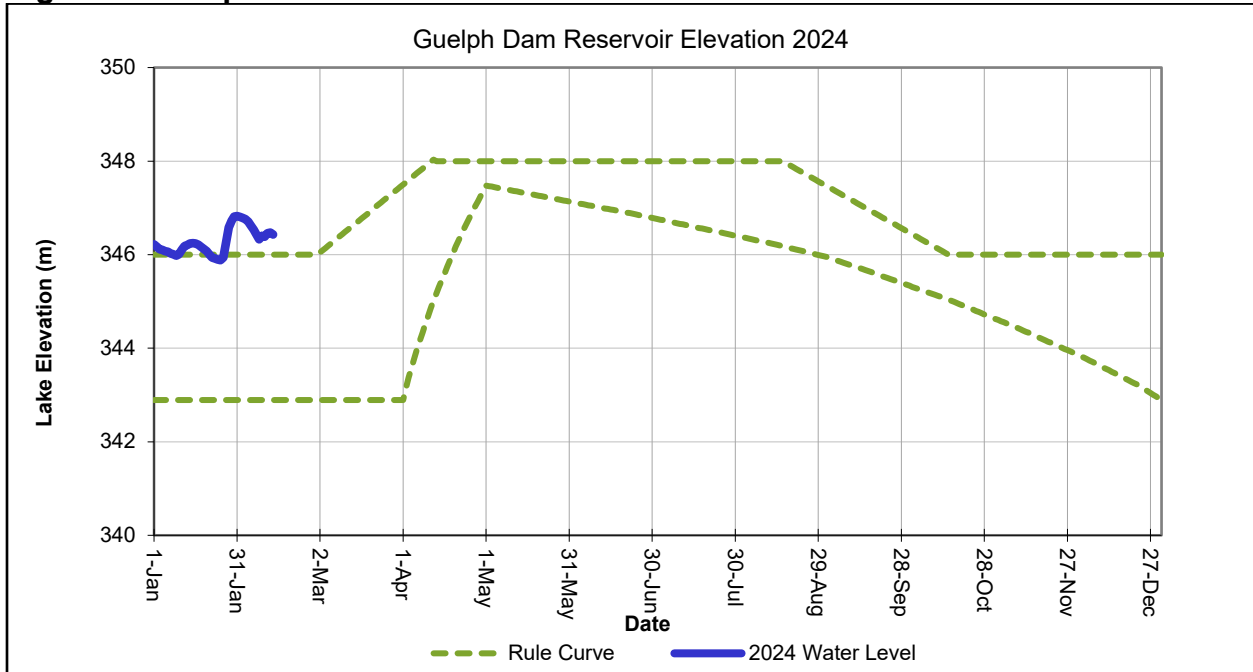


Figure 5: Guelph and Luther Reservoir Elevation Charts for 2024



Grand River Conservation Authority

Report number: GM-02-24-12

Date: February 23, 2024

To: Members of the Grand River Conservation Authority

Subject: Canadian Heritage River 30th Anniversary Planning Update

Recommendation:

THAT Report Number GM-02-24-12 – Canadian Heritage River 30th Anniversary Planning Update be received as information;

AND THAT the Grand River Conservation Authority send a letter to Grand River watershed municipalities to encourage them to celebrate the 30th anniversary of the designation of the Grand River as a Canadian Heritage River through their own commemorative activities.

Summary:

Not applicable.

Report:

The year 2024 marks the 30th anniversary of the designation of the Grand River as a Canadian Heritage River. The designation was a collaborative achievement with the active participation of the GRCA, Parks Canada, multiple provincial ministries, municipalities, community groups, and notable heritage property owners and river-based recreation providers.

The GRCA plans to acknowledge and celebrate the anniversary in 2024 by:

- Preparing a monitoring report for the Canadian Heritage River Secretariat (CHRS),
- Replacing two missing heritage river plaques,
- Holding an event to mark the 30th anniversary, and
- Encouraging watershed municipalities and other organizations to celebrate the 30th anniversary in their own endeavors.

These activities will include opportunities for Indigenous, stakeholder, and public engagement.

Monitoring Report

The monitoring report will summarize human heritage and recreational events, actions, stewardship, studies and changes that have occurred over the prior 10 years (2014-2024). While GRCA actions and activities are included, the reports are broad, documenting available information from other organizations throughout the watershed.

Input from stakeholders will be solicited through stakeholder information sessions and on-line surveys. Representatives from First Nations, municipal planners, municipal heritage committees, heritage societies, regional tourism organizations, and local non-government organizations will be invited to participate in the information session and surveys.

The final report will be presented to the Authority Board for endorsement and submitted to the CHRS in late 2024.

Heritage Plaques

On September 26, 1994, a plaque was unveiled in Cambridge to commemorate the designation. Other plaques were installed in communities along the tributaries: Conestogo River (St. Jacobs), Nith River (New Hamburg), Speed River (Guelph) and Eramosa River (Township of

Guelph-Eramosa). The Speed and Eramosa plaques have been lost due to theft. The GRCA will work with municipalities, First Nations, and other stakeholders to update the text on the plaques and request financial support from the CHRS to replace the missing plaques.

30th Anniversary Events

The GRCA will plan a family-friendly heritage themed event at Brant Conservation Area to be held in September 2024. The event could incorporate a heritage speaker, guided walks to the river's edge, activities by local river outfitters, and children's activity centres. The GRCA will plan to offer free public entry to the conservation area on the day of the event.

At past milestones of the designation, the GRCA has encouraged watershed municipalities and other organizations to consider celebrating the river through their own commemorative activities or events. A draft letter to the mayors and councils of watershed municipalities, to encourage celebration of the 30th anniversary, is included as Appendix A.

This 30th anniversary falls on the 50th anniversary of the flood of May 1974 which inundated communities along the Grand River including Kitchener (Bridgeport), Cambridge (Galt) and Brantford, causing millions of dollars in damages. The Royal Commission Inquiry that followed made recommendations for comprehensive water management planning which has continued to this day. In fact, human adaptation to fluctuating river flows is one of the human heritage values for which the Grand River was designated.

Financial Implications:

Maintenance of the Canadian Heritage River designation is a Category 3 (non-mandatory) program. Expenses associated with maintaining the designation could be covered by the GRCA's self-generated revenues or external grants. It is anticipated that the CHRS/Parks Canada may provide funding for up to 50% of the costs of the monitoring report, to a maximum of \$5,000. Additional federal funding may be available for replacement of the two missing plaques.

Other Department Considerations:

Staff from the Water Resources, Strategic Communications, and Conservation Areas departments will be engaged in supporting 30th anniversary activities.

Prepared by:

Janet Ivey
Manager of Water Resources

Approved by:

Samantha Lawson
Chief Administrative Officer

Appendix A

February 23, 2024

Address

Dear Mayor [Name] and Council of [Municipality],

The Grand River and its major tributaries - the Conestogo, Eramosa, Nith and Speed rivers - were designated Canadian Heritage Rivers in 1994. The designation recognizes the outstanding human heritage values and excellent recreational opportunities along the rivers.

The Canadian Heritage River System was established in 1984 by the federal, provincial and territorial governments. The goal is to conserve and protect the best examples of Canadian river heritage, to give them national recognition and to encourage the public to enjoy and appreciate them.

The year 2024 marks the 30th anniversary of this special status. This milestone collectively offers us a 'grand' opportunity to celebrate the national status of our rivers, the common threads that link our communities, landscapes, and cultural features throughout the watershed.

The GRCA will be celebrating this occasion with a family event at the Brant Conservation Area. Likewise, I invite your municipality to consider celebrating your Canadian Heritage River. These are just a few ideas for celebratory activities:

- incorporating commemorative activities and the heritage river theme into your existing 2024 community events such as environmental or cultural events, statutory holiday celebrations, Doors Open activities, festivals, interpretative walks or bike rides, or
- working with community groups on events such as river clean-ups and tree planting.

For more information about the Canadian Heritage River designation, visit [Heritage River designation - Grand River Conservation Authority](#).

Should your municipality decide to incorporate special heritage river celebrations in your community activities, please forward your list of activities to Janet Ivey, phone: (519) 621-2763 ext. 2128 or email: jivey@grandriver.ca for our records and for inclusion in reporting to the Canadian Heritage River Secretariat.

Yours very truly,

Chris White,

Chair

Grand River Conservation Authority

Grand River Conservation Authority

Report number: GM-02-24-10

Date: February 23, 2024

To: Members of the Grand River Conservation Authority

Subject: Afforestation Services for Spring 2024

Recommendation:

THAT the Grand River Conservation Authority award the 2024 contract for hand planting of seedlings to Brinkman & Associates Ltd. in the amount of \$146,475.00 (excluding taxes) and a total budget of \$168,446.25 (excluding taxes) be approved;

AND THAT the Grand River Conservation Authority award the 2024 contract for hand planting of tall stock to Brinkman & Associates Ltd. in the amount of \$87,200.00 (excluding taxes) and a total budget of \$100,280.00 (excluding taxes) be approved.

Summary:

The Grand River Conservation Authority (GRCA) carries out a variety of tree-planting projects on both private land and GRCA properties each spring. Afforestation contractors are utilized to implement these projects.

The GRCA advertised for prequalification of companies interested in participating in the GRCA's 2024 afforestation program. Two companies submitted their prequalification documents and met the criteria for receiving the subsequent Request for Proposals.

Report:

The GRCA has planted trees on private land and GRCA property for over 50 years with over 30 million trees planted throughout the Grand River watershed to date. The GRCA offers watershed residents access to a coordinated approach for afforestation services. Forestry specialists assist landowners with the design of their projects and access to funding programs. The GRCA grows trees and shrubs at its nursery and also purchases nursery stock at bulk pricing from a variety of external nurseries. The services of qualified tree-planting contractors are retained to complete the projects.

To ensure that planting projects are successful, the GRCA seeks contractors with expertise in afforestation and naturalization-style tree planting. The bare-root tree planting season is compressed into a three to four-week period that starts as soon as the frost leaves the ground. To accommodate this compressed season, the GRCA's afforestation projects are contracted out according to the planting method and nursery stock size/type. Not all contractors are able to fulfill the variety of requirements and timelines, so it sometimes results in multiple contractors working simultaneously to ensure the completion of projects during this short time period.

The GRCA provided Request for Proposals (RFPs) to the two companies that prequalified, indicating the estimated number of trees to plant utilizing the planting method that typically provides the best survival rate, is appropriate for the site conditions, is the most efficient, and provides the anticipated lowest planting cost. The proposals were opened at 9:00 a.m. on January 29, 2024. The opening committee consisted of Brandon Heyer, Manager of Central Services; Kayleigh Keighan, Financial Controller; and Nathan Munn, Supervisor of Forestry Operations.

The following tables show the bids submitted for the two tree planting contracts which are based on an estimated number of trees to plant in the spring of 2024.

Table 1: Proposal results for Contract 1 – hand planting of seedlings

Company	Bid Price per 1000	Total Estimated Number of Trees to Plant	Total Contract Value
Black River Tree Planting	NO BID	105,000	N/A
Brinkman & Associates	\$1,395.00	105,000	\$147,475.00

Table 2: Proposal results for Contract 2 – hand planting of tall stock

Company	Bid Price per tree	Total Estimated Number of Trees to Plant	Total Contract Value
Black River Tree Planting	\$9.10	10,000	\$91,000.00
Brinkman & Associates	\$8.72	10,000	87,200.00

The cost of afforestation projects on private lands are paid for by the individual property owners requiring the service. If eligible, these costs may be offset by programs such as the Rural Water Quality Program, Forests Ontario's 50 Million Tree Program, and the federal government's 2 Billion Tree Program. Tree planting on GRCA land is funded through programs such as, Forests Ontario's 50 MTP, the federal government's 2 Billion Tree Program, and/or the Grand River Conservation Foundation.

The GRCA's tree planting program aims to recover the costs of these contracts plus recover some of the GRCA's overhead costs. The amount charged to landowners for planting trees is estimated to allow for the costs of paying contractors to plant these trees, as well as, all of the internal shipping, handling, and storage costs.

The RFP did not include a contingency, however, it is proposed that a budget be approved with an internal 15% contingency added. The contingency is due to the fact that tree planting plans are still being developed and confirmed with various landowners, so the actual number of trees to plant may vary from the total estimated at the time of proposal submissions. The total proposed budget is shown in Table 3.

Table 3: Budget

	Contract 1	Contract 2
Total Value of Contract	\$146,475.00	\$87,200.00
Contingency	\$21,971.25	\$13,080.00
Total Budget Excluding HST	\$168,446.25	\$100,280.00

Financial Implications:

With the proposed recommendations for awarding each contract, cost-recovery of these costs will be achieved. Overall the Burford Tree Nursery & Planting Services GRCA tree-planting program of \$992,900 relies on self-generated revenue (approximately 2/3) and other GRCA programs & services surplus allocation (approximately 1/3).

Other Department Considerations:

Natural Heritage and Conservation Services staff are involved in the planning and coordination of afforestation projects on both private and GRCA lands.

Prepared by:

Nathan Munn
Supervisor of Forestry Operations

Approved by:

Karen Armstrong
Deputy CAO/Secretary-Treasurer

Brandon Heyer
Manager of Central Services

Grand River Conservation Authority

Report number: GM-02-24-09

Date: February 23, 2024

To: Members of the Grand River Conservation Authority

Subject: Elora Gorge Pines Trailer Staging & Sanitary Release Station

Recommendation:

THAT the Grand River Conservation Authority (GRCA) award the tender for the Elora Gorge Pines Trailer Staging & Sanitary Release Station to Dozlan Construction for the amount of \$138,934.00 excluding HST;

AND THAT a total budget of \$170,000.00 excluding HST be approved.

Summary:

Not applicable.

Report:

The infrastructure upgrades for the Elora Gorge Conservation Area's (CA) Campground I were completed in 2019. Part of the design was the installation of a sanitary pump station to service the new Recreational Vehicle (RV) campsites and a future connection of the sanitary release station to the approved sanitation system. The pump station and associated collection system flow to the Township of Centre-Wellington (Elora) Wastewater Treatment Plant. RVs camping elsewhere on the west side of the park dispose of wastewater into a 10,000 L holding tank located in Camping Area E2. This tank then requires repeated tanker truck pumpouts during peak operation.

The entrance to the campground from Middlebrook Road into the Conservation Area is very busy. A trailer/RV staging area has been proposed in the grassed land adjacent to the Middlebrook Road entrance Gatehouse to accommodate additional RVs thereby reducing any congestion off-site. Also, a new dual sanitary release and water filling station is proposed utilizing the existing infrastructure in the area just east of the Gatehouse adjacent to internal access roads. A permit for this work has been received from the Township of Centre-Wellington.

The tender for the Elora Gorge Trailer Staging & Sanitary Release Station was publicly advertised on the Biddingo electronic procurement website on January 17, 2024 and closed on February 6, 2024. A total of thirty-seven (37) potential bidders downloaded the tender package, with ten (10) attending the mandatory site meeting. Ten (10) bids were received by the closing time.

The tender submission was opened with an opening committee consisting of Kayleigh Keighan, Financial Controller, Pam Walther-Mabee, Manager of Conservation Area Operations, and Alan McKee, Project Supervisor. The tender submission was opened in the virtual presence of everyone while sharing the screen through Microsoft Teams. The results of the tender process are shown below in Table 1.

Table 1: Tender Results

Rank	Company	Tender Amount (excluding HST)
1	Dozlan Construction	\$138,934.00
2	Tvan Excavating Ltd.	\$182,579.26
2	I.M. Benjamins Inc. o/a Hardscape Concrete & Interlock	\$197,222.00
4	Wellington Construction Contractors Inc.	\$228,812.00
5	Kieswetter Excavating Inc.	\$241,351.57
6	Steed & Evans Limited	\$254,592.50
7	Agg-Flo Haulage Inc.	\$261,666.80
8	Bomar Landscaping Inc.	\$286,406.00
9	Melrose Paving Co. LTD.	\$329,304.75
10	Greenspace Construction	\$345,851.29

Staff are satisfied with the lowest cost submission as it aligns with our requirements and budget. RJ Burnside also reviewed the bids for irregularities & completeness and based on the submission they have recommended the project be awarded to Dozlan Construction.

GRCA staff recommend that a budget be approved with an additional internal contingency added to allow staff to work with the consultant and the contractor to resolve unforeseen required project changes. The total proposed budget is shown in Table 2.

Table 2: Budget

Tender amount	\$138,934.00
Internal GRCA Project Contingency	\$31,066.00
Total budget excluding HST	\$170,000.00

Financial Implications:

This work is included in the 2024 Conservation Areas capital budget.

Other Department Considerations:

Conservation Area staff have been involved with the design of the proposed work.

Prepared by:

Alan McKee
Project Supervisor, Central Services

Approved by:

Karen Armstrong
Deputy CAO/Secretary-Treasurer





Brandon Heyer
Manager of Central Services



Proposed Trailer Dump Station & Staging Area

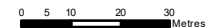
Healthy trees within the proposed sanitary release station to be re-located within the park.

Legend

-  Municipal Boundary (GRCA)
-  Watercourse - Local (GRCA)
-  CA Boundary - Local (GRCA)
-  Waterbody - Local (GRCA)



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Disclaimer: This map is for illustrative purposes only. Information contained herein is not a substitute for professional review or a site survey and is subject to change without notice. The Grand River Conservation Authority takes no responsibility for, nor guarantees, the accuracy of the information contained on this map. Any interpretations or conclusions drawn from this map are the sole responsibility of the user.
The source for each data layer is shown in parentheses in the map legend. For a complete listing of sources and citations go to: <https://maps.grandriver.ca/Sources-and-Citations.pdf>



Grand River Conservation Authority

Report number: GM-02-24-13

Date: February 23, 2024

To: Members of the Grand River Conservation Authority

Subject: Cash and Investment Status – January 2024

Recommendation:

THAT Report Number GM-02-24-13 – Cash and Investment Status – January 2024 be received as information.

Summary:

The cash position including Notes Receivable of the Grand River Conservation Authority as at January 31, 2024 was \$57,746,577 with outstanding cheques written in the amount of \$120,801.

Report:

See attached.

Financial Implications:

Interest rates, etc. are shown on the report.

Other Department Considerations:

Not applicable.

Prepared by:

Racha Ibrahim
Senior Accountant

Sonja Radoja
Manager of Corporate Services

Approved by:

Karen Armstrong
Deputy CAO/Secretary Treasurer

**Grand River Conservation Authority
Cash and Investments Status Report
January 31/2024**

BANK ACCOUNTS	Location	Type	Amount	Interest Rate
	CIBC	Current Account	8,881,789	5.40%
	RBC	Current Account	154,720	nil
	Wood Gundy	Current Account	0	nil
	CIBC - SPP Holding	Current Account	529,090	5.40%
	TOTAL CASH - CURRENT ACCOUNT		9,565,599	

INVESTMENTS	Date Invested	Location	Type	Amount	Face Value Interest Rate	Yield Rate	Date of Maturity	2024 Total Interest Earned/ Accrued
		CIBC Renaissance	High Interest Savings Account	7,701,113	4.55%	4.55%	not applicable	353,672
		CIBC High Interest	High Interest Savings Account	4,769,895	4.55%	4.55%	not applicable	219,047
		One Investment Savings	High Interest Savings Account	4,649,970	5.465%	5.465%	not applicable	255,999
	October 23, 2019	Cdn Western Bank	Bond	2,010,000	2.800%	2.78%	September 6, 2024	33,073
	January 16, 2020	Cdn Western Bank	Bond	3,000,000	2.597%	2.45%	September 6, 2024	50,061
	September 15, 2021	Cdn Western Bank	Bond	1,500,000	2.597%	1.21%	September 6, 2024	12,570
	September 23, 2021	Province of Ontario	Bond	2,300,000	1.230%	1.23%	December 2, 2026	27,156
	September 23, 2021	ManuLife Financial	Bond	2,000,000	2.237%	1.34%	May 12, 2030, call date 2025	37,326
	December 14, 2022	National Bank	Bond	4,054,000	2.983%	4.84%	March 4, 2024	9,013
	December 14, 2022	CIBC	Bond	4,100,000	3.300%	4.36%	May 26, 2025	96,320
	December 14, 2022	Bank of Montreal	Bond	4,096,000	2.700%	4.59%	September 11, 2024	27,230
	June 28, 2023	CIBC	Non-Redeemable GIC	4,000,000	5.250%	5.25%	June 28, 2024	102,986
	December 7, 2023	National Bank	Non-Redeemable GIC	2,000,000	4.700%	4.70%	December 7, 2026	94,000
	December 21, 2023	CIBC Trust Corp	Non-Redeemable GIC	2,000,000	4.450%	4.45%	December 22, 2025	89,000
		TOTAL INVESTMENTS		48,180,978				\$1,407,453
		TOTAL CASH AND INVESTMENTS		\$57,746,577				
		* Reserve Balance at December 31st, 2023		52,678,473				

Investment By Institution

	% of Total Portfolio
C.I.B.C.	47%
Bank of Montreal	9%
National Bank	13%
Cdn Western Bank	14%
ManuLife Financial Bank	4%
One Investment Program	10%
Province of Ontario	5%
	<u>100%</u>

* Reserve balances are reviewed annually by the Board in November.

Grand River Conservation Authority

Report number: GM-02-24-14

Date: February 23, 2024

To: Members of the Grand River Conservation Authority

Subject: Chair's Report of the Audit Committee

Recommendation:

THAT the Chair's Report of the Audit Committee of the Grand River Conservation Authority be received and approved.

Summary:

Not applicable

Report:

The Audit Committee met on February 14, 2024 at 9:30 a.m. to review the 2023 Financial Statements prepared by Grand River Conservation Authority (GRCA) staff and reported on by KPMG LLP, Chartered Professional Accountants, the external auditors appointed by the GRCA.

Sonja Radoja highlighted two minor corrections to the financial statements, which have been corrected for the final draft of the Audited Financial Statements to be presented to the General Membership at the Annual General Meeting.

The Audit Committee reviewed the Terms of Reference dated February 24, 2023, and agreed to an amendment that changed the reference to vice-chair to be plural, as applicable, and to appoint up to five additional members from the General Membership without exceeding a total of seven Audit Committee members. The Terms of Reference are attached and will be implemented with the approval date of February 23, 2024 following approval of this report.

The Committee also reviewed an updated Accounting for Tangible Capital Assets Policy and did not suggest any further changes. The final policy and the respective report are attached.

Staff had the opportunity to discuss the performance of the auditors without them being present. The auditors were given the same opportunity with respect to management, and both parties confirmed a good working relationship.

The Audit Committee is satisfied that the Financial Statements, Notes, and Schedules fairly present the financial position of the GRCA.

The Audit Committee made the following recommendations:

Motion: AUD-24-03

THAT the Audit Committee Recommends to the General Membership that the Accounting for Tangible Capital Assets Policy dated February 14, 2024 be approved.

Motion: AUD-24-04

THAT the Audit Committee Recommends to the General Membership that the Terms of Reference for the Audit Committee dated February 24, 2023 be approved and implemented with the approval date of February 23, 2024.

Motion: AUD-24-05:

THAT the Audit Committee recommends to the General Membership that the Personnel Reserve be increased by \$150,000.

Motion: AUD-24-06

THAT the Audit Committee Recommends to the General Membership that the Financial Statements of Grand River Conservation Authority as at December 31, 2023 and the Report of the Auditors thereon be received and approved.

Motion: AUD-24-07:

THAT the Audit Committee recommends to the General Membership that KPMG Chartered Professional Accountants, Licensed Public Accountants, be appointed as Auditors for the Grand River Conservation Authority for the year ending December 31, 2024, at a fee not to exceed \$47,615.

Submitted by:

John Challinor, Chair
Audit Committee

Grand River Conservation Authority

Report number: GM-02-24-14

Date: February 23, 2024

To: Members of the Grand River Conservation Authority

Subject: Chair's Report of the Audit Committee

Recommendation:

THAT the Chair's Report of the Audit Committee of the Grand River Conservation Authority be received and approved.

Summary:

Not applicable

Report:

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Submitted by:

John Challinor, Chair
Audit Committee

Grand River Conservation Authority

Report number: AM-02-24-01

Date: February 14, 2024

To: Members of the Audit Committee

Subject: Accounting for Tangible Capital Assets (TCA) Policy

Recommendation:

THAT the Audit Committee Recommends to the General Membership that the Accounting for Tangible Capital Assets Policy dated February 14, 2024 be approved.

Summary:

Beginning in 2009, Grand River Conservation Authority began to account for Tangible Capital Assets in accordance with Section 3150 of the Public Sector Accounting Board Handbook. A policy statement was approved in 2009. Appropriate revisions have been undertaken and are highlighted in the attached revised policy statement.

Report:

Revisions to the Tangible Capital Asset Policy Statement include:

- Referencing the addition of Asset Retirement Obligations to Tangible Capital Assets
- Providing a more detailed breakdown of asset groupings for purposes of indicating useful life ranges which are part of note disclosure in the audited financial statements.

See attached for revised policy statement.

Financial Implications:

The Audited Financial Statements include TCA information as follows:

- Balance Sheet – Tangible Capital Assets – as at Dec 31, 2023 - \$93,943,341
- Note Disclosure – note 5 – provides details related to cost, additions/disposals, depreciation, and net book value by asset class.

The financial impact of the policy revisions is the addition of Asset Retirement Obligations (ARO) as a separate asset class. There is a separate policy on accounting for AROs that was presented at the November 24, 2023 audit committee meeting.

Other Department Considerations:

None.

Prepared by:

Sonja Radoja
Manager Corporate Services

Approved by:

Karen Armstrong
Deputy CAO/Secretary-Treasurer

Grand River Conservation Authority

Accounting for Tangible Capital Assets Policy



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Background:

The Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) beginning with the fiscal year 2009, requires municipalities to report on their tangible capital assets (TCA) and moved from a modified accrual format to full accrual accounting. Conservation Authorities fall into this category along with the municipal government and comply with these changes.

Effective for the year ending December 31, 2023, the audited financial statements will need to include the estimated liability for Asset Retirement Obligations (ARO) along with the corresponding (offsetting) Tangible Capital Asset created. A separate ARO Policy Statement outlines the applicable accounting rules as dictated by PSAB and incorporated into GRCA's audited financial statements.

Objective:

The objective of this policy is to provide detailed procedures and guidelines for the accounting and recording of all TCAs in the Grand River Conservation Authority (GRCA) financial records and financial statements in accordance with the CICA PSAB Handbook. It will provide information to help recognize a TCA, define TCA classifications, set thresholds and determine the amortization rates for all TCAs controlled by the GRCA in accordance with the PSAB. Such capital assets include those owned and those under capital lease. By doing so, users of the financial statements can be provided with information about owned investments in land, property, equipment, and infrastructure and the changes in such investments. The Corporate Services department will be responsible to account for and report TCAs in the annual financial statements and all departments are responsible for use, care, and maintenance of TCAs and

the implementation and operations of an internal control system that ensures that TCAs are accounted for. This shared responsibility requires all departments to effectively communicate and share information on TCAs.

Definitions:

Accumulated Amortization – see “Accumulated Depreciation”

Accumulated Depreciation - is the sum of all depreciation charges to date related to a TCA since the asset was placed in use.

Acquisition Date is the date on which the TCA being constructed or developed is substantially completed and ready for use or the date on which legal ownership of the TCA is transferred to the Authority.

Amortization - see “Depreciation”

Asset Pool is a grouping of identical, similar, or related tangible capital assets. Individual assets that have a lower value, per unit, than the capitalization threshold, may be material when grouped. Such assets are generally recorded as a single asset pool, with one combined value.

Asset retirement obligation (ARO) is a legal obligation associated with the retirement of a tangible capital asset. See separate ARO Policy statement for details.

Betterment is the cost incurred to enhance the service potential of a TCA. Service potential is enhanced if one of the following occurs:

- There is an increase in capability or capacity.
- Associated operating costs are lowered
- The original useful life is extended
- It is of sufficient monetary value to warrant capitalization

Betterments and replacements include additions to a tangible capital asset or a substitution of a component part of a tangible capital asset. The distinguishing feature between a betterment and a replacement is that a betterment is the substitution of a better component for the one currently used. A replacement, on the other hand, is the substitution of a similar component. Betterments are treated as tangible capital assets and amortized accordingly. Replacement of a part or component that does not increase the life expectancy or service potential is treated as ordinary operating expense.

In addition, repairs and maintenance maintain the predetermined service potential of a TCA for a given useful life and should be charged to the income statement as an expense. Maintenance and repairs keep an asset in good operating condition and merely keep up its efficiency.

Example:

A dump truck is purchased for \$100,000 with a useful life of 10 years. In year 5, the tires are replaced for a cost of \$3,000. Since this will not extend the life beyond the 10 years this would be an expense in the period incurred. In year 8, a new motor is installed and the life is extended beyond the 10 years. This cost would be capitalized as a betterment.

Capital Leases are defined by the CICA Handbook, Section 3065.03 as:

“a lease that, from the point of view of the lessee, transfers substantially all the benefits and risks incident to ownership of property to the lessee” and “From the point of view of a lessee, a

lease would normally transfer substantially all of the benefits and risks of ownership to the lessee when, at the inception of the lease, one or more of the following conditions are present:

- a) *there is a reasonable assurance that the lessee will obtain ownership of the leased property by the end of the lease term. Reasonable assurance that the lessee will obtain ownership of the lease property would be present when the terms of the lease would result in ownership being transferred to the lessee by the end of the lease term or when the lease provides for a bargain purchase option;*
- b) *the lease term is of such duration that the lessee will receive substantially all of the economic benefits expected to be derived from the use of the leased property over its life span. Although the lease term may not be equal to the economic life of the lease property in terms of years, the lessee would normally be expected to receive substantially all of the economic benefits to be derived from the leased property when the least term is equal to a major portion (usually 75% or more) of the economic life of the lease property. This is due to the fact that new equipment, reflecting later technology and in prime condition, may be assumed to be more efficient than old equipment which has been subject of obsolescence and wear; and*
- c) *the lessor would be assured of recovering the investment in the lease property and of earning a return on the investment as a result of the least agreement. This condition would exist if the present value, at the beginning of the least term, of the minimum lease payments, excluding any portion thereof relation to executory costs, is equal to substantially all (usually 90% or more) of the fair value of the leased property, at the inception of the lease. In view of the fact that land normally has an indefinite useful life, it is not possible for the lessee to receive substantially all the benefits and risks associated with its ownership, unless there is a reasonable assurance that ownership will pass to the lessee by the end of the lease term”.*

Capital Work-In-Progress (CWIP) consists of construction or development costs of a TCA in progress, but not yet in use. Once the TCA is completed, it is removed from CWIP, added to its appropriate asset class, and amortized over the useful life associated with its asset class. If the TCA is constructed in phases, asset recognition and amortization will begin as such phases are completed and ready for use.

Cost includes purchase price and other acquisition costs such as installation costs, design and engineering fees, legal fees, survey costs, site preparation, freight charges, nonrefundable sales taxes, and duties. The cost of a constructed asset would normally include direct construction costs (such as materials, labour, inspection, and design) directly attributable to the construction activity. Any interest expense incurred and directly related to construction financing costs for a specific project will be capitalized.

Depreciation is the process of allocating the cost of a TCA over its estimated useful life. It is a systematic method of allocation since it matches costs to the period in which the service is derived from the asset. Assets will begin to depreciate one month following the acquisition date if the asset is intended for immediate use.

Disposals occur when ownership of a TCA is relinquished and may be caused by sale, trade in, destruction, loss or abandonment. At this time, the difference between net proceeds from disposal and net book value is recognized as a gain or loss in the period the transaction occurred.

Fair Market Value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. It is usually the most advantageous price reasonably obtainable by both the buyer and seller.

Historic Cost is the actual cost incurred in the acquisition of an asset.

Infrastructure Assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. (Roads, for example.)

Infrastructure Improvements are capital events that materially extend the useful life or increase the value of the infrastructure or both.

Leasehold Improvements is a betterment made to a leased property. To be considered a leasehold improvement, the modification must have at least 4 characteristics:

- a) the modifications must be made to assets that have been leased;
- b) the lessee must pay for the improvements. If the expenses are the responsibility of the lessor then it will account for the expenses in its own records;
- c) the leasehold improvements must bring benefits to the entity for more than one year; and
- d) the betterment reverts to the lessor at the end of the lease (i.e. cannot be detached from the leased property)

Example: A leasehold improvement would be significant upgrades to the electrical system to meet the needs of computer systems and the installation of walls and doors to create permanent office.

Net Book Value represents the difference between the cost of a tangible capital asset and both its accumulated amortization and the amount of any write-downs. The net book value is the undepreciated cost of a tangible capital asset attributable to its remaining service life.

Repairs and Maintenance are the costs incurred to maintain the service potential of a capital asset. Repairs and maintenance keep an asset in good operating condition and merely keep up its efficiency.

Replacement Cost represents the current cost of replacing an asset in a different physical form but with the same productive capacity.

Reproduction Cost represents the current cost of reproducing an asset in its same physical form (with substantially the same materials and design)

Residual Value is the estimated net realizable value of a TCA at the end of its useful life to the Authority. It is assumed the Authority will hold a TCA for an extended period of time and any resulting residual/salvage value will be immaterial.

Straight-Line Method of Amortization is the approach of allocating costs against a TCA when amortization is considered as a function of time rather than a function of usage. It is assumed that the economic usefulness is the same each year and therefore the amortization charge is the same each year of its usefulness.

Tangible Capital Asset (TCA) is a non-financial asset having physical substance that is purchased, constructed, or developed and:

- e) is held for use in the production or supply of goods and the delivery of services or for rentals to others, for administrative purposes or for the development, construction, maintenance, or repair of other capital assets.
- f) has been acquired, constructed, or developed to be used on a continuing basis.
- g) has a useful economic life extending beyond one year.
- h) is not intended for sale in the ordinary course of business.

Threshold is the amount that is the minimum cost of an individual asset before it is to be treated as a tangible capital asset and reflects a minimum requirement for materiality. This measure may be adjusted from time to time in accordance with this policy.

Useful Life is the estimated length of time over which a TCA is expected to be used. With the exception of land, the useful life is finite and is normally the shortest of the physical, technological, commercial, or legal life. The actual life of the TCA may extend beyond the useful life of the TCA and may need to be reviewed regularly and adjusted as necessary.

Valuation of a TCA should be recorded at their historical costs, which include the vendor's invoice (plus the value of any trade-in), plus sales tax, initial installation cost (excluding in-house labour), modifications, attachments, accessories, or apparatus necessary to make the asset usable and render it into service. Historical costs also include ancillary charges such as freight and transportation charges, site preparation costs, and professional fees.

If historical cost is not available, then follow the attached Valuation Method Decision Tree.

For donated or contributed TCAs, the cost would be the fair market value on the date of the contribution.

Assets and betterments will be recorded at cost.

A capital leased asset is valued at the net present value of future lease payments. It is recorded as an asset acquisition if the value meets the applicable asset class thresholds otherwise it will be charged to expenses.

Jointly funded infrastructure may be capitalized by the entity responsible for future maintenance. (i.e. each situation requires analysis to determine appropriate treatment)

Write-down is a reduction in the cost of a TCA when the value of future economic benefits associated with the asset is less than its NBV. It is always triggered by a permanent impairment of a TCA and documentation to support the decision must be available. A write-down cannot be reversed and is charged against the applicable cost centre.

Asset Categories, Depreciation, and Thresholds

Asset categories, components, thresholds, and depreciation rates will be established in accordance with GAAP and approved by the CAO

This policy applies to, but not limited to the following TCA:

Inclusions:

- Asset Retirement Obligations (ARO)
- Bridges
- Buildings
- Campsites
- Capital Leases (recorded separately in TCA classes ie: vehicles owned or vehicles leased)
- Communications Equipment
- Computer Hardware
- Computer Software (including customized software)
- Dams
- Dykes
- Furniture and Equipment
- Hydro Plant
- Land
- Land Improvements
- Leasehold improvements
- Major Equipment
- Monitoring Equipment
- Motor Pool (Machinery and Equipment)
- Roads & Highways, Trails
- Utilities (will include water systems, water, sewage, electrical)
- Water Control Structures
- Water System

Exclusions:

- Intangibles (goodwill, copyright, trademarks)
- Land & other assets transferred by the Crown
- Works of art & historical treasures
- Natural resources such as forests and mineral resources

Amortization:

Department heads or technical experts are in the best position to estimate the expected life of an asset. The maximum period should be limited to 60 years unless appropriate staff ~~the department~~ can estimate and clearly demonstrate that the useful life of the asset is expected to exceed 60 years. As a guideline TCAs should be amortized over the following life spans:

- The original cost of land is not amortized
- Buildings – 10 to 50~~30~~–40 years
- Furniture – 10 to 15~~5~~–10 years
- Major Equipment – 10 to 15~~5~~–25 years
- Computer Hardware – 5~~4~~–6 years
- Computer Software – 5~~2~~–10 years
- Motor Pool – 5 to 10 years
- Roads and Highways – 10 to 50~~5~~–60 years
- Water Control Structures 20 to 80 years
- Capital Leases – Motor Pool – 5 – 10 years
- Leasehold improvements – over the useful life of the improvement or the lease term, whichever is shorter.
- Betterments – over the useful life of the asset to which the improvement was made or the useful life of the betterment is significantly shorter.

Amortization shall be recorded monthly based on the budget. Amortization expense shall be adjusted at year-end to reflect actual additions and dispositions incurred during the year.

Policy Guidelines:

The following guidelines are intended to facilitate decision-making and assist staff in applying this policy.

Capital investment decisions will have a significant impact on future operations as a result of amortization charges. Departments should recognize the impact that such investment will have on annual departmental costs.

This policy recognizes that amortization charges represent a non-discretionary cost once a capital investment decision is made. As well as amortization charges extending to future years.

Staff must have control over those TCAs for which they are held accountable.

Accounting:

All assets that meet the definition, fall within the classification, and meet the threshold values in this policy must be recorded in the accounts of the GRCA.

TCAs will be capitalized and reported in the audited financial statements of the GRCA. Assets and betterments will be recorded at cost.

A capital leased asset is valued at the net present value of future lease payments. It is recorded as an asset acquisition if the value meets the applicable asset class threshold. If the value does not meet the threshold, it is charged to expenses in the period.

In assessing the threshold for asset recording the total project cost must be considered.

Interest will not be capitalized as part of the asset cost under this policy.

Salaries will be capitalized as part of the asset cost only if those salaries relate directly to the project and are not to include salaries for any employee whose normal job would typically include capital projects or works.

Amortization of tangible capital assets will be on the straight-line basis over its estimated useful life. Amortization of capital leases and leasehold improvements will be straight line over the remaining term of the lease.

It is assumed that the Authority will hold a TCA for an extended period of time and as a result, the residual/salvage value will be immaterial. Amortization will continue to occur and be charged to the department's budget until the net book value is nil or the tangible capital asset has been disposed of and removed from the accounts of the Authority.

The net book value of a TCA is to be written down when conditions indicate that the TCA no longer contributes to the Authority's ability to provide services, or the future economic benefits are less than the net book value. Write-downs will not be reversed. The amount of the write-down will be charged against the department's budget.

TCAs will be removed from the Authority's accounts when the TCA is sold, traded in, destroyed, abandoned, or disposed of. The gain or loss on disposal will be calculated based on the revenue received and the net book value of the TCA. The proceeds from the sale of the asset are considered revenue on the consolidated statements.

Disclosure Requirements and Identifying Asset Categories

Accounting Standard PS 3150 requires that:

The financial statements should disclose, for each major category of tangible capital assets and in total:

- a) a cost at the beginning and end of the period;
- b) additions in the period;
- c) disposals in the period;
- d) the amount of any write-downs in the period;
- e) the amount of amortization of the costs of tangible capital assets for the period;
- f) accumulated amortization at the beginning and end of the period; and
- g) net carrying amount at the beginning and end of the period. (PS 3150.40)

Financial statements should also disclose the following information about tangible capital assets:

- a) the amortization method used, including the amortization period or rate for each major category of tangible capital asset;
- b) the net book value of tangible capital assets not being amortized because they are under construction or development or have been removed from service;
- c) the nature and amount of contributed tangible capital assets received in the period and recognized in the financial statements;
- d) the nature and use of tangible capital assets recognized at nominal value;
- e) the nature of the works of art and historical treasures held by the Authority;

Donated or Contributed Assets:

Donations or contributions made to the Authority must be recognized as a TCA because they embody an expected future economic benefit that the Authority will control. The past transaction or event that allows the Authority control of the economic benefit is the transfer of the asset.

Donated or contributed assets must be recorded at their fair market value at the date of contribution. If there is not an active market for the contribution, fair market value may have to be determined by an appraised value or an estimate of replacement cost. In unusual circumstances where fair market value is impossible to estimate the TCA would be recognized at a nominal value.

If the contribution involves “bundled assets”, a cost must be allocated to each individual asset. For example, if there is a contribution of land and there is a house on the property, the two must be recorded separately. It is important that the land component be identified and accounted for because it is typically not subject to amortization.

Responsibility:

Department managers or designated supervisors ~~Departments~~ are responsible for:

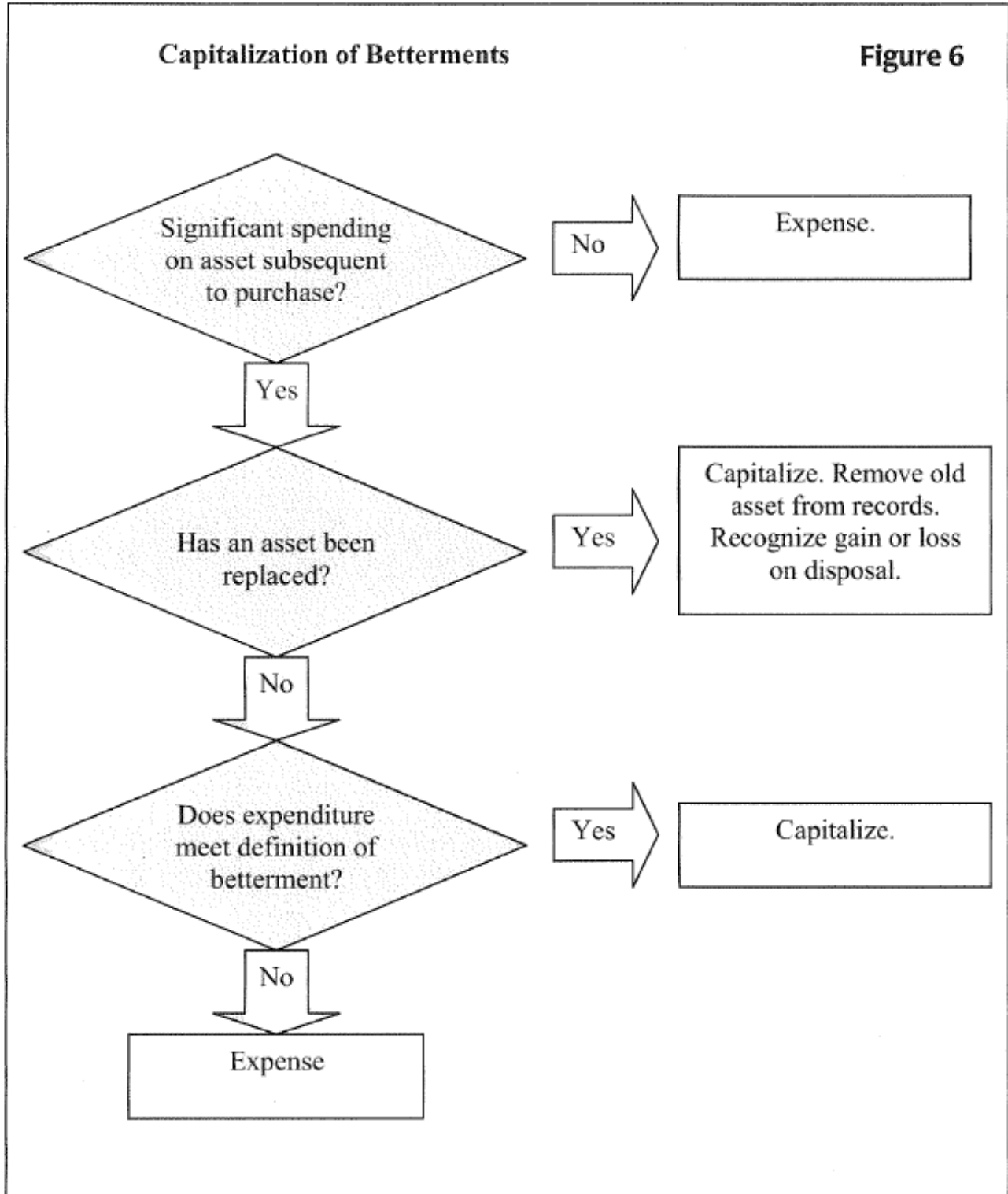
- Managing capital budgets
- Recognize the impact of capital investment decisions on current and future operating budgets and managing all expenditures accordingly
- Analyzing lease vs buy options for asset acquisitions
- Accountable for identifying TCA's and notifying the finance department with respect to additions, disposals (i.e. obsolete), write-downs (i.e. impairment), betterments etc.
- Providing Corporate Services Department with capital lease information
- Ensuring proper physical control of a TCA is maintained.

Corporate Services Department is responsible for:

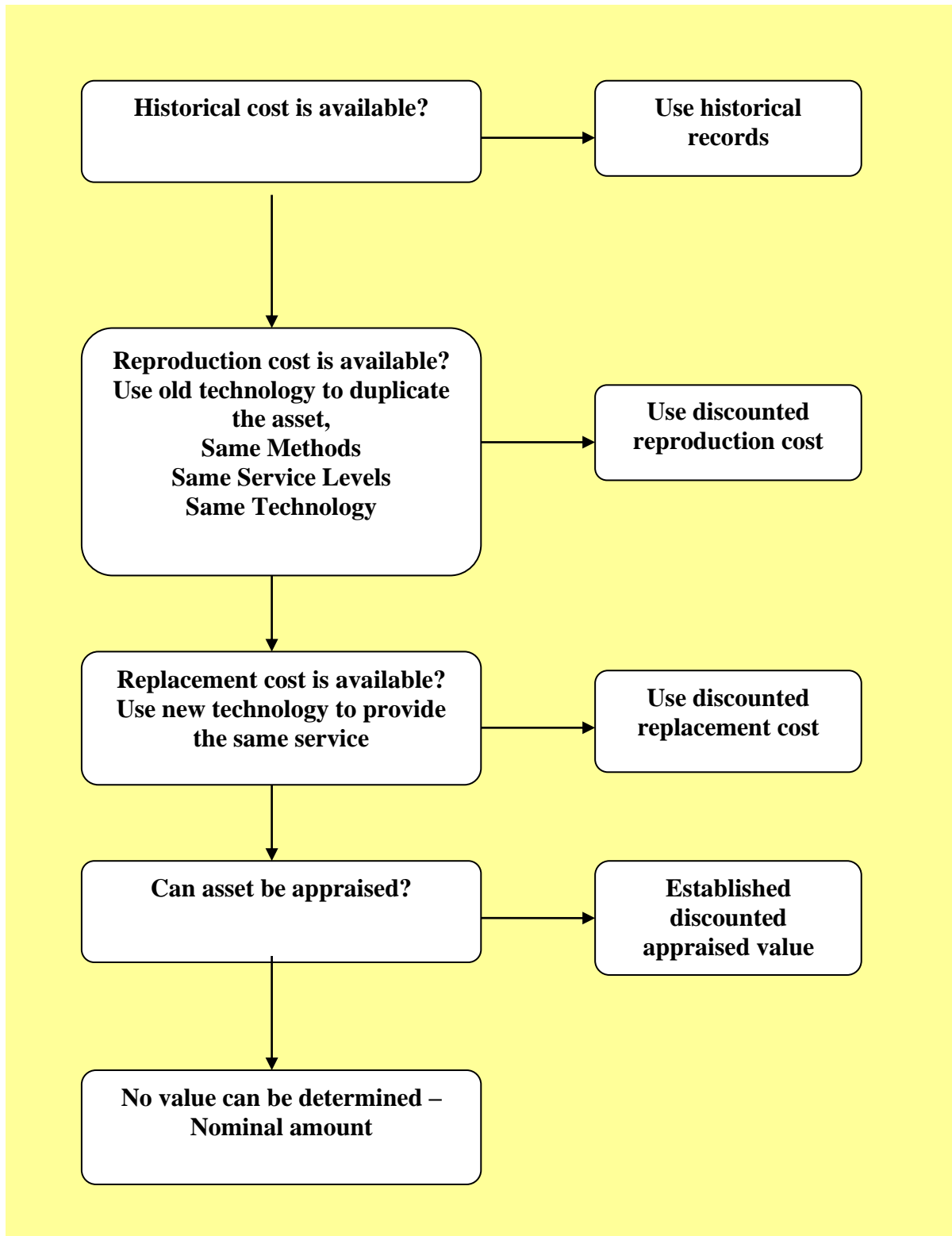
- Providing information as inputs to forecasts and budgets for TCAs
- Processing the asset management module, maintaining the asset inventories and processing amortization charges
- Reporting TCAs in the audited financial statements of the Authority
- Monitoring the application of this policy
- Updating this policy periodically with consultation from departments
- Facilitating the approval of capital investment budges giving regard to the Authorities' cash flow and reserves position~~debt management~~

Guide to Accounting for and Reporting Tangible Capital Assets

Guidance for Local Governments and Local Government Entities that Apply the Public Sector Handbook



Valuation Method Decision Tree



Grand River Conservation Authority

Audit Committee Terms of Reference

Composition of the Audit Committee:

An Audit Committee shall be appointed annually, at the Annual General Meeting. The Audit Committee will be composed of the Chair of the Authority, the Vice-chair(s) and up to five other members appointed by and from the General Membership, without exceeding a total of seven appointed Committee Members. At its first meeting, the Audit Committee shall elect a Chair from its Members, excluding the Chair and Vice-Chair(s) of the Board. The terms of reference for the Audit Committee shall be reviewed annually by the General Membership and attached to the Minutes of the meeting at which they are approved or confirmed in accordance with the GRCA by-law.

The Audit Committee shall meet at least twice per year, with the first meeting to take place after the Auditors have prepared the Auditors' Report, at such time and place as the Chair of the Committee shall decide in accordance with the GRCA by-law.

The Audit Committee reports to the General Membership. It is understood that the chair of the Audit Committee and the external auditor will have direct access to each other at all times, to discuss matters relevant to the audit. The Audit Committee may also invite members of the public to attend Audit Committee meetings in a non-voting capacity to act as a resource, to aid in understanding the financial statements and the processes and internal controls used in support of financial reporting.

Members of the Audit Committee must:

1. Be impartial, independent and without conflict of interest, which includes not having a business relationship with GRCA.
2. Have sufficient knowledge and/or experience to understand and interpret financial statements. This knowledge may be gained through training provided by GRCA after being appointed to the Audit Committee.

Responsibilities of the Audit Committee are:

1. To review the audited financial statements of the GRCA and recommend approval of those statements (or otherwise) to the General Membership at the Annual General Meeting.
2. To review the results of the external audit and direct staff regarding any action required in response to auditor's recommendations.
3. To review the effects of any changes in accounting practices or policies on the financial statements and/or recommend appropriate changes in accounting practices or policies to the General Membership. This will include a review of significant accruals, provisions and estimates included in the financial statements.
4. To review the system of Internal Control and the effectiveness of those controls in protecting the assets of GRCA and ensuring effective and accurate financial reporting.
5. To review, in consultation with Management and Auditors, any material contingency facing GRCA and evaluate the appropriateness of GRCA's disclosure of such items.
6. To review any other matter that in its judgement should be taken into account in reaching its recommendation to the General Membership concerning the approval of the audited financial statements.
7. To recommend the appointment of Auditors and approval of the audit fee for the upcoming year.
8. To review services provided by the auditor outside of the audit, to ensure that such services are appropriately provided by the firm also acting as auditor.

GRAND RIVER CONSERVATION AUTHORITY
AUDITED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT THEREON
DECEMBER 31, 2023

GRAND RIVER CONSERVATION AUTHORITY

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DECEMBER 31, 2023

Independent Auditor's Report

Statements

1. Statement of Financial Position
2. Statement of Operations and Changes in Accumulated Surplus
3. Statement of Cash Flows
4. Statement of Changes in Net Financial Assets

Notes to the Financial Statements



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INDEPENDENT AUDITOR'S REPORT

To the Members of Grand River Conservation Authority

Opinion

We have audited the financial statements of Grand River Conservation Authority (the "Authority"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and change in accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

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 its results of operations, its changes in 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 Auditor's 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.

Emphasis of Matter – Change in Accounting Policy

We draw attention to note 2 to the financial statements which indicates that the Authority has changed its accounting policy for Asset Retirement Obligations, as a result of the adoption of PS 3280, Asset Retirement Obligations, and has applied the change using the prospective method.

Our opinion is not modified in respect of these matters.

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 the 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.
- 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.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

DATE

DRAFT

GRAND RIVER CONSERVATION AUTHORITY

(Established by the Conservation Authorities Act)

Statement of Financial Position**As at December 31, 2023**

(with comparative information for 2022)

	<u>2023</u>	<u>2022</u>
Financial Assets		
Cash	\$ 10,562,656	\$ 9,532,451
Investments (Note 3)	48,046,442	46,306,659
Accounts Receivable - Government Grants	631,900	787,775
Accounts Receivable - Municipal Levies and Other	425,635	365,437
Other Receivables	1,358,868	882,427
	<u>61,025,501</u>	<u>57,874,749</u>
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	2,915,416	3,699,510
Deferred Revenue (Note 4)	4,922,626	4,812,932
Deposits	380,568	427,367
Asset Retirement Obligations (Note 6)	2,246,752	-
	<u>10,465,362</u>	<u>8,939,809</u>
Net Financial Assets	<u>50,560,139</u>	<u>48,934,940</u>
Non-Financial Assets		
Tangible Capital Assets (Note 5)	93,943,341	91,376,903
Prepaid Expenses and Inventory	409,108	386,800
	<u>94,352,449</u>	<u>91,763,703</u>
<u>ACCUMULATED SURPLUS</u>	<u>\$ 144,912,588</u>	<u>\$ 140,698,643</u>

ACCUMULATED SURPLUS COMPRISED OF

Accumulated Surplus - Reserves - Operating	(Note 11)	\$ 13,465,626	\$ 11,979,896
Accumulated Surplus - Reserves - Capital	(Note 11)	37,446,566	34,807,910
Accumulated Surplus - Reserves - Motor Pool	(Note 11)	1,766,281	1,971,432
Accumulated Surplus - Other		537,526	562,502
Accumulated Surplus - Tangible Capital Assets		91,696,589	91,376,903
<u>ACCUMULATED SURPLUS</u>		<u>\$ 144,912,588</u>	<u>\$ 140,698,643</u>

Commitments and Contingencies (Notes 9 and 10)

(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, 2023
(with comparative figures for 2022)

STATEMENT 2

	Budget 2023 Note 8	Actual 2023	Actual 2022
Revenue (Note 17)			
Municipal			
Grants:			
<i>General-Operating</i>	\$ 12,018,000	\$ 12,018,000	\$ 11,580,000
<i>General-Capital</i>	950,000	950,000	950,000
<i>Special</i>	130,000	77,678	99,593
Other	800,000	728,552	536,972
Total Municipal Revenue	13,898,000	13,774,230	13,166,565
Government Grants			
MNR Transfer Payments	449,688	449,688	449,688
Source Protection Program-Provincial	640,000	543,467	569,995
Other Provincial	982,500	607,916	688,888
Federal	190,000	226,331	431,023
Total Government Grants	2,262,188	1,827,402	2,139,594
Self-Generated			
User Fees and Sales:			
<i>Enquiries and Permits</i>	590,000	555,502	591,330
<i>Plan Input and Review</i>	554,000	424,338	598,852
<i>Nursery and Woodlot Management</i>	415,000	643,309	636,388
<i>Conservation Lands Income</i>	71,000	59,752	65,050
<i>Conservation Areas User Fees</i>	10,000,000	11,888,124	11,232,461
<i>Nature Centres and Camps</i>	500,000	583,332	519,747
Property Rentals	3,006,000	2,981,768	2,910,172
Hydro Generation	580,000	713,155	589,334
Grand River Conservation Foundation (Note 13)	552,000	225,722	435,142
Donations	135,000	37,326	23,473
Landowner Contributions	180,000	191,531	163,602
Investment Income	1,350,000	2,398,314	866,001
Miscellaneous Income	35,000	94,612	28,693
Gain on Sale of Tangible Capital Assets (Note 5)	-	97,118	15,176,165
Total Self-Generated Revenue	17,968,000	20,893,903	33,836,410
Total Revenue	\$ 34,128,188	\$ 36,495,535	\$ 49,142,569
Expenditures (Note 17)			
Watershed Management and Monitoring	7,341,735	7,135,191	6,946,382
Source Protection Program	640,000	543,467	569,995
Resource Planning	2,574,200	2,283,881	2,229,262
Watershed Stewardship	3,843,192	3,314,990	3,004,021
Conservation Land Management	4,605,248	4,068,348	3,793,701
Recreation and Education	10,631,140	10,609,313	9,739,662
Corporate Services / Information Systems and Motor Pool	4,606,509	4,326,400	4,023,222
Total Expenditures	\$ 34,242,024	\$ 32,281,590	\$ 30,306,245
Annual Surplus (Deficit)	(113,836)	4,213,945	18,836,324
Accumulated Surplus, Beginning of Year		140,698,643	121,862,319
Accumulated Surplus, End of Year		\$ 144,912,588	\$ 140,698,643

STATEMENT 3

GRAND RIVER CONSERVATION AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023
(with comparative information for 2022)

	<u>Actual 2023</u>	<u>Actual 2022</u>
<u>Operating Activities</u>		
Annual surplus	\$ 4,213,945	\$ 18,836,324
Items not involving cash:		
Amortization	3,497,805	3,422,288
Gain on sale of tangible capital assets	(97,118)	(15,176,165)
Change in non-cash operating assets and liabilities:		
Accounts receivable	(380,764)	(276,759)
Prepaid expenses and inventory	(22,308)	(99,686)
Accounts payable and accrued liabilities	(784,094)	958,157
Deferred revenue and deposits	62,895	(2,646,382)
Net change in cash from operating activities	<u>6,490,361</u>	<u>5,017,777</u>
<u>Capital Activities</u>		
Cash used to acquire tangible capital assets	(3,832,255)	(3,697,300)
Proceeds on sale of tangible capital assets (Note 5)	111,882	15,247,608
Net change in cash from capital activities	<u>(3,720,373)</u>	<u>11,550,308</u>
<u>Investing Activities</u>		
Sales of Investments	24,058,127	12,671,060
Purchases of Investments	(25,797,910)	(36,145,765)
Net change in cash from investing activities	<u>(1,739,783)</u>	<u>(23,474,705)</u>
Net change in cash	<u>1,030,205</u>	<u>(6,906,620)</u>
Cash, beginning of year	9,532,451	16,439,071
Cash, end of the year	\$ <u>10,562,656</u>	\$ <u>9,532,451</u>
<u>Non-cash Transactions</u>		
Asset Retirement Obligations and Increase in Tangible Capital Assets	2,246,752	-

(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, 2023
(with comparative information for 2022)

	Actual 2023	Actual 2022
Annual surplus	\$ 4,213,945	\$ 18,836,324
Acquisition of tangible capital assets	(3,832,255)	(3,697,300)
Amortization of tangible capital assets	3,497,805	3,422,288
Gain on sale of tangible capital assets	(97,118)	(15,176,165)
Asset retirement obligations	(2,246,752)	-
Proceeds on sale of tangible capital assets	<u>111,882</u>	<u>15,247,608</u>
	1,647,507	18,632,755
Net changes in prepaid expenses and inventory	(22,308)	(99,686)
Net change in financial assets	<u>1,625,199</u>	<u>18,533,069</u>
Net financial assets, beginning of year	48,934,940	30,401,871
Net financial assets, end of year	\$ <u>50,560,139</u>	\$ <u>48,934,940</u>

(see accompanying notes to the financial statements)

GRAND RIVER CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

(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, 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 seven 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.

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 / Information Systems and Motor Pool

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

Net Information Systems and Motor Pool usage charges include 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) **Financial Instruments**

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Authority has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments are measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and 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 Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(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) **Asset Retirement Obligations**

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset and other contract obligations;
- (ii) The past transactions or events giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The asset retirement obligation is based on management's best estimate of the expenditures to settle the obligation. A liability has been recognized based on estimated future expenses on retirement of the tangible capital assets. Under the prospective method, the assumptions used on initial recognition are those as of the date the legal obligation was incurred. Assumptions used in the subsequent calculations are revised yearly.

(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.

(m) 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, asset retirement obligations and tangible capital assets. Actual results could differ from estimates.

(2) Adoption of New Accounting Standards:

(a) The Authority adopted the following accounting standards beginning January 1, 2023, with no impact on the financial statements:

- (i) PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.
- (ii) PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.
- (iii) PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* no longer applies.
- (iv) PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from

changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

(b) The Authority adopted the following accounting standard beginning January 1, 2023:

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings controlled by public sector entities. An ARO liability can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on January 1, 2023 on prospective basis.

In the past, the Authority has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded, and replaces Section PS 3270, *Solid Waste Landfill Closure and Post-Closure Liability*. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from the Authority's buildings. The Authority reports liabilities related to the legal obligations where the Authority is obligated to incur costs to retire a tangible capital asset.

The Authority's ongoing efforts to assess the extent to which designated substances exist in Authority's assets, and new information obtained through regular maintenance and renewal of Authority's assets may result in additional asset retirement obligations from better

information on the nature and extent the substance exists or from changes to the estimated cost to fulfil the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in adjustment to the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis.

In addition, the Authority recognized an additional asset retirement obligation related to underground fuel tanks, as the Authority has a legal obligation to remove the tanks and remediate the site. The fuel tanks expected useful life estimate has not been changed since purchase.

A summary of the impact during the year is as follows:

	January 1, 2023
Tangible capital assets	\$ 2,246,752
Asset retirement obligations	2,246,752

(3) Investments

Investments include the following amounts:

	2023	2022
Term Deposit maturing within one year (2022 – fair value \$1,959,882)	\$ -	\$ 2,050,356
Term Deposit maturing within one to five years Fair value at December 31, 2023 - \$2,061,987 (2022 – \$1,975,010)	2,300,000	2,300,000
GIC maturing within one year (Interest rate is 5.25%) Fair value at December 31, 2023 - \$4,000,000 (2022 – \$6,895,835)	4,000,000	6,850,532
GIC maturing within one to five years (Interest rates vary between 4.45% and 4.70%) Fair value at December 31, 2023 - \$4,000,000	4,000,000	-
Bonds maturing within one year (Interest rates vary between 2.597% and 2.983%) Fair value at December 31, 2023 - \$14,454,889 (2022 - \$9,703,959)	14,660,000	9,829,000
Bonds maturing within one to five years (Interest rate is 3.3%) Fair value at December 31, 2023 - \$4,025,913 (2022 - \$18,059,662)	4,100,000	18,760,000
Bonds maturing within six to ten years (Interest rate is 2.237%) Fair value at December 31, 2023 - \$1,923,750 (2022 - \$1,855,390)	2,000,000	2,000,000
High interest savings account (Interest rates vary between 4.55% and 5.465%) Fair value at December 31, 2023 - \$17,120,799 (2022 - \$4,889,673)	17,120,799	4,889,673
Sub-Total	\$ 48,180,799	\$ 46,679,561
Plus: Unamortized purchase net premiums and discounts	(134,357)	(372,902)
Total	\$ 48,046,442	\$ 46,306,659

All investments above are Level 2 investments with the exception of the high interest savings account which is a Level 1. There were no transfers between level 1, 2 and 3.

(4) **Deferred Revenue**

(a) Deferred revenue includes the following amounts:

	2023	2022
Balance, end of year:		
Source Protection Program	\$ 378,724	\$ 219,740
Rural Water Quality Program	1,027,577	972,846
Water and Erosion Control Infrastructure	331,244	197,254
Other Watershed Programs	1,781,410	1,883,874
Cottage Rent	467,997	472,554
Other Miscellaneous	935,674	1,066,664
Total Deferred Revenue	\$ 4,922,626	\$ 4,812,932
Balance, beginning 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
	4,812,932	7,519,618
Grant Contributions (recovery)	2,864,045	(125,041)
Interest	878	-
Other	2,275,838	2,567,655
Total Contributions Received	5,140,761	2,442,614
CEWS Contributions Used (note 3 (b))	-	3,157,379
Contributions Used	5,031,067	1,991,921
Total Contributions Used	5,031,067	5,149,300
Balance, end of year	\$ 4,922,626	\$ 4,812,932

(b) In 2021, 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. In 2022, 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, 2023.

(5) Tangible Capital Assets

Cost	Balance at 31-Dec-22	Additions	ARO	Disposals/ Transfers	Balance at 31-Dec-23
Land and Land Improvements	\$ 30,892,523	\$ -	\$ -	\$ -	\$ 30,892,523
Site Improvements	18,931,788	605,632	-	-	19,537,420
Buildings	19,006,092	671,629	-	-	19,677,721
Furniture and Equipment	2,570,146	178,034	-	(24,327)	2,723,853
Motor Pool	5,627,347	814,545	-	(165,289)	6,276,603
Communications and Computers	1,963,349	204,360	-	(92,388)	2,075,321
Water Control Structures	102,564,109	240,568	-	-	102,804,677
Assets Under Construction	2,809,901	1,813,204	-	(695,717)	3,927,388
Asset Retirement Obligations (note 2)	-	-	2,246,752	-	2,246,752
	\$ 184,365,255	\$ 4,527,972	2,246,752	\$ (977,721)	\$ 190,162,258

Accumulated Amortization	Balance at 31-Dec-22	Disposals	ARO Amortization	Amortization Expense	Balance at 31-Dec-23
Site Improvements	\$ 10,786,117	\$ -	\$ -	\$ 520,720	\$ 11,306,837
Buildings	10,873,973	-	-	460,862	11,334,835
Furniture and Equipment	1,393,518	(24,327)	-	189,289	1,558,480
Motor Pool	3,798,959	(150,525)	-	390,034	4,038,468
Communications and Computers	1,747,165	(92,387)	-	97,265	1,752,043
Water Control Structures	64,388,620	-	-	1,837,524	66,226,144
Asset Retirement Obligations (note 2)	-	-	2,110	-	2,110
	\$ 92,988,352	\$ (267,239)	\$ 2,110	\$ 3,495,694	\$ 96,218,917

	Net Book Value 31-Dec-22	Net Book Value 31-Dec-23
Land and Land Improvements	\$ 30,892,523	\$ 30,892,523
Site Improvements	8,145,671	8,230,583
Buildings	8,132,119	8,342,886
Furniture and Equipment	1,176,628	1,165,373
Motor Pool	1,828,388	2,238,135
Communications and Computers	216,184	323,278
Water Control Structures	38,175,489	36,578,533
Assets Under Construction	2,809,901	3,927,388
Asset Retirement Obligations (note 2)	-	2,244,642
	\$ 91,376,903	\$ 93,943,341

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>

Assets Under Construction

Assets under construction having a value of \$3,927,388 (2022 - \$2,809,901) 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 \$nil (2022 - \$14,450).

Gain on Sale of Tangible Capital Assets

During the year, the Authority disposed of motor pool assets with a total carrying value of \$14,764. The total proceeds on these sales were \$111,882, which resulted in a gain on sale of \$97,118.

In 2022, 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.

(6) Asset Retirement Obligations

The Authority's asset retirement obligations consist of the following:

(a) Asbestos obligations:

The Authority owns and operates several buildings and structures that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it.

(b) Fuel tank obligations:

The Authority has underground fuel tanks that will require future remediation where there is a legal obligation to remove the tank and remediate the site.

All liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

Changes to the asset retirement obligations in the year are as follows:

		Fuel tanks	Asbestos removal	2023 Total
Balance, beginning of the year	\$	-	\$ -	-
Change in accounting policy (note 2)		36,000	2,210,752	2,246,752
Less: Obligations settled in the year		-	-	-
Balance, end of the year	\$	36,000	\$ 2,210,752	\$ 2,246,752

(7) Contaminated Site Liability

The Authority has an estimated liability of \$812,912 as at December 31, 2023 (2022 - \$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.

(8) 2023 Budget

The budget figures are those adopted at the General Meeting of the Authority held February 24, 2023. 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.

(9) Commitments

The Authority is committed under contracts for various infrastructure projects. The amount expected to be incurred in 2024 under contracts is approximately \$2,653,757.

(10) 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.

(11) Accumulated Surplus

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

	2022	
Operating		
Property and Liability Insurance	\$ 281,417	\$ 270,383
Building and Mechanical Equipment	1,343,443	1,231,833
Small Office Equipment	-	8,013
Personnel	1,299,167	1,104,112
Transition	2,632,308	2,048,704
Apps' Mill Nature Centre	76,501	73,501
Laurel Creek Nature Centre	116,762	120,611
Guelph Lake Nature Centre	145,181	139,487
Shade's Mills Nature Centre	81,014	77,836
Taquanyah Nature Centre	23,102	22,197
Computer Replacement	1,390,899	1,318,602
Forestry Management	1,536,205	1,312,640
Cottage Operations	1,271,831	1,180,650
Property Rental	785,090	737,976
Planning Enforcement	547,652	526,179
Master Plan	442,298	424,958
Grand River Management Plan	118,589	113,939
Watershed Restoration	335,225	268,275
Water Management	1,038,942	1,000,000
Total Operating Reserves	\$ 13,465,626	\$ 11,979,896
Capital		
Completion of Capital Projects	\$ 162,000	\$ 162,000
Cambridge Desiltation Pond	4,967	5,709
Gravel	270,315	259,716
General Capital	1,442,571	1,163,108
Major Dam Maintenance	3,056,063	2,734,473
Gauges	1,010,910	971,275
Conservation Area	8,471,029	7,339,262
Land Reserves	23,028,711	22,172,367
Total Capital Reserves	\$ 37,446,566	\$ 34,807,910
Motor Pool		
Motor Pool Equipment Replacement	\$ 1,670,460	\$ 1,879,368
Vehicle Insurance	95,821	92,064
Total Motor Pool Reserves	\$ 1,766,281	\$ 1,971,432
Total Reserves	\$ 52,678,473	\$ 48,759,238

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.

(12) 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, 2022. At that time the plan reported a \$6.7 billion actuarial deficit (2021 - \$3.1 billion), based on actuarial liabilities of \$128.8 billion (2021 - \$119.3 billion) and actuarial assets of \$122.1 billion (2021 - \$116.2 billion). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

In 2023, the Authority’s contribution to OMERS was \$1,304,769 (2022 - \$1,204,260).

(13) 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 2023, the Foundation contributed \$225,722 (2022 - \$435,142) to fund projects carried out by the Authority. At December 31, 2023, the amount due from the Foundation to the Authority is \$118,083 (2022 - \$291,227). This receivable is included in "Other Receivables" on the Statement of Financial Position.

(14) Financial Risks

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Authority is exposed to credit risk with respect to the accounts receivable, cash and investments.

The Authority assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Authority as at December 31, 2023 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations. The balance of the allowance for doubtful accounts is \$445 (2022 - \$720).

There have been no significant changes to the credit risk exposure from 2022.

(b) Liquidity risk:

Liquidity risk is the risk that the Authority will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Authority manages its liquidity risk by monitoring its operating requirements. The Authority prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

(d) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets with variable interest rates expose the Authority to cash flow interest rate risk.

The Authority's investments are disclosed in note 3.

There has been no change to the interest rate risk exposure from 2022.

(15) 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.

(16) Comparative Information

Certain comparative information in the statement of cashflows has been reclassified to conform with the financial statement presentation adopted in the current year.

(17) Segmented Information

2023								
	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	\$ 5,601,590	\$ -	\$ 1,385,200	\$ 1,967,700	\$ -	\$ 310,100	\$ 3,781,088	\$ 13,045,678
Grants	1,075,221	543,467	-	937,266	-	-	-	2,555,954
User fees and Other	-	-	979,840	664,433	3,975,422	12,511,156	2,500,004	20,630,855
Donations	-	-	-	93,979	52,914	80,105	36,050	263,048
Total Revenue	6,676,811	543,467	2,365,040	3,663,378	4,028,336	12,901,361	6,317,142	36,495,535
Expenses:								
Salaries, Wages and Benefits	3,443,584	443,493	1,877,606	1,271,490	2,061,105	5,793,887	3,475,489	18,366,654
Operating Expenses	1,925,896	99,974	406,275	2,031,008	1,774,899	4,013,498	2,952,134	13,203,684
Amortization	1,765,711	-	-	12,492	232,344	801,928	685,330	3,497,805
Less: Chargebacks	-	-	-	-	-	-	(2,786,553)	(2,786,553)
Total Expenses	7,135,191	543,467	2,283,881	3,314,990	4,068,348	10,609,313	4,326,400	32,281,590
Annual surplus/ (deficit)	\$ (458,380)	\$ -	\$ 81,159	\$ 348,388	\$ (40,012)	\$ 2,292,048	\$ 1,990,742	\$ 4,213,945

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



Grand River Conservation Authority

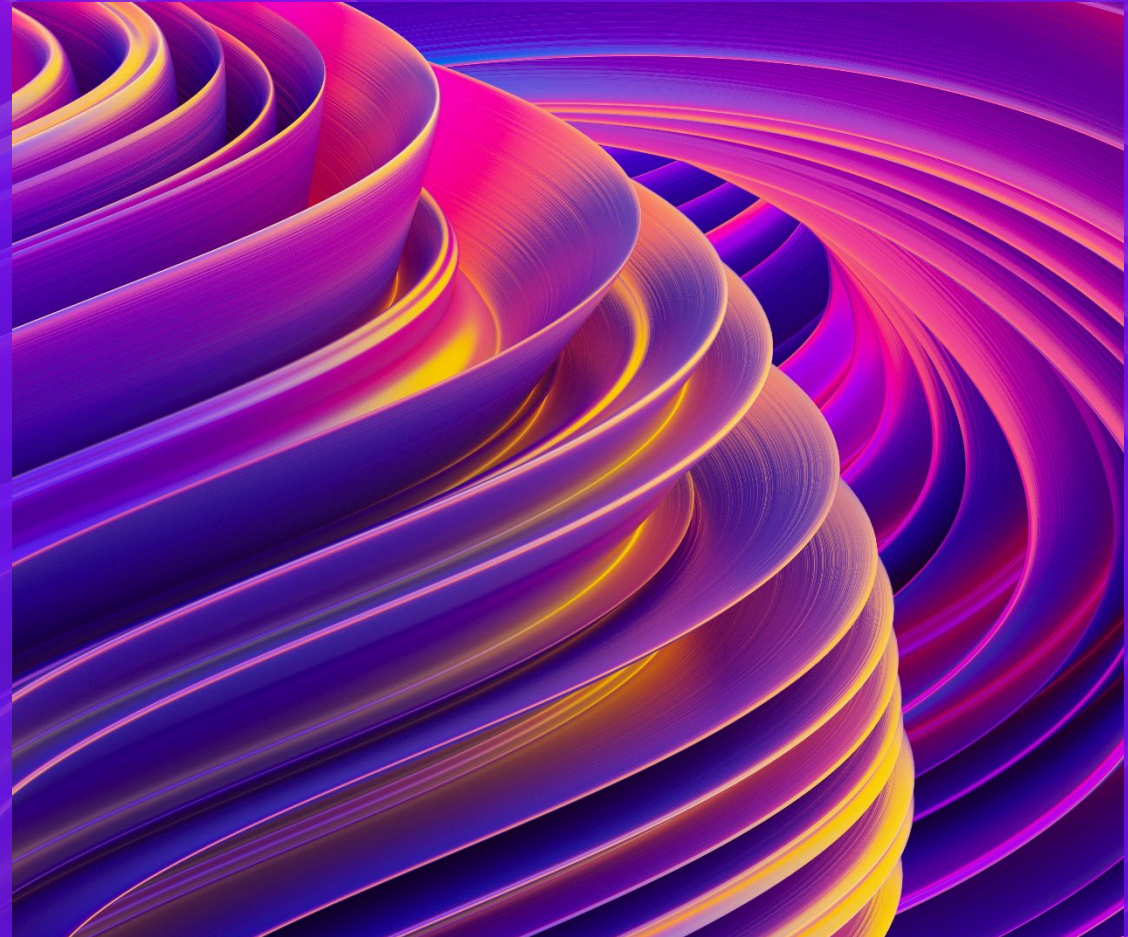
Audit Findings Report
for the year ended
December 31, 2023

KPMG LLP

Licensed Public Accountants

Prepared as of February 7, 2024 for presentation to the Audit
Committee on February 14, 2024.

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement



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Table of contents

Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

<u>4</u>	Highlights	<u>6</u>	Status	<u>7</u>	Risks and results	<u>14</u>	Misstatements
<u>15</u>	Control deficiencies	<u>16</u>	Policies and practices	<u>18</u>	Specific topics	<u>19</u>	Appendices

The purpose of this report is to assist you, as a member of the Audit Committee, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management and the Audit Committee and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Audit highlights




No matters to report




Matters to report – see link for details







Status

We have completed the audit of the financial statements for Grand River Conservation Authority (GRCA or Authority) with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' side of this report. Page 6 







Significant changes

 Significant changes since our audit plan



Risks and results

-  Risk of management override of controls 
-  Presumed risk of fraudulent revenue recognition
-  Other risks of material misstatement 
-  Going concern matters


Policies and practices & Specific topics

-  Significant unusual transactions
-  Accounting policies and practices 
-  Other financial reporting matters 
-  Specific topics

Uncorrected misstatements

 Uncorrected misstatements 

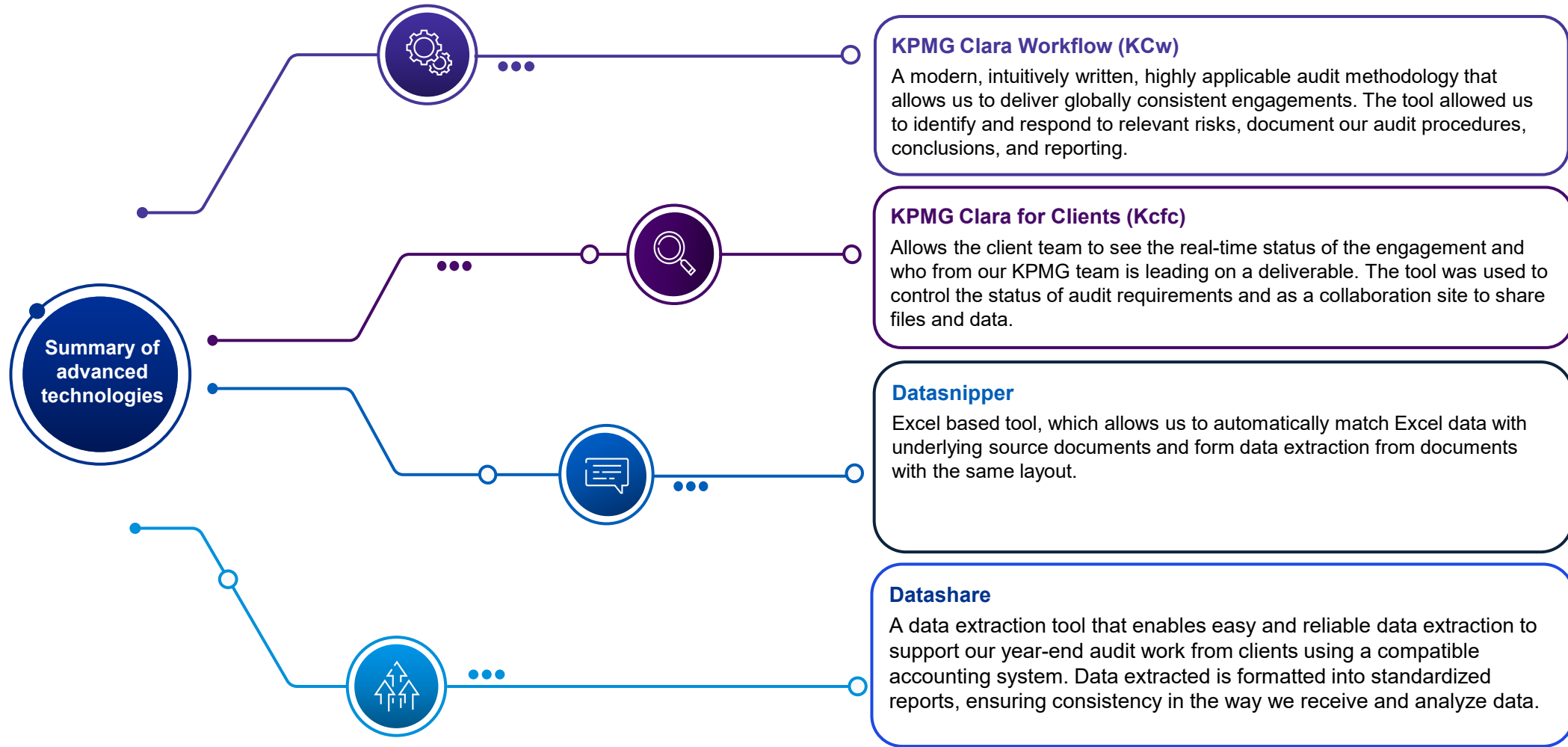
Control deficiencies

 Significant deficiencies



Technology highlights

We have utilized technology to enhance the quality and effectiveness of the audit.





Status

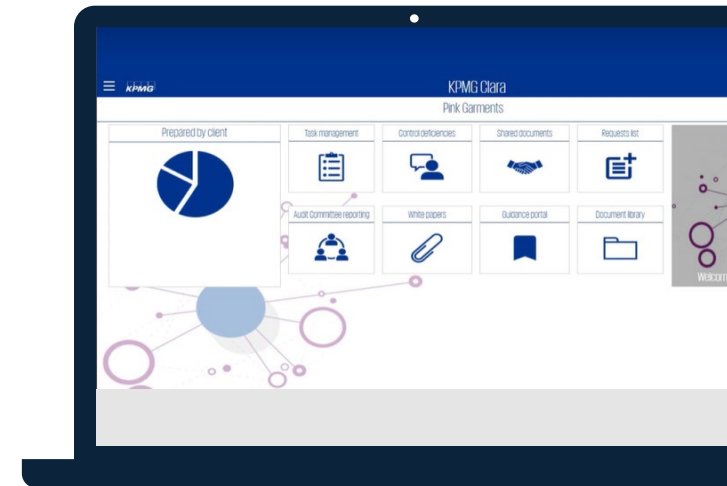
As of February 7, 2024 we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing certain audit testing procedures, including follow up inquiries and documentation requests;
- Final quality control procedures and review;
- Receipt of legal confirmations;
- Completing our discussions with the Audit Committee;
- Obtaining evidence of the Board of Director's approval of the financial statements; and
- Receipt of the signed management representation letter.

We will update the Audit Committee, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor's report is provided in the draft financial statements.

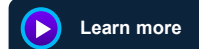
KPMG Clara for Clients (KCfc)



Real-time collaboration and transparency

We leveraged **KCfc** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCfc to coordinate 39 requests from management.





Significant risks and results

We highlight our significant findings in respect of **significant risk**.



Management Override of Controls

RISK OF



FRAUD

Significant risk

Estimate?

Key audit matter?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities

No

No

Our response

- Our procedures included:
 - We tested the design and implementation of controls surrounding the review of journal entries, and the business rationale for significant entries.
 - Using our KPMG Clara Journal Entry Analysis Tool, we analyzed 100% of the journal entries posted during the year.
 - In responding to risks of fraud and management override of controls, we set specific criteria to isolate high risk journal entries and adjustments in order to analyze for further insights into our audit procedures and findings. We focused on journal entries recorded and posted as part of the year-end closing process.
 - No issues were noted in the performance of the above procedures.

Significant qualitative aspects of the Authority's accounting practices

No significant qualitative aspects to note.



Other risks of material misstatements and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Asset retirement obligations, new accounting standard adoption

Other area of focus

Estimate?

Key audit matter?

Asset retirement obligation - Risk of error over completeness, existence and accuracy of the asset retirement obligations

Yes

No

Our response

KPMG gained an understanding of the GRCA's process for identifying Asset Retirement Obligations (ARO). This includes required estimates, any changes to estimates, how management made the ARO estimate, and the underlying data (methodology; controls; use of experts; assumptions)

KPMG focused on key audit risks:

- KPMG has assessed that the ARO's reported are complete on the financial statements, and have verified all the required assets have been identified as in-scope
- Assessment of management's measurement of ARO's concluding it is based on reliable data and costing models through inspection of management's policy compared to the standard, and assessment of data inputs used in determining the estimate
- Management has correctly applied the prospective transition method
- Management has adequate documentation of the process and audit working papers enabling auditability

Significant qualitative aspects of the Authority's accounting practices

Qualitative aspects assessed include:

- Assessment of management's experts used in determining the estimate



Other risks of material misstatements and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Financial instruments and financial statement presentation, new accounting and presentation standard

Other area of focus

Estimate?

Key audit matter?

Financial instruments and financial statement presentation - Risk of error over completeness, existence, accuracy and presentation of financial instruments.

No

No

Our response

- KPMG gained an understanding of the GRCA's process for identifying financial instruments.
- KPMG obtained and reviewed management's policy for financial instruments; equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, are recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Authority has not elected to carry any such financial instruments at fair value. KPMG has assessed this is reasonable and appropriately included in the notes to the financial statements.
- Confirmation of investments with Custodians
- No issues noted.

Significant qualitative aspects of the Authority's accounting practices

No significant qualitative aspects to note.



Other risks of material misstatements and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Grant revenues and deferred contributions

Other area of focus

Estimate?

Key audit matter?

Grant revenue and deferred contributions - Risk of error over completeness, existence and accuracy of grant revenue including related deferrals.

No

No

Our response

- We have performed statistical sampling and obtained confirmation of a sample of levies received by the GRCA from local municipalities and reconciled to cash received and revenue reported for the fiscal year.
- We have performed statistical sampling over contributions received and contributions recognized in deferred revenue and obtained supporting documentation to ensure the contribution was received and the funds were used in accordance with the underlying agreement.
- No issues noted.

Significant qualitative aspects of the Authority's accounting practices

No significant qualitative aspects to note.



Other risks of material misstatements and results

We highlight our significant findings in respect of **other risks of material misstatement**.



GRCA Self-Generated Revenues

Other area of focus

Estimate?

Key audit matter?

GRCA Self-generated revenues - Risk of error over completeness, existence and accuracy of self-generated revenues

No

No

Our response

- We performed statistical sampling over self-generated revenue. The items selected were agreed to supporting documentation, assessed whether accurately recorded in the proper year.
- No issues noted.

Significant qualitative aspects of the Authority's accounting practices

No significant qualitative aspects to note.

Other risks of material misstatements and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Tangible Capital Assets

Other area of focus

Estimate?

Key audit matter?

Tangible capital assets – Risk of completeness, accuracy and presentation/disclosure of tangible capital assets.

No

No

Our response

- We performed statistical sampling to select tangible capital asset additions and disposals in the year.
- We assessed the capitalization of tangible capital assets and projects to ensure the items are appropriately classified.
- We performed statistical sampling over repairs and maintenance expenditures to ensure the completeness of tangible capital assets.
- We assessed the financial statement presentation and disclosure of tangible capital assets.

Significant qualitative aspects of the Authority's accounting practices

No significant qualitative aspects to note.

Other risks of material misstatements and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Operating expenditures, including payroll

Other area of focus	Estimate?	Key audit matter?
Operating expenditures, including payroll - Risk of error over completeness, existence and accuracy of operating expenditures.	No	No

Our response

- We performed statistical sampling over operating expenditures and agreed the items selected to source documentation.
- For payroll expenses, we performed substantive analytical procedures comparing the average year-over-year payroll expense by headcount while including the effects of any cost of living allowance.
- We performed a retrospective review over the union settlement agreement and determined the prior year accrual is reasonable.
- No issues noted.

Significant qualitative aspects of the Authority's accounting practices

No significant qualitative aspects to note.



Uncorrected misstatements

Uncorrected misstatements include financial presentation and disclosure omissions.



Impact of uncorrected misstatements – Not material to the financial statements

- The management representation letter includes the Summary of Uncorrected Misstatements, which discloses the impact of all uncorrected misstatements considered to be other than clearly trivial
- GRCA does not budget the statement of changes in net financial assets despite this being required under PSAB. Therefore, amortization and capital asset additions are not budgeted for during the year and therefore this information is not available at the time of budget approval. This misstatement is not unusual for this sector as many public sector entities still budget using old PS principles via operating and capital budget.



Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

No significant control deficiencies were identified throughout the audit.

Accounting policies and practices



Initial selection

The following new accounting policies and practices were selected and applied during the period.

- PSAS 3280 Asset Retirement Obligations
- PS 1201 Financial Statement Presentation
- PS 3450 Financial Instruments
- PS 3401 Portfolio Investments
- PS 2601 Foreign Currency Translation



Revised

There were no changes to accounting policies and practices during the year, other than the above new accounting standards.



Significant qualitative aspects

No significant qualitative aspects of accounting policies and practices



Other financial reporting matters

We also highlight the following:



Financial statement presentation - form, arrangement, and content



No matters to report.



Concerns regarding application of new accounting pronouncements



Next year the Conservation Authority will have to adopt PS 3400 Revenue, Public Sector (PS) guideline 8 – Purchased intangibles, and PS 3160 Public private partnerships.

Management will be assessing the impact of the above new accounting standards for 2024. Management and KPMG do not believe the impact of the new standards to be significant.



Significant qualitative aspects of financial statement presentation and disclosure



No matters to report.



Specific topics

We have highlighted the following that we would like to bring to your attention:

Matter	Finding
Illegal acts, including noncompliance with laws and regulations, or fraud	No matters to report
Other information in documents containing the audited financial statements	No matters to report
Significant difficulties encountered during the audit	No matters to report
Difficult or contentious matters for which the auditor consulted	No matters to report
Management's consultation with other accountants	No matters to report
Disagreements with management	No matters to report
Related parties	No matters to report
Significant issues in connection with our appointment or retention	No matters to report
Other matters that are relevant matters of governance interest	No matters to report

Appendices

1

Required communications

2

Management Representation Letter

3

Audit Quality

4

Audit and Assurance Insights



Appendix 1: Other required communications



Engagement terms

A copy of the engagement letter has been provided to the Audit Committee in November 2023.



CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Audit Quality Insights Report: 2021 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2023 Interim Inspections Results](#)



Appendix 2: Management representation letter



KPMG LLP
120 Victoria Street South, Suite 600
Kitchener, ON N2G 2B3
Canada

DATE

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of Grand River Conservation Authority (“the Entity”) as at and for the year ended December 31, 2023.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated November 24, 2023, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.
 - e) providing you with additional information that you may request from us for the purpose of the engagement.



- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.



Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Misstatements:

- 11) The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Non-SEC registrants or non-reporting issuers:

- 12) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 13) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Approval of financial statements:

- 14) The individual listed below has the recognized authority to take, and has taken, responsibility for the financial statements.



Administration Centre: 400 Clyde Road, P.O. Box 729 Cambridge, ON N1R 5W6

Phone: 519-621-2761 Toll free: 1-866-900-4722 Fax: 519-621-4844 www.grandriver.ca

Yours very truly,

By: Ms. Samantha Lawson, Chief Administration Officer

By: Ms. Sonja Radoja, Manager of Corporate Services

By: Ms. Karen Armstrong, Deputy CAO, Secretary Treasurer

cc: Audit Committee



Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.



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Attachment II – Summary of Audit Misstatements Schedule

1	Budget numbers missing from statement of changes in net financial assets	Uncorrected	Factual
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Appendix 3: Audit quality - How do we deliver audit quality?

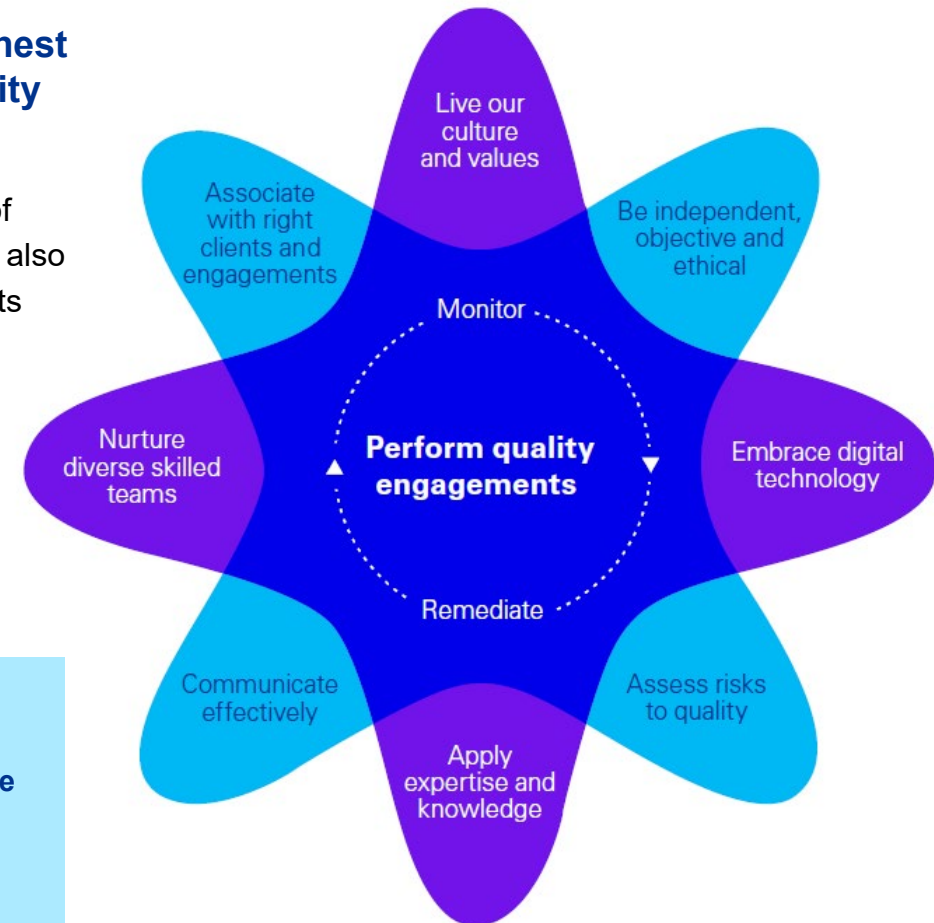
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements.

[KPMG 2022 Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Doing the right thing. Always.



Appendix 3: Audit quality - Indicators (AQIs)

The objective of these measures is to provide the Board of Directors and management with more in-depth information about factors that influence audit quality within an audit process. Below you will find the current status of the AQIs that we have agreed with management are relevant for the audit.



Team composition



Experience of the team

- Our team members have relevant industry experience to carry out the audit



Technology in the audit



Implementation of Technology in the Audit

- We have expanded the number of technologies implemented in the audit including:
 - **KPMG Clara Workflow (“KWc”)** – new audit workflow to allow us to deliver globally consistent engagements
 - **KPMG Clara Advanced Capabilities** – Journal Entry Analysis – focuses audit effort on journal entries that are riskier in nature
 - **Datsnipper** – Excel based tool, which allows us to automatically match Excel data with underlying source documents and form data extraction from documents with the same layout
 - **Datashare** - Data extraction tool that enables easy and reliable data extraction to support our year-end audit work from clients using a compatible accounting system



Timing of prepared by client (PBC) items



Timeliness of PBC items

- We requested 39 PBCs, with various follow-up requests as a result of our findings.
- We had confirmed the availability of PBCs with management in advance of interim and year-end fieldwork.
- All PBC requests were received on time and in due course.



Nothing to report



Some matters to report



Specific matters to report



Appendix 4: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

[KPMG Audit & Assurance Insights](#)

Curated research and insights for audit committees and boards.

[Board Leadership Centre](#)

Leading insights to help board members maximize boardroom opportunities

[Current Developments](#)

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.

[Audit Committee Guide – Canadian Edition](#)

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

[Accelerate 2023](#)

The key issues driving the audit committee agenda in 2023.

[Momentum](#)

A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

[KPMG Climate Change Financial Reporting Resource Centre](#)

Our climate change resource center provides insights to help you identify the potential financial statement impacts to your business.

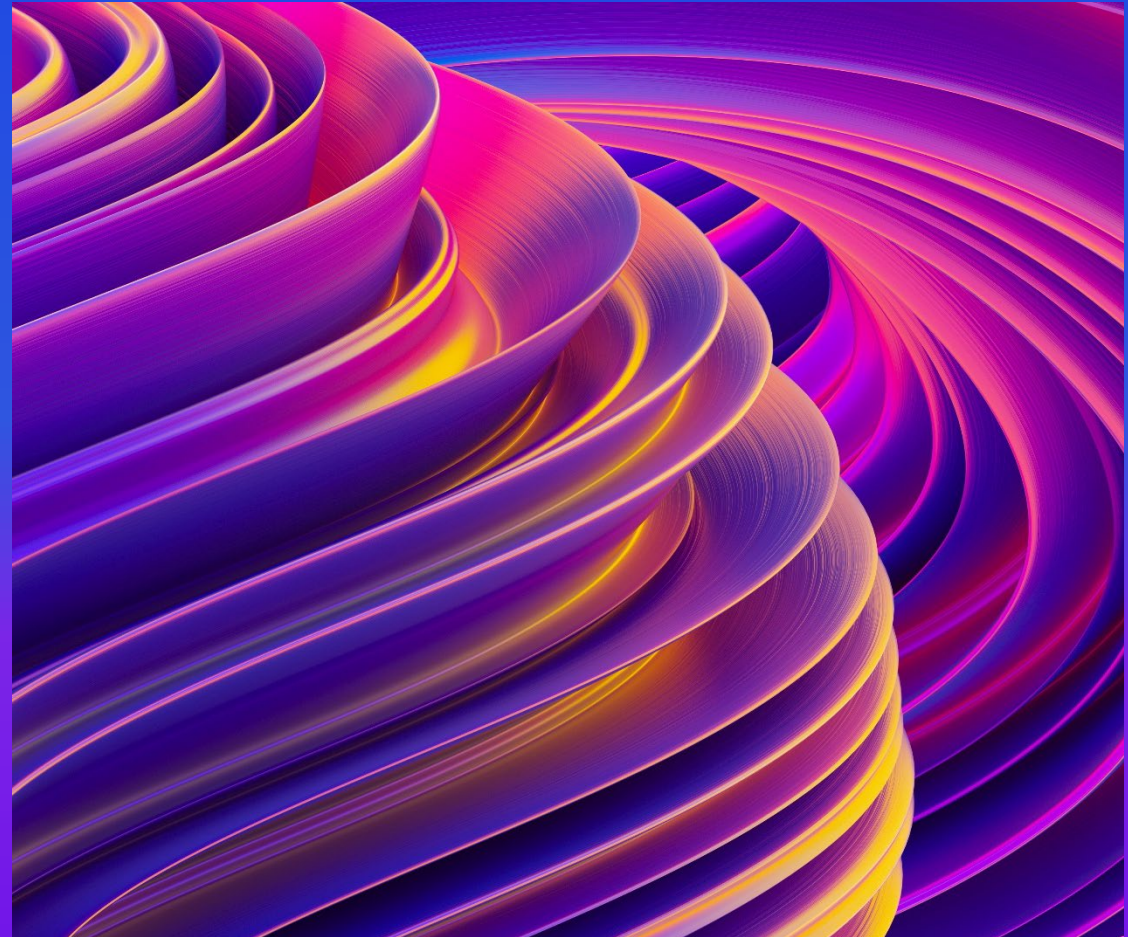
[Government and public sector - KPMG Canada](#)

KPMG in Canada's Government & Public Sector practice aims to deliver meaningful results through a deep understanding of the issues, an intimate appreciation of how the public sector works, and global and local insight into the cultural, social and political environments.



<https://kpmg.com/ca/en/home.html>

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Grand River Conservation Authority

Report number: GM-02-24-11

Date: February 23, 2024

To: Members of the Grand River Conservation Authority

Subject: Budget 2024

Recommendation:

THAT the Grand River Conservation Authority 2024 Budget of \$37,018,714 be approved.

Summary:

The proposed 2024 Budget includes total spending of \$37,018,714. It includes the following Municipal Apportionment amounts, as approved by weighted majority vote at the January 26, 2024 meeting of the General Membership:

Category 1	\$ 8,964,112
Category 2	\$ 1,017,000
General Operating Expenses	\$ 3,310,888
TOTAL Municipal Apportionment	\$ 13,292,000

Each participating municipality’s share of the 2024 Municipal Apportionment was calculated using “Modified Current Value Assessment” as per *O.Reg. 402/22 – Budget and Apportionment*.

As per GRCA By-law 2-2023, approval of the budget is also conducted by weighted vote. The allocations for weighted voting are shown in the attached ‘2024 GRCA Budget Vote’ listing.

Report:

Drafts of the 2024 Budget were presented to the General Membership on October 27, 2023, and January 26, 2024. Outlined below are changes made to the draft #2 budget 2024 that were provided at the January 26, 2024 meeting.

Summary – Proposed Budget 2024

Revenue	\$ 34,128,188	
Funding from Reserves	\$ 2,353,000	
Year 2023 Surplus carry forward	\$ 537,526	
Expenditures & Transfers to Reserves	<u>(\$37,018,714)</u>	
Net Surplus/(Deficit)		<u>\$ NIL</u>

Reserve Position

Actual Balance 12/31/23	\$ 52,678,473
Budget 2024 NET Decrease to Reserves	(\$ 186,500)
Budgeted Balance 12/31/24	\$ 52,491,973

Changes made since draft # 2 (January 26, 2024)

- A. Operating expenses/funding increased \$494,000
- (\$ 50,000) Plan Input and Review revenue decreased
 - \$ 50,000 Resource Planning compensation and benefits decreased (vacancy)

 - (\$194,000) Source Protection Program expenses increased
 - \$ 194,000 Provincial funding increased

 - (\$100,000) Nursery/Planting expenses increased
 - \$ 50,000 Burford Tree Nursery revenue increased
 - \$ 50,000 Tree Planting Services revenue increased

 - (\$250,000) Compensation and Benefit expenses increased
 - (\$100,000) Other expenses increased
 - \$ 200,000 Conservation Area Fee revenue increased
 - \$ 150,000 Funding from Conservation Area reserve increased

 - \$ 800,000 Investment Income earned on reserves increased (higher interest rates)
 - (\$800,000) Transfer to Reserves increased
- B. Special Projects expenses/funding increased \$250,000
- (\$250,000) Floodplain Mapping expenses increased
 - \$ 250,000 Funding from Land Sale Proceeds reserve increased
- C. Surplus carried forward from 2023 is \$537,526 (details of distribution below)

Year 2024 Surplus

The 2023 surplus is \$537,526 of which \$100,000 was built into previous budget drafts. The remaining \$437,525 surplus will be used to fund additional expenses as listed below.

Allocation of \$437,526 Surplus

- Expenses Increased \$437,526:
 - \$ 150,000 Consulting and Legal (DEI, AMP, AODA, new regulations)
 - \$ 50,000 Insurance (rate increases)
 - \$ 40,000 Labour Relations
 - \$ 50,000 File Management Project (carry forward from prior year)
 - \$ 40,000 Recruitment
 - \$ 50,000 Staff Development
 - \$ 55,000 Health & Safety
 - \$ 2,526 General Expense

Transition Reserve

The transition reserve was established at year-end 2020. The purpose of the reserve is to fund expenditures related to the transitioning of the GRCA to new provincial regulations requirements and/or to fund costs related to managing expenses impacted by COVID-19 or revenue losses due to COVID-19. The January 26 2024 budget report included a motion to transfer into the transition reserve any 2023 year-end operating surplus that is not included in the 2024 budget. The amount transferred into this reserve at year-end 2023 is \$500,000.

The following additional reports are attached:

- Summary Reserve Report– Budget 2024
- 2024 Weighted Vote
- 2024 Budget Package

Financial Implications:

The GRCA is proposing a \$37,018,714 budget. Reserves are budgeted to decrease by \$186,500.

Other Department Considerations:

None

Prepared by:

Sonja Radoja
Manager of Corporate Services

Approved by:

Karen Armstrong
Deputy CAO/Secretary-Treasurer

Samantha Lawson
Chief Administrative Officer

Grand River Conservation Authority
BUDGET 2024 - SUMMARY of RESERVES

General Meeting - February 23, 2024

	ACTUAL 2023	"NET CHANGE" INCREASE/(DECREASE) 2023 VS 2024	DETAILS OF "NET CHANGE" BUDGET 2024			BUDGET 2024
			Transfer In (Interest Income)	Transfer In	Transfer Out Description of Transfer	
Type A: GRCA Controlled						
Operating Reserves (designated)						
Property & Liability Insurance	281,417	10,000	10,000			291,417
Building & Mechanical Equipment	1,343,443	50,000	50,000			1,393,443
Small Office Equipment	0	0	0			0
Personnel	1,299,167	(20,000)	45,000		(65,000) OUT- Vacation Accrual, Wages	1,279,167
Transition	2,632,308	(312,000)	100,000		(412,000) OUT-\$100K Staff Position, \$312,000 Environmental Education	2,320,308
Forestry	1,536,205	50,000	50,000			1,586,205
Information Systems and Technology	1,390,899	(414,000)	45,000	1,437,000	(1,896,000) IN-Chargebacks; OUT-Operating/Capital costs	976,899
Cottage Operations	1,271,831	50,000	50,000			1,321,831
Grand River Watershed Management Plan	118,589	5,000	5,000			123,589
Planning Enforcement	547,652	20,000	20,000			567,652
Property Rental Expenses	785,090	35,000	35,000			820,090
Watershed Restoration	335,225	10,000	10,000			345,225
Master Planning	442,298	20,000	20,000			462,298
Water Management Operating NEW-2022	1,038,942	40,000	40,000			1,078,942
Motor Pool Equipment	1,670,460	(355,000)	60,000	1,300,000	(1,715,000) IN-Chargebacks;OUT-Operating/Capital costs	1,315,460
Motor Pool Insurance	95,821	4,000	4,000			99,821
Capital Reserves (designated)						
Water Control Structures	3,056,063	80,000	130,000		(50,000) OUT-Water Control Structures major repairs	3,136,063
Cambridge Desiltation Pond	4,967	(1,000)	0		(1,000) OUT-Cambridge Desiltation Pond costs	3,967
Completion of Capital Projects	162,000	0				162,000
Conservation Areas-Stabilization/Capital	8,471,029	(180,000)	320,000		(500,000) OUT-Cons Area Capital costs	8,291,029
Gauges	1,010,910	(60,000)	40,000		(100,000) OUT-Gauge costs	950,910
Capital Reserves (undesignated)						
General Capital Reserve	1,442,571	166,500	50,000	116,500	IN-Hydro Generation Revenue	1,609,071
Total Type A: GRCA Controlled	28,936,887	(801,500)	1,084,000	2,853,500	(4,739,000)	28,135,387
Type B: Reserves with Outside Control/Interest						
With MNRF Interest (Capital Reserves)						
Gravel	270,315	9,000	10,000		(1,000) OUT-Gravel Pit License	279,315
Land Sale Proceeds Reserve	23,028,711	590,000	940,000		(350,000) OUT-\$100K Demolition costs, \$250K Floodplain Mapping Projects	23,618,711
With School Board Interest (Operating Reserves)						
App's Nature Centre	76,501	3,000	3,000			79,501
Laurel Creek Nature Centre	116,762	5,000	5,000			121,762
Guelph Lake Nature Centre	145,181	4,000	4,000			149,181
Taquanyah Nature Centre	23,102	1,000	1,000			24,102
Shade's Mills Nature Centre	81,014	3,000	3,000			84,014
Total Type B: Outside Control/Interest	23,741,586	615,000	966,000	0	(351,000)	24,356,586
TOTAL	\$52,678,473	(186,500)	\$2,050,000	\$2,853,500	(\$5,090,000)	\$52,491,973

Grand River Conservation Authority						
2024 Municipal Apportionment - Weighted Voting						
23-Feb-24						
Member	Municipality/Group	Weight	Absent	Present	In Favour	Opposed
Doug Craig	Region of Waterloo	5.0%				
Mike Devine	Region of Waterloo	5.0%				
Jim Erb	Region of Waterloo	5.0%				
Susan Foxton	Region of Waterloo	5.0%				
Gord Greavette	Region of Waterloo	5.0%				
Colleen James	Region of Waterloo	5.0%				
Sandy Shantz	Region of Waterloo	5.0%				
Natasha Salonen	Region of Waterloo	5.0%				
Kari Williams	Region of Waterloo	5.0%				
Pam Wolf	Region of Waterloo	5.0%				
Daniel Lawrence	Haldimand & Norfolk Counties	0.9%				
Rob Shirton	Haldimand & Norfolk Counties	0.9%				
John Challinor II	Region of Halton	2.5%				
Alex Wilson	City of Hamilton	12.5%				
Bruce Banbury	County of Oxford	0.8%				
Gino Caputo	City of Brantford	3.8%				
Kevin Davis	City of Brantford	3.8%				
Christine Billings	City of Guelph	6.8%				
Ken Yee Chew	City of Guelph	6.8%				
Guy Gardhouse	Group 1 (E. Garafraxa, Amaranth, Southgate, Melancthon, Grand Valley)	1.1%				
Lisa Hern	Group 2 (Mapleton, Wellington North)	1.3%				
Jerry Smith	Group 3 (North Perth, Perth East)	0.4%				
Shawn Watters	Twp of Ctr Wellington	2.6%				
Chris White	Group 4 (Erin, Puslinch, Eramosa)	3.0%				
Brian Coleman	County of Brant	1.5%				
David Miller	County of Brant	1.5%				
		100.0%	0.0%	0.0%	0.0%	0.0%
	Weighted Vote Result				-	



Budget 2024



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Message from the Chair & CAO

The Grand River Conservation Authority is a successful partnership of municipalities working together to ensure the conservation, restoration and responsible management of water, land, and natural habitats in the Grand River watershed.

The Grand River stretches 300 kilometres from Dundalk in Dufferin County to Port Maitland on Lake Erie. It is one of the fastest growing regions in the province, with a population of approximately 1,000,000. The Grand River watershed is also home to some of the most intensively farmed land in the nation.

The prospect of high growth and the impact on water and natural resources and the quality of life present an enormous challenge to the GRCA, municipalities, and all watershed residents. It creates an urgent need to work collaboratively to care for the Grand River watershed and its natural resources.

As we look forward to 2024 and the implementation of new regulations, we are confident that our budget reflects our commitment to providing excellent watershed programs and services to our participating municipalities in alignment with our strategic priorities and provincial legislation.



Chris White, Chair



Samantha Lawson, CAO

1) Summary Information

GRCA 2024 Budget Highlights

Conservation Authority (CA) Act – Programs and Services Inventory

As required under O.Reg.687/21 Transition Plans and Agreements for Programs and Services under Section 21.2.2 of the CA Act, the GRCA has developed an Inventory of Programs and Services based on the categories identified in the Regulation. These categories include: (1) Mandatory, (2) Municipally requested, (3) Other (Authority determines are advisable), and General Operating Expenses. In accordance with regulatory reporting requirements, the budget package includes a “Programs and Services Inventory” chart which outlines the expenditures and funding sources applicable to each category, along with the reallocation of program surplus between programs and services. These reporting requirements became effective January 1, 2024. Budget 2023 comparatives have been reformatted to allow for better comparison with the 2024 budget.

The 2024 budget framework corresponds with the GRCA’s Program and Services Inventory which was prepared in accordance with provincial regulations. The GRCA business areas are divided into the following categories and programs and services (P&S) groups:

Category 1 – Mandatory Programs & Services

- P&S #1 - Watershed Management
- P&S #2 - Flood Forecasting and Warning
- P&S #3 - Water Control Structures
- P&S #4 - Resource Planning
- P&S #5 - Conservation Lands Management
- P&S #6 - Source Protection Program

General Operating Expenses

- P&S #7 - General Operating Expenses

Category 2 – Programs & Services delivered in accordance with funding agreements with Participating Municipalities

- P&S #8 - Watershed Services

Category 3 – Other Programs & Services the Authority deems Advisable (nonmandatory)

- P&S #9 - Burford Tree Nursery and Planting Services
- P&S #10 - Conservation Services
- P&S #11 - Outdoor Environmental Education
- P&S #12 - Property Rentals
- P&S #13 - Hydro Production
- P&S #14 - Conservation Areas
- P&S #15 - Administrative Support



To carry out these programs and services, the GRCA draws revenues from a variety of sources:

- User fees, such as conservation area admissions, outdoor environmental education programs, tree planting, planning and permitting fees and others
- Revenues from property rentals and hydro generation at some GRCA dams
- Municipal apportionment (previously referred to as levy), which are applied to category 1 mandatory programs and the general operating expense category
- Municipal funding granted via agreements with participating municipalities, which are applied to category 2 watershed services such as private land stewardship and outreach, subwatershed planning, and water quality programs
- Provincial transfer payments for flood forecasting and water control structure expenses
- Provincial grants for specific purposes, such as the provincial drinking water Source Protection Program and Capital Projects related to water management
- Donations from the Grand River Conservation Foundation for programs such as outdoor environmental education, tree planting activities, and various special projects
- Federal grants and other miscellaneous sources of revenue

Overall, the 2024 budget reflects the continued delivery of prior year programs and services with the use of self-generated revenue (50%), government funding (45%) and the use of reserves (5%).

Category 1 – Mandatory Programs

Mandatory programs and services include watershed management, flood forecasting and warning to help protect residents from flooding, the operation of water control structures such as dams and dikes, resource planning, conservation lands management, and the drinking water source protection program.

Watershed management and monitoring programs help protect watershed residents from flooding and provide the information required to develop appropriate resource management strategies and to identify priority actions to maintain a healthy watershed.

Resource planning includes managing: (a) Natural Hazard Regulation (Permitting and Compliance) - the administration of conservation authority regulation related to development, alteration and other activities in regulated areas (i.e., floodplains, wetlands, slopes, shorelines and watercourses), and (b) Plan Input and Review – planning and technical review of municipal planning documents and recommending policies related to natural hazards; providing advice and information to municipal councils or committees on development proposals and applications; review of environmental assessments and proposals under other legislation (i.e., Aggregate Act and Drainage Act).

Conservation Lands management includes expenses associated with managing GRCA-owned lands. Land management examples include managing trails, infrastructure (i.e., fences, roads, bridges, other structures), passive land holdings, provincially significant wetlands (e.g., Luther Marsh, Dunville Marsh) and activities such as forest management.

Drinking water source protection includes programs and services to carry out the GRCA's duties as a Source Protection Authority under the *Clean Water Act, 2006*. The program includes updating and amending technical work and policies in Source Protection Plans for each of the four watersheds in the



Lake Erie Source Protection Region, maintaining a multi-stakeholder Source Protection Committee, and reporting annually on implementation of the Source Protection Plans.

Work continues on the completion of the following mandatory strategies and plans:

- Watershed-based Resource Management Strategy
- Operational Plan for Natural Hazard Infrastructure
- Asset Management Plan for Natural Hazard Infrastructure
- Ice Management Plan
- Conservation Area Strategy
- Land Inventory

Expenditures:

• P&S #1 - Watershed Management	\$ 1,256,100
• P&S #2 - Flood Forecasting and Warning	\$ 1,351,000
• P&S #3 - Water Control Structures	\$ 3,628,700
• P&S #4 - Resource Planning	\$ 2,679,600
• P&S #5 - Conservation Lands Management	\$ 2,971,900
• P&S #6 – Source Protection Program	\$ 834,000

Total Expenditures: \$ 12,721,300

Revenue sources:

Municipal Apportionment, permit fees, enquiry fees, plan review fees, provincial and federal grants, and reserves.

General Operating Expenses

Administrative expenses related to the Office of the CAO, communications, capital support, finance, payroll, human resources, health and safety, head office facility, insurance, IS&T and other administrative expenses that support the provision of programs and services.

Expenditures:

• P&S #7 - General Operating Expenses	\$ 4,267,714
• IS & T and Motor Pool Expenses	\$ 874,000

Total Expenditures \$ 5,141,714

Revenue sources:

Municipal Apportionment, interest income, and reserves.

Category 2 – Watershed Services (non-mandatory)

The programs included under watershed services are: subwatershed planning, conservation services, water quality, and watershed sciences and collaborative planning.



Subwatershed planning includes recommending where subwatershed or watershed studies are needed, reviewing and providing input to subwatershed studies, monitoring, and collaborative work.

Conservation services includes delivering municipal and partnership cost-share programs to support private land stewardship, facilitating private and public land tree planting, and coordinating education and outreach activities for watershed health.

Water quality programs include the operation of continuous water quality stations, analysis and reporting on surface water and groundwater quality, and delivery of the Watershed-Wide Wastewater Optimization Program.

Watershed sciences and collaborative planning includes watershed and landscape-scale science and reporting, cross-disciplinary integration, and collaborative water planning with municipalities and provincial and federal agencies.

Total Expenditures:

P&S #8 – Watershed Services	\$ 2,163,000
--	---------------------

Revenue sources:

Municipal funding agreements and provincial grants.

Category 3 – Other Programs & Services (non-mandatory)

The programs and services included in Category 3 are: Burford tree nursery and planting services, special conservation projects, outdoor environmental education, property rentals, hydro production, conservation areas, and administrative support.

Burford Tree Nursery and planting services includes the operation of the Burford Tree Nursery and facilitating tree planting contracts.

Special projects under the conservation services program include special studies and evaluations, and events such as children’s water festivals and the Mill Creek Rangers program.

The outdoor environmental education program provides curriculum-based programs to about 30,000 students annually, as well as some community groups throughout the watershed at five GRCA nature centres, as well as at schools, Conservation Areas and virtually.

Property Rental activities include residential leases, cottage lot leases, agricultural leases, and other miscellaneous leases.

Hydro production includes hydro generation at Belwood (Shand), Conestogo, Guelph, and Elora dam locations.

Conservation areas include the operation of 11 active conservation areas. The GRCA offers camping, hiking, fishing, swimming, skiing, tubing, and other activities at its conservation areas. It provides 2,200 campsites, making it the second-largest provider of camping accommodation in Ontario. Over 1.5 million people visit GRCA conservation areas each year.

Administrative Support includes administrative expenses related to finance, communications, capital support, and other administrative expenses that support category 3 programs and services.



Expenditures:

• P&S #9 - Burford Tree Nursery & Planting Services	\$	992,900
• P&S #10 - Conservation Services (Special Projects)	\$	267,200
• P&S #11 - Environmental Education	\$	1,412,000
• P&S #12 - Property Rentals	\$	1,109,200
• P&S #13 - Hydro Production	\$	212,000
• P&S #14 - Conservation Areas	\$	11,782,000
• P&S #15 - Administrative Support	\$	1,217,400

Total Expenditures: **\$ 16,992,700**

Revenue sources:

Burford Nursery/Planting Services: Trees sales, landowner contributions and donations.

Conservation Services (Special Projects): Special government grants.

Outdoor Environmental Education: School boards, other user fees (i.e., individual schools, community program fees, donations from the Grand River Conservation Foundation and reserves.

Property Rentals: Lease agreement income.

Hydro Production: Sale of hydroelectricity.

Conservation Areas: Conservation Area user fees, government grants, donations, and reserves.



Budget 2024 Summary

	Budget 2023	Budget 2024	Incr/(decr)
Operating Budget	28,265,188	30,214,714	1,949,526 6.9%
Major Maintenance & Equipment Budget	4,104,000	4,674,000	570,000 13.9%
Special Projects Budget	840,000	2,130,000	1,290,000 153.6%
TOTAL	33,209,188	37,018,714	3,809,526 11.5%



Operating Budget Summary

	Budget 2023 (Oct draft)	Budget 2024	Incr/(Decr)	%age change
<u>EXPENDITURES</u>				
OPERATING EXPENSES	28,148,688	30,098,214	1,949,526	6.9%
FUNDING TO RESERVES-Hydro Revenue	116,500	116,500	-	0.0%
Total Expenses & Reserve Movements	28,265,188	30,214,714	1,949,526	6.90%
<u>SOURCES OF FUNDING</u>				
MUNICIPAL APPORTIONMENT - CATEGORY 1 & General Operating	11,026,000	11,325,000	299,000	2.7%
MUNICIPAL APPORTIONMENT - CATEGORY 2	992,000	1,017,000	25,000	2.5%
OTHER GOVT FUNDING	1,207,188	1,446,188	239,000	19.8%
SELF-GENERATED	14,498,000	15,310,000	812,000	5.6%
FUNDING FROM RESERVES	442,000	579,000	137,000	31.0%
SURPLUS CARRYFORWARD	100,000	537,526	437,526	437.5%
Total Funding	28,265,188	30,214,714	1,949,526	6.90%



Major Maintenance & Equipment Budget Summary

Budget 2024	Water Resources Planning & Environment	FFW	Flood Control Expenses	Conservation Land Management (Sch 4)	Conservation Areas	Corporate Services	BUDGET TOTAL
Expenses:							
WQ Monitoring Equipment & Instruments	110,000						110,000
Flood Forecasting Warning Hardware and Gauges		190,000					190,000
Flood Control Structures-Major Maintenance			1,500,000				1,500,000
Conservation Areas Capital Projects					2,000,000		2,000,000
Net IT/MP Capital Spending not allocated to Departments						874,000	874,000
TOTAL EXPENSE	110,000	190,000	1,500,000	-	2,000,000	874,000	4,674,000
Funding							
Municipal Apportionment	35,000	165,000	750,000				950,000
Prov & Federal Govt			700,000				700,000
Self Generated					1,500,000		1,500,000
Funding from Reserves	75,000	25,000	50,000		500,000	874,000	1,524,000
TOTAL FUNDING	110,000	190,000	1,500,000	-	2,000,000	874,000	4,674,000
Budget 2023							
Budget 2023	Water Resources Planning & Environment	FFW	Flood Control Expenses	Conservation Land Management (Sch 4)	Conservation Areas	Corporate Services	BUDGET TOTAL
Expenses:							
WQ Monitoring Equipment & Instruments	110,000						110,000
Flood Forecasting Warning Hardware and Gauges		190,000					190,000
Flood Control Structures-Major Maintenance			1,500,000				1,500,000
Conservation Areas Capital Projects					2,000,000		2,000,000
Net IT/MP Capital Spending not allocated to Departments						304,000	304,000
TOTAL EXPENSE	110,000	190,000	1,500,000	-	2,000,000	304,000	4,104,000
Funding							
General Capital Levy	35,000	165,000	750,000				950,000
Prov & Federal Govt			700,000				700,000
Self Generated					1,500,000		1,500,000
Funding from Reserves	75,000	25,000	50,000		500,000	304,000	954,000
TOTAL FUNDING	110,000	190,000	1,500,000	-	2,000,000	304,000	4,104,000



Special Projects Budget Summary

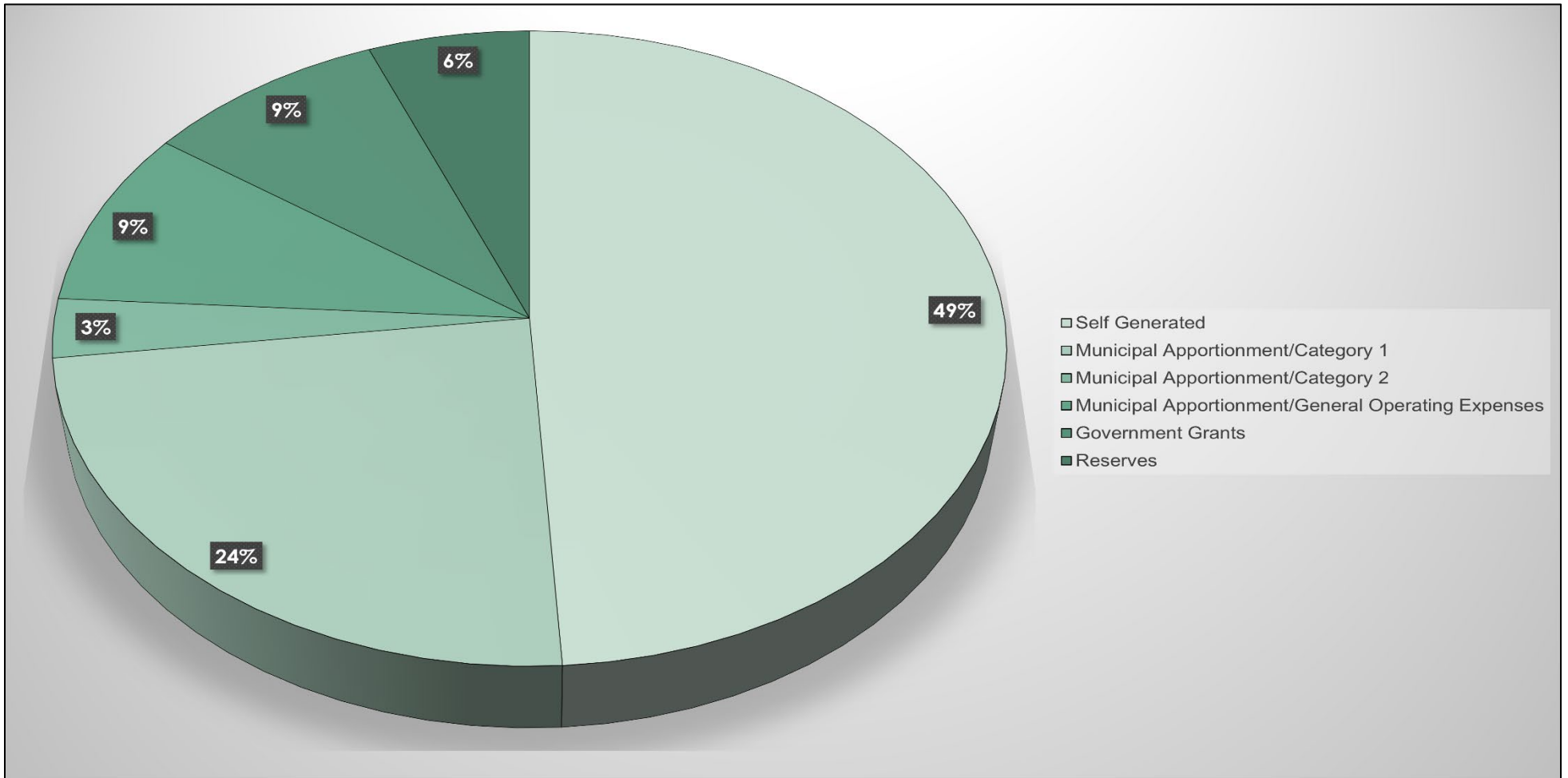
EXPENDITURES	BUDGET 2023 (Oct draft)	BUDGET 2024
Subwatershed Plans - City of Kitchener		80,000
Waste Water Optimization Program		130,000
Floodplain Mapping		250,000
RWQP - Capital Grants	800,000	800,000
Brant/Brantford Children's Water Festival		45,000
Haldimand Children's Water Festival		-
Species at Risk	40,000	70,000
Ecological Restoration		100,000
Nature Smart Climate Solutions		85,000
Profit Mapping		35,000
Guelph Lake Nature Centre		500,000
Mill Creek Rangers		35,000
Total SPECIAL Projects Expenditures	840,000	2,130,000
SOURCES OF FUNDING		
OTHER GOVT FUNDING	840,000	1,200,000
SELF-GENERATED		680,000
FUNDING FROM/(TO) RESERVES		250,000
Total Funding	840,000	2,130,000



Overview – 2024 Revenue by Source

2024 Budget: \$37.0 million

(2023: \$33.2 million)



Programs and Services (P&S) Inventory

Programs & Services Inventory		TOTAL EXPENDITURES (includes transfers to reserves)	MUNICIPAL APPORTIONMENT/ Cat 2-MOA FUNDING	MUNICIPAL-OTHER	SELF-GENERATED REVENUE	PROVINCIAL & FEDERAL GRANTS	Funding from RESERVES	Programs & Services SURPLUS allocation	TOTAL REVENUE (after P&S surplus allocation)	NET RESULT
CATEGORY 1	Watershed Management	1,256,100	1,143,600			37,500	75,000		1,256,100	-
	FFW & Flood Plain Mapping	1,351,000	911,662			164,338	275,000		1,351,000	-
	Water Control Structures	3,628,700	2,593,350			985,350	50,000		3,628,700	-
	Resource Planning	2,679,600	1,685,600		994,000				2,679,600	-
	Conservation Lands Management	2,971,900	2,629,900		142,000		200,000		2,971,900	-
	Source Protection Planning	834,000	-			834,000			834,000	-
Total Category 1		12,721,300	8,964,112		1,136,000	2,021,188	600,000	-	12,721,300	-
			70%	0%	9%	16%	5%	0%	100%	
General Operating	General Operating Expenses (note 5)	5,141,714	3,310,888		687,526		939,000	204,300	5,141,714	-
			64%	0%	13%	0%	18%	4%	100%	
CATEGORY 2	CATEGORY 2 Watershed Services	2,163,000	1,017,000	930,000	-	215,000	1,000	-	2,163,000	-
			47%	43%	0%	10%	0%	0%	100%	
CATEGORY 3	Burford Tree Nursery & Planting Services	992,900			680,000			312,900	992,900	-
	Conservation Services (Special Projects)	267,200		10,000	35,000	170,000		52,200	267,200	-
	Outdoor Environmental Education	1,412,000			1,100,000		312,000		1,412,000	-
	Property Rentals	1,109,200			3,038,000			(1,928,800)	1,109,200	-
	Hydro Production	212,000			580,000			(368,000)	212,000	-
	Conservation Areas	11,782,000			10,771,000		501,000	510,000	11,782,000	-
	Administrative Support (note 6)	1,217,400						1,217,400	1,217,400	-
Total Category 3		16,992,700	-	10,000	16,204,000	170,000	813,000	(204,300)	16,992,700	-
			0%	0%	95%	1%	5%	-1%	100%	
TOTAL Programs & Services		37,018,714	13,292,000	940,000	18,027,526	2,406,188	2,353,000	-	37,018,714	-
			36%	3%	49%	6%	6%	0%	100%	

NOTE 1, NOTE 4

NOTE 2

NOTE 3

COMMENTARY:

- NOTE 1 Total Programs & Services expenditures (includes transfers to reserves) is funded 39% by the combined total of mandatory municipal apportionment and Category 2 MOA municipal funding.
- NOTE 2 Almost 50% of total expenses is funded with self-generated revenue.
- NOTE 3 Category 3 'Property Rentals' and 'Hydro Production' generate a surplus which is allocated to Category 3 programs and General Operating expenses to achieve breakeven results for each P&S.
- NOTE 4 In 2023 General Municipal Levy funding totalled \$12,968,000. Therefore Municipal funding is increasing by \$324,000 (or 2.5%) to \$13,292,000 in 2024 compared to 2023.
- NOTE 5 **General Operating Expenses** include administrative expenses related to Office of the CAO, communications, capital support, finance, payroll, human resources, Health and Safety, head Office facility, and other administrative expenses that support the provision of programs and services.
- NOTE 6 **Administrative Support** includes administrative expenses related to finance, communications, capital support and other administrative expenses that support category 3 programs and services.



Summary of Municipal Apportionment

	% CVA in Watershed	2023 CVA (Modified)	CVA in Watershed	CVA-Based Apportionment	2024 Budget General Operating Expenses*	2024 Budget Category 1 Operating Expenses*	2024 Budget Category 2 Operating Expenses*	2024 Budget Total Apportionment	Actual 2023	% Change
Brant County	82.9%	7,651,609,216	6,343,184,040	2.98%	98,549	266,819	30,271	395,639	378,509	4.5%
Brantford C	100.0%	15,830,835,062	15,830,835,062	7.43%	245,952	665,906	75,549	987,407	959,163	2.9%
Amaranth Twp	82.0%	836,304,475	685,769,670	0.32%	10,654	28,846	3,273	42,773	41,929	2.0%
East Garafraxa Twp	80.0%	659,250,495	527,400,396	0.25%	8,194	22,184	2,517	32,895	32,145	2.3%
Town of Grand Valley	100.0%	629,306,057	629,306,057	0.30%	9,777	26,471	3,003	39,251	37,414	4.9%
Melancthon Twp	56.0%	621,036,905	347,780,667	0.16%	5,403	14,629	1,660	21,692	21,055	3.0%
Southgate Twp	6.0%	1,171,985,196	70,319,112	0.03%	1,092	2,958	336	4,386	4,082	7.4%
Haldimand County	41.0%	7,540,022,556	3,091,409,248	1.45%	48,029	130,037	14,753	192,819	188,187	2.5%
Norfolk County	5.0%	9,936,265,436	496,813,272	0.23%	7,719	20,898	2,371	30,988	30,398	1.9%
Halton Region	10.6%	49,388,040,845	5,220,626,448	2.45%	81,109	219,600	24,914	325,623	317,066	2.7%
Hamilton City	26.7%	98,248,255,488	26,281,408,343	12.33%	408,315	1,105,497	125,421	1,639,233	1,605,656	2.1%
Oxford County	36.1%	4,704,097,710	1,696,921,269	0.80%	26,364	71,379	8,098	105,841	103,618	2.1%
North Perth T	2.0%	2,497,940,188	49,958,804	0.02%	776	2,101	238	3,115	2,933	6.2%
Perth East Twp	40.0%	2,108,636,244	843,454,498	0.40%	13,104	35,479	4,025	52,608	51,654	1.8%
Waterloo Region	100.0%	107,591,348,898	107,591,348,898	50.49%	1,671,568	4,525,707	513,453	6,710,728	6,542,324	2.6%
Centre Wellington Twp	100.0%	5,519,221,813	5,519,221,813	2.59%	85,748	232,160	26,339	344,247	335,603	2.6%
Erin T	49.0%	2,632,734,184	1,290,039,750	0.61%	20,042	54,264	6,156	80,462	79,394	1.3%
Guelph C	100.0%	28,678,588,984	28,678,588,984	13.46%	445,558	1,206,332	136,861	1,788,751	1,757,601	1.8%
Guelph Eramosa Twp	100.0%	2,990,332,288	2,990,332,288	1.40%	46,459	125,785	14,271	186,515	182,089	2.4%
Mapleton Twp	95.0%	1,936,823,480	1,839,982,306	0.86%	28,586	77,397	8,781	114,764	111,066	3.3%
Wellington North Twp	51.0%	1,842,795,052	939,825,477	0.44%	14,601	39,533	4,485	58,619	57,083	2.7%
Puslinch Twp	75.0%	2,856,920,480	2,142,690,360	1.01%	33,289	90,130	10,225	133,644	129,031	3.6%
Total		355,872,351,049	213,107,216,762	100.00%	3,310,888	8,964,112	1,017,000	13,292,000	12,968,000	2.5%

*Operating Expenses include maintenance of capital infrastructure, studies, and/or equipment.



Municipal Funding Breakdown (Note 1)

	2024	2023
	Municipal Apportionment	Municipal Levy
CATEGORY 1 - Mandatory	8,964,112	
General Operating Expenses	3,310,888	
CATEGORY 2 - Municipally Requested MOU's (note 2)	1,017,000	
Matching Admin & Mtce Levy		449,688
Non-Matching Admin & Mtce Levy		11,568,312
Capital Maintenance Levy		950,000
	13,292,000	12,968,000
	<i>dollar Increase</i>	324,000
	<i>percentage Increase</i>	2.5%

Note 1

Funding under special agreements with Municipalities is not included in above municipal funding breakdown (i.e. RWQP, Subwatershed studies)

Note 2

Participation of all member municipalities for Category 2 programs and services has not been confirmed as at Jan 26/24. Adjustments may be applicable.



Category Two – Watershed Services Program Breakdown

Programs & Services	Cost	Offsetting Funding	NET COST	Description of Offsetting Funding
Sub-watershed Services	\$ 365,000	\$ (130,000)	\$ 235,000	Municipal Funding
Conservation Services	\$ 1,424,000	\$ (885,000)	\$ 539,000	Municipal & Provincial Funding
Water Quality	\$ 148,000	\$ (1,000)	\$ 147,000	Reserves
Water Quality - Waste Water Optimization Program	\$ 217,600	\$ (130,000)	\$ 87,600	Provincial Funding
Water Quality - Groundwater Resources	\$ 8,400	\$ -	\$ 8,400	
Watershed Sciences & Collaborative Planning *				
TOTAL	\$ 2,163,000	\$ (1,146,000)	\$ 1,017,000	

* Costs related to this activity integrated in the above listed programs and services.





2) Programs and Services (P&S) Reports

Statement of Operations/Revenues

REVENUE

Municipal

	New Regulations Category	P&S Ref #	NEW REGS Budget 2023 (draft Oct)	NEW REGS Budget 2024
Municipal Apportionment	Category 1	various	11,976,000	12,275,000
Memorandums of Understanding Apportionment	Category 2	various	992,000	1,017,000
Other	Category 2 & 3	8	850,000	940,000
			13,818,000	14,232,000

Government Grants

MNRF Transfer Payments	Category 1	various	449,688	449,688
Source Protection Program-Provincial	Category 1	various	640,000	834,000
Other Provincial	Category 1	various	737,500	737,500
Other Provincial	Category 2	8	0	130,000
Other Provincial	Category 3	10	30,000	100,000
Federal	Category 1 & 2	various	40,000	155,000
			1,897,188	2,406,188

Self Generated

User Fees and Sales				
<i>Resource Planning</i>	Category 1	4	1,144,000	994,000
<i>Burford Operations & Planting Services</i>	Category 3	9	580,000	680,000
<i>Conservation Lands Income</i>	Category 3	14	71,000	71,000
<i>Conservation Lands Income</i>	Category 1	5	15,000	15,000
<i>Conservation Areas User Fees</i>	Category 3	14	10,000,000	10,700,000
<i>Environmental Education</i>	Category 3	11	500,000	600,000
Property Rentals	Category 3	12	2,981,000	3,038,000
Hydro Generation	Category 3	13	580,000	580,000
Grand River Conservation Foundation	Category 1,2,3	various	27,000	662,000
Investment Income	General Operating	7	1,350,000	2,200,000
Total Self-Generated Revenue			17,248,000	19,540,000
TOTAL REVENUE			32,963,188	36,178,188



Statement of Operations/Expenses

	New Regulations Category	P&S Ref #	NEW REGS Budget 2023 (draft Oct)	NEW REGS Budget 2024
EXPENSES				
OPERATING Expenses				
Watershed Management	Category 1	1	1,276,000	1,146,100
Flood Forecasting and Warning	Category 1	2	895,000	911,000
Water Control Structures	Category 1	3	2,143,200	2,128,700
Resource Planning	Category 1	4	2,551,800	2,679,600
Conservation Lands Management	Category 1	5	2,954,600	2,871,900
Source Protection Program	Category 1	6	640,000	834,000
General Operating Expenses	General Operating	7	3,495,788	4,267,714
Watershed Services	Category 2	8	1,043,000	1,068,000
Burford Operations & Planting Services	Category 3	9	867,300	992,900
Conservation Services	Category 3	10	81,200	82,200
Environmental Education	Category 3	11	775,100	912,000
Property Rentals	Category 3	12	1,095,200	1,109,200
Hydro Production	Category 3	13	95,500	95,500
Conservation Areas	Category 3	14	9,037,000	9,782,000
Administrative Support	Category 3	15	1,198,000	1,217,400
Total Operating Expenses			28,148,688	30,098,214
MAJOR MAINTENANCE & EQUIPMENT Expenses				
Watershed Management	Category 1	1	110,000	110,000
Flood Forecasting and Warning	Category 1	2	190,000	190,000
Water Control Structures	Category 1	3	1,500,000	1,500,000
Conservation Areas	Category 3	13	2,000,000	2,000,000
Information Systems	General Operating	16	290,000	459,000
Motor Pool	General Operating	16	14,000	415,000
Total Major Maintenance & Equipment Expenses			4,104,000	4,674,000
SPECIAL PROJECTS Expenses				
Flood Forecasting and Warning	Category 1	2	0	250,000
Conservation Lands Management	Category 1	5		100,000
Watershed Services	Category 2	8	800,000	1,095,000
Conservation Services	Category 3	10	40,000	185,000
Environmental Education	Category 3	11	0	500,000
Total Special Projects Expenses			840,000	2,130,000
Total Expenses			33,092,688	36,902,214
Gross Surplus			(129,500)	(724,026)
Prior Year Surplus Carryforward			100,000	537,526
Net Funding FROM/(TO) Reserves			29,500	186,500
NET SURPLUS			0	0



P&S #1 – Watershed Management

This category includes the collection and analysis of environmental data and the development of management plans for protection and management of water resources.

Specific Activities:

- Development of a Watershed-based Resource Management Strategy per Ontario Regulation 686/21 (Mandatory Programs and Services).
- Monitoring at 16 stream flow monitoring stations.
- Monitoring at 27 groundwater wells under the Provincial Groundwater Monitoring Network and other wells that inform groundwater-surface water interactions.
- Monitoring at 37 water quality monitoring stations under the Provincial Water Quality Monitoring Network.
- Maintain a water budget to support sustainable water use in the watershed and maintain a drought response program.
- Provide advice to Provincial Ministries regarding water use permits to ensure that significant environmental concerns are identified so that potential impacts can be addressed.

How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change
<u>Expenditures and Funding to Reserves</u>			INCR/(DECR)
Compensation and Benefits	1,013,900	884,000	(129,900)
Administration Expenses	197,000	197,000	-
Other Operating Expenses	65,100	65,100	-
Total OPERATING Expenditures	1,276,000	1,146,100	
Instrumentation	60,000	60,000	-
Water Quality Monitoring Equipment	50,000	50,000	-
Total CAPITAL Expenditures	110,000	110,000	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	1,386,000	1,256,100	(129,900)
<u>Funding</u>			(INCR)/DECR
Municipal			
Municipal Apportionment (levy)	1,273,500	1,143,600	129,900
Government Grants			
Other Provincial	37,500	37,500	-
Funding From Reserves			
Gauges	75,000	75,000	-
TOTAL FUNDING	1,386,000	1,256,100	129,900
Net Surplus/(Deficit)	0	0	0



P&S #2 - Flood Forecasting and Warning

The flood warning system includes the direct costs associated with monitoring the streams and rivers to effectively provide warnings and guidance to municipalities and watershed residents during flood emergencies.

Overall, flood protection services provide watershed residents with an effective and efficient system that will reduce their exposure to the threat of flood damage and loss of life.

Specific Activities:

- Maintain a 'state of the art' computerized flood forecasting and warning system.
- Operate a 24 hour, year-round, on-call duty officer system to respond to flooding matters.
- Collect and manage data on precipitation, water quantity, reservoir conditions, water levels from 56 stream flow gauges, 24 rainfall gauges, and 12 snow courses and conduct analysis on hydrometric data in support of water quantity programs such as the low water response program for the watershed.
- Use Ignition system to continuously, monitor reservoir levels, river conditions and detect warning levels, assist municipalities with emergency planning, and respond to thousands of inquiries each year.
- Assist municipalities with municipal emergency planning and participate in municipal emergency planning exercises when requested.
- Hold annual municipal flood coordinator meetings to confirm responsibilities of agencies involved in the flood warning system. Test the system. Update and publish a flood warning system guide containing up-to-date emergency contact information. Maintain up-to-date emergency contact information throughout the year.
- Complete floodplain mapping projects as funding is made available.



P&S #2 Flood Forecasting and Warning: How much does it cost, and who pays for it?

	NEW REGS Budget 2023	NEW REGS Budget 2024	Budget Change
	(draft Oct version)		
<u>Expenditures and Funding to Reserves</u>			INCR/(DECR)
Compensation and Benefits	551,000	567,000	16,000
Administration Expenses	236,000	236,000	-
Other Operating Expenses	108,000	108,000	-
Total OPERATING Expenditures	895,000	911,000	
Hardware	88,000	88,000	-
Stream Gauges	102,000	102,000	-
Total CAPITAL Expenditures	190,000	190,000	
Floodplain Mapping Projects		250,000	
Total SPECIAL PROJECT Expenditures	0	250,000	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	1,085,000	1,351,000	16,000
<u>Funding</u>			(INCR)DECR
Municipal			
Municipal Apportionment (levy)	835,662	911,662	(76,000)
Government Grants			
MNRF Transfer Payments	164,338	164,338	0
Funding From Reserves			
Floodplain Mapping Projects & Gauges	25,000	275,000	(250,000)
Water Management Operating	60,000	0	60,000
TOTAL REVENUE	1,085,000	1,351,000	(266,000)
Net Surplus/(Deficit)	0	0	(250,000)



P&S #3 - Water Control Structures

This category includes costs associated with the capital and maintenance of structures, the primary purpose of which is to provide protection to life and property. These structures include dams, dikes, berms and channels, etc. Also included in this category are non-flood control dams and weirs, which maintain upstream water levels.

Overall, flood protection services provide watershed residents with an effective and efficient system that reduces exposure to the threat of flood damage and loss of life.

Multi-purpose reservoirs provide flow augmentation benefits to watercourses downstream of the reservoirs, improving water quality.

Specific Activities:

- Operate and maintain seven major multi-purpose reservoirs, which provide flood protection and flow augmentation, and 25 kilometres of dikes in five major dike systems (Kitchener-Bridgeport, Cambridge-Galt, Brantford, Drayton and New Hamburg).
- Ensure structural integrity of flood protection infrastructure through dam safety reviews, inspections and monitoring, reconstruction of deteriorating sections of floodwalls and refurbishing of major components of dams and dikes.
- Carry out capital upgrades to the flood control structures to meet Provincial standards, including concrete repairs at Conestogo Dam, isolation stop logs and refurbishment at Shand Dam, gate cable replacements, and gate control improvements at Woolwich Dam.
- Carry out studies for improvements to flood control dike systems in Bridgeport and Brantford.
- Complete the Water Control Structures Asset Management Plan for GRCA flood control and flow augmentation dams.
- Operate and maintain 20 non-flood control dams, which are primarily for aesthetic, recreational, municipal fire suppression water supply, or municipal drinking water supply intake purposes.
- Develop and implement plans to decommission failing or obsolete dams.
- Ice management activities to prevent or respond to flooding resulting from ice jams.
- Develop and implement public safety plans for structures.

P&S #3 - Water Control Structures: How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change INCR/(DECR)
Expenditures and Funding to Reserves			
Compensation and Benefits	1,399,500	1,441,000	41,500
Administration Expenses	29,200	29,200	-
Insurance	199,000	143,000	(56,000)
Property Taxes	170,700	170,700	-
Other Operating Expenses	344,800	344,800	-
Total OPERATING Expenditures	2,143,200	2,128,700	
Total CAPITAL Expenditures	1,500,000	1,500,000	-
TOTAL EXPENDITURES AND FUNDING TO RESERVES	3,643,200	3,628,700	(14,500)
Funding			
			(INCR)/DECR
Municipal			
Municipal Apportionment (levy)	2,537,850	2,593,350	(55,500)
Government Grants			
MNRF Transfer Payments	285,350	285,350	-
Provincial	700,000	700,000	-
Funding From Reserves			
Water Control Structures/Water Mgmt Operating Reserve	120,000	50,000	70,000
TOTAL REVENUE AND FUNDING FROM RESERVES	3,643,200	3,628,700	14,500
Net Surplus/(Deficit)	0	0	0



P&S #4 Resource Planning

(a) PLANNING - Regulation

This category includes costs and revenues associated with administering the Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation made under the CA Act. This includes permit review, permit issuance, inspections, enforcement and follow-up, which may include defending appeals.

Specific Activities:

- Process about 1,000 permits each year related to development, alteration or activities that may interfere with the following types of regulated features:
 - valley lands, steep slopes;
 - wetlands including swamps, marshes, bogs, and fens;
 - any watercourse, river, creek;
 - floodplain;
 - the Lake Erie shoreline.
- The regulation applies to the development activities listed below in the areas listed above:
 - the construction, reconstruction, erection or placing of a building or structure of any kind;
 - any change to a building or structure that would have the effect of altering the use or potential use of the building or structure, increasing the size of the building or structure, or increasing the number of dwelling units in the building or structure;
 - site grading;
 - the temporary or permanent placing, dumping or removal of any material originating on the site or elsewhere.
- Maintain policies and guidelines to assist in the protection of people and property (i.e., Policies for the Administration of the Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation).
- Enforcement of the Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation and maintain compliance policies and procedures.
- Maintain natural hazards mapping in digital format to be integrated into municipal planning documents and Geographic Information Systems.

(b) PLANNING - Municipal Plan Input and Review

This program includes costs and revenues associated with reviewing Official Plans, Secondary and Community Plans, Zoning By-laws, Environmental Assessments, development applications and other proposals.



Specific Activities:

- Review municipal planning and master plan documents and recommend policies and designations for natural hazard lands including watercourses, floodplains, wetlands, slopes, shorelines, and hazard sites.
- Provide advice to municipalities regarding environmental assessments, and other proposals such as aggregate and municipal drain applications to ensure that all natural hazard concerns are adequately identified and that any adverse impacts are minimized or mitigated.
- Provide information and technical advice to Municipal Councils and Committees regarding development applications to assist in making wise land use decisions regarding protection of people and property from natural hazards.

P&S #4 – Resource Planning: How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change
<u>Expenditures and Funding to Reserves</u>			INCR/(DECR)
Compensation and Benefits	2,275,200	2,403,000	127,800
Administration Expenses	221,900	221,900	-
Other Operating Expenses	54,700	54,700	-
Total OPERATING Expenditures	2,551,800	2,679,600	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	2,551,800	2,679,600	127,800
<u>Funding</u>			(INCR)/DECR
Municipal			
Municipal Apportionment (levy)	1,362,800	1,685,600	(322,800)
Self Generated			
Solicitor Enquiry Fees	90,000	80,000	10,000
Permit Fees	500,000	470,000	30,000
Plan Review Fees	554,000	444,000	110,000
Funding from Reserves			
Water Management Operating Reserve	45,000	-	45,000
TOTAL REVENUE	2,551,800	2,679,600	(127,800)
Net Surplus/(Deficit)	0	0	0



P&S #5 – Conservation Lands Management

Conservation Lands Management includes expenses associated with managing GRCA-owned lands.

Specific Activities:

- Acquire and manage significant wetlands and floodplain lands, e.g., the Luther Marsh Wildlife Management Area, the Keldon Source Area, the Bannister-Wrigley Complex, and the Dunnville Marsh.
- Manage “passive” conservation lands in order to conserve forests and wildlife habitat (Puslinch Tract in Puslinch, Snyder’s Flats in Bloomingdale, etc.). Some are managed through maintenance agreements with municipalities or private organizations (Chicopee Ski Club in Kitchener, Scott Park in New Hamburg, etc.)
- Develop and maintain extensive trail network on former rail lines owned by GRCA and municipalities (much of this is part of the Trans-Canada Trail network). The Grand River Conservation Foundation is one source of funding for the trails.
- Carry out forestry disease control, woodlot thinning and selective harvesting on GRCA lands in accordance with the Forest Management Plan while generating income from sale of timber. Income generated helps pay for future forest management activities.
- Carry out tree planting and other forest management programs on over 7,000 hectares of managed forests on GRCA-owned lands.
- Hazard tree management on GRCA-owned lands to protect people and property.
- Natural heritage management: carry out restoration and rehabilitation projects for aquatic and terrestrial ecosystems, e.g., species at risk and ecological monitoring on GRCA lands, and prescribed burn activities.
- Where appropriate, dispose of lands that have been declared surplus and continue to identify and plan for disposition of other surplus lands. Proceeds from future dispositions will be used for acquisition of “Environmentally Significant Conservation Lands” and for other core programs.



P&S #5 Conservation Lands Management: How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change INCR/(DECR)
Expenditures and Funding to Reserves			
Compensation and Benefits	1,789,700	1,813,000	23,300
Administration Expenses	165,100	165,100	-
Insurance	201,000	60,000	(141,000)
Property Taxes	285,200	305,200	20,000
Other Operating Expenses	513,600	528,600	15,000
Total OPERATING Expenditures	2,954,600	2,871,900	
Total CAPITAL Expenditures			
Ecological Restoration		100,000	100,000
Total SPECIAL PROJECT Expenditures	0	100,000	
Forestry/Master Plans/Transition	0	0	
Land Sale Proceeds	0	0	
Total FUNDING to RESERVES	0	0	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	2,954,600	2,971,900	17,300
Funding			
			(INCR)/DECR
Municipal			
Municipal Apportionment (levy)	2,712,600	2,629,900	82,700
Self Generated			
Timber Sales	15,000	15,000	-
Donations - Foundation	27,000	127,000	(100,000)
Funding From Reserves			
Land (Demolitions)	100,000	100,000	-
Transition Reserve (Staffing)	100,000	100,000	-
TOTAL REVENUE	2,954,600	2,971,900	(17,300)
Net Surplus/(Deficit)	0	0	0



P&S #6 - Source Protection Program

Drinking water Source Protection includes programs and services to carry out the GRCA’s duties as a Source Protection Authority under the Clean Water Act, 2006. The program includes updating and amending technical work and policies in Source Protection Plans for each of the four watersheds in the Lake Erie Source Protection Region, maintaining a multi-stakeholder Source Protection Committee, and reporting annually on implementation of the Source Protection Plans. The focus in 2024 continues to be completing updates to the Grand River Source Protection Plan, including development of water quantity policies, updating water quality vulnerability assessments, and the development of the annual progress report for the Grand River Source Protection Plan.

How much does it cost, and who pays for it?

	NEW REGS Budget 2023	NEW REGS Budget 2024	Budget Change
	(draft Oct version)		
Expenditures			INCR/(DECR)
Compensation and Benefits	490,000	490,000	-
Administration Expenses	50,000	50,000	-
Other Operating Expenses	90,000	90,000	-
Water Budget - Technical Studies	10,000	204,000	194,000
TOTAL EXPENDITURES	640,000	834,000	194,000
Funding			(INCR)/DECR
Government Grants			
Provincial	640,000	834,000	(194,000)
TOTAL FUNDING	640,000	834,000	(194,000)
Net Surplus/(Deficit)	0	0	0



P&S #7 – General Operating Expenses

General operating expenses related to Office of the Chief Administrative Officer (CAO), communications, capital support, finance, payroll, human resources, health and safety, head office facility, insurance, and other administrative expenses that support the provision of programs and services and included in this group.

Specific Activities:

This category includes the following departments:

- Office of the CAO and Deputy CAO/Secretary-Treasurer
- Capital Support
- Finance
- Human Resources
- Payroll
- Health & Safety
- Strategic Communications
- Information Systems and Technology
- Office Services

In addition, this category includes expenses relating to:

- The General Membership
- Head Office Building
- Office Supplies, Postage, Bank fees
- Head Office Communication systems
- Insurance
- Audit fees
- Consulting, Legal, Labour Relations fees
- Health and Safety Equipment, Inspections, Training
- Conservation Ontario fees
- Corporate Professional Development
- General expenses



P&S #7 General Operating Expenses: How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change
Expenditures and Funding to Reserves			INCR/(DECR)
Compensation and Benefits	2,327,500	2,441,000	113,500
Administration Expenses	370,000	460,000	90,000
Insurance	63,500	334,500	271,000
Other Operating Expenses	804,788	1,102,214	297,426
LESS: Recovery of Corporate Services Expenses	(70,000)	(70,000)	-
Total OPERATING Expenditures	3,495,788	4,267,714	
Interest Income	1,250,000	2,050,000	800,000
Total FUNDING to RESERVES	1,250,000	2,050,000	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	4,745,788	6,317,714	1,571,926
Funding			(INCR)/DECR
Municipal			
Municipal Apportionment (levy)	3,253,588	3,310,888	(57,300)
Self Generated			
Investment Income	1,350,000	2,200,000	(850,000)
Personnel	65,000	65,000	0
TOTAL REVENUE	4,668,588	5,575,888	(907,300)
Net Surplus/(Deficit)	(77,200)	(741,826)	664,626



P&S #8 -Watershed Services (Category 2)

The programs included under watershed services are subwatershed planning, conservation services, water quality, and watershed sciences and collaborative planning.

Specific Activities:

Subwatershed planning services

- Identify and recommend where subwatershed or watershed studies are needed.
- Review and provide input to subwatershed studies.
- Undertake subwatershed monitoring to support municipal studies under agreement.
- Networking with conservation and environmental management agencies and organizations, and advocating on a watershed basis.
- In 2024, subwatershed studies/monitoring are ongoing or planned in the City of Kitchener, Region of Waterloo, City of Guelph and City of Brantford.

Conservation Services

- Deliver municipal and partnership cost-share programs to support private land stewardship action.
- Facilitate private land, municipal and community partner tree planting.
- Coordinate education and outreach activities to promote actions to improve water quality and watershed health.

Water Quality Programs

- Wastewater optimization.
- Support optimization of wastewater treatment plant operations through:
 - Knowledge sharing workshops;
 - Hands-on training;
 - Technical advice;
 - Delivering a recognition program.
- Provide technical support for municipal assimilative capacity studies, master plans for water and wastewater services.
- Engage the provincial and federal governments to develop programs to reduce nutrient loads in rivers and streams, and ultimately Lake Erie.
- Surface water quality monitoring, modelling, analysis, and reporting.
- Operate and maintain continuous water quality stations.
- Maintain a water quality database.
- Develop and maintain a water quality model.
- Analyze and report on groundwater and surface water quality and river health.



Watershed Sciences & Collaborative Planning

- Watershed and landscape scale science and reporting.
- Support cross-disciplinary integration and inform municipal watershed planning and water, wastewater, and stormwater master planning.
- Foster cross-municipal resource management:
 - Grand River Water Management Plan;
 - Water Managers Working Group.
- Liaise with provincial, federal agencies, non-governmental organizations.

P&S #8 Watershed Services (Category 2): How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change
			INCR/(DECR)
Expenditures and Funding to Reserves			
Compensation and Benefits	825,100	850,000	24,900
Administration Expenses	117,900	118,000	100
Other Operating Expenses	100,000	100,000	-
Total OPERATING Expenditures	1,043,000	1,068,000	
RWQP Grants	800,000	800,000	-
Waste Water Optimization Project		130,000	130,000
Nature Smart Climate Solutions		85,000	85,000
Upper Blair Subwatershed Study		80,000	80,000
Total SPECIAL PROJECT Expenditures	800,000	1,095,000	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	1,843,000	2,163,000	320,000
			(INCR)/DECR
Funding			
Municipal			
Memorandums of Understanding Apportionment	992,000	1,017,000	(25,000)
Municipal Other	850,000	930,000	(80,000)
Government Grants			
Other Provincial	0	130,000	(130,000)
Federal	0	85,000	(85,000)
Funding From Reserves			
Cambridge Desiltation Pond	1,000	1,000	-
TOTAL REVENUE	1,843,000	2,163,000	(320,000)
Net Surplus/(Deficit)	0	0	0



P&S #9 - Burford Tree Nursery & Planting Services

The Nursery/Planting operations includes operation of the Burford Tree Nursery and sourcing and provision of stock and planting services to the public and other GRCA programs (i.e., Category 1 and 2 programs).

Specific Activities:

- Plant trees on private lands (cost recovery from landowner) and on GRCA lands.
- Operate Burford Tree Nursery to grow and supply native and threatened species.
- Source trees from external commercial nurseries.



How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change
Expenditures and Funding to Reserves			INCR/(DECR)
Compensation and Benefits	278,000	287,000	9,000
Administration Expenses	30,900	30,900	-
Other Operating Expenses	558,400	675,000	116,600
Total OPERATING Expenditures	867,300	992,900	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	867,300	992,900	125,600
Funding			(INCR)/DECR
Self Generated			
Burford Nursery	400,000	450,000	(50,000)
Landowner Contributions (Tree Planting)	180,000	230,000	(50,000)
TOTAL REVENUE	580,000	680,000	(100,000)
Net Surplus/(Deficit)	(287,300)	(312,900)	25,600



P&S #10 -Conservation Services (Special Projects)

Special projects under the conservation services program include special studies and evaluations, and events such as children's water festivals.

Specific Activities:

In 2024, efforts will focus on:

- An agricultural profitability mapping demonstration project.
- Co-ordination of the Brantford-Brant Children's Water Festival.
- Species-at-risk initiatives.
- Mill Creek Rangers Program.

How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change INCR/(DECR)
Expenditures and Funding to Reserves			
Compensation and Benefits	26,000	27,000	1,000
Administration Expenses	33,200	33,200	-
Other Operating Expenses	22,000	22,000	-
Total OPERATING Expenditures	81,200	82,200	
Total CAPITAL Expenditures			
Mill Creek Rangers Program		35,000	35,000
Species at Risk	40,000	70,000	30,000
Brant/Brantford Water Festival		45,000	45,000
Profit Mapping	-	35,000	35,000
Total SPECIAL PROJECT Expenditures	40,000	185,000	
Transition	-	-	
Total FUNDING to RESERVES	-	-	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	121,200	267,200	146,000
Funding			
			(INCR)/DECR
Municipal			
Municipal-Other		10,000	(10,000)
Government Grants			
Other Provincial	30,000	100,000	(70,000)
Federal	40,000	70,000	(30,000)
Self Generated			
Donations - Foundation		35,000	(35,000)
TOTAL REVENUE	70,000	215,000	(145,000)
Net Surplus/(Deficit)	(51,200)	(52,200)	1,000



P&S #11 – Outdoor Environmental Education

This category includes costs and revenues associated with the outdoor environmental education program, which includes five nature centre facilities. The outdoor environmental education program provides curriculum-based programs to about 30,000 students annually, as well as some community groups throughout the watershed.

Specific Activities:

- Provide hands-on, curriculum-based, outdoor environmental education school programs under agreements with four school boards in the watershed, as well as private schools. Programs are delivered at five nature centres (Apps' Mill near Brantford, Taquanyah near Cayuga, Guelph Lake, Laurel Creek in Waterloo, Shade's Mills in Cambridge), as well as at schools, GRCA Conservation Areas and virtually.
- Provide community programs under agreements with third parties (i.e., watershed municipalities, etc.)
- Commence construction of a new nature centre facility within the Guelph Lake Conservation Area using donations as the funding source.



How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change
Expenditures and Funding to Reserves			INCR/(DECR)
Compensation & Benefits	574,500	642,000	67,500
Administration Expenses	57,000	57,000	-
Other Operating Expenses	143,600	213,000	69,400
Total OPERATING Expenditures	775,100	912,000	
Guelph Lake Nature Centre		500,000	500,000
Total SPECIAL PROJECT Expenditures	0	500,000	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	775,100	1,412,000	636,900
Funding			(INCR)/DECR
Self Generated			
Donations - Foundation		500,000	(500,000)
Nature Centre Revenue - Schools	500,000	600,000	(100,000)
Funding from Reserves			
Transition Reserve	275,100	312,000	(36,900)
TOTAL REVENUE	775,100	1,412,000	(636,900)
Net Surplus/(Deficit)	0	0	0



P&S #12 - Property Rentals

Property Leasing activities include residential, cottage lots, agricultural and other miscellaneous lease or licence agreements.

Specific Activities:

Leasing portfolio includes:

- 733 cottage lots at Belwood Lake and Conestogo Lake.
- 1,200 hectares of agricultural land.
- 8 residential units.
- Over 50 other lease/license agreements for use of GRCA lands.

How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change
Expenditures and Funding to Reserves			INCR/(DECR)
Compensation and Benefits	456,000	470,000	14,000
Administration Expenses	37,500	37,500	-
Other Operating Expenses	601,700	601,700	-
Total OPERATING Expenditures	1,095,200	1,109,200	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	1,095,200	1,109,200	14,000
Funding			(INCR)/DECR
Self Generated			
Belwood	1,040,000	1,066,000	(26,000)
Conestogo	1,245,000	1,276,000	(31,000)
Agricultural	250,000	250,000	0
Residential	110,000	110,000	0
Miscellaneous	336,000	336,000	0
TOTAL REVENUE	2,981,000	3,038,000	(57,000)
Net Surplus/(Deficit)	1,885,800	1,928,800	(43,000)



P&S #13 – Hydro Production

This program generates revenue from 'hydro production'.

Specific Activities:

- Generate hydro from turbines in 4 dams, Shand, Conestogo, Guelph and Drimmie.

How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change
Expenditures and Funding to Reserves			INCR/(DECR)
Compensation and Benefits	70,000	70,000	
Other Operating Expenses	25,500	25,500	
Total OPERATING Expenditures	95,500	95,500	
General Capital/Land Sale Proceeds	116,500	116,500	
Total FUNDING to RESERVES	116,500	116,500	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	212,000	212,000	0
Revenue			(INCR)/DECR
Government Grants			
Provincial	0	0	
Self Generated			
Hydro Production-Belwood	265,000	265,000	
Hydro Production-Conestogo	260,000	260,000	
Hydro Production-Guelph	40,000	40,000	
Hydro Production-Elora	15,000	15,000	
Miscellaneous Income	0	0	
Funding from Reserves			
Land Sale Proceeds	0	0	
TOTAL REVENUE	580,000	580,000	0
Net Surplus/(Deficit)	368,000	368,000	0

P&S #14 – Conservation Areas

These programs include costs and revenues associated with delivering recreational programs on GRCA lands and include the costs and revenues associated with day-use, camping, concessions, and other activities at GRCA active Conservation Areas.

Specific Activities:

- Operate 11 “active” Conservation Areas (8 camping and 3 exclusively day-use) that are enjoyed by over 1.7 million visitors annually. These visitors also help generate significant spin-off revenues for the local economies.
- Offer camping, hiking, fishing, swimming, boating, picnicking, skiing and related facilities.
- Provide 2,200 campsites – second only to the provincial park system as a provider of camping accommodation in Ontario.
- Provide 700 seasonal camping sites at 7 different locations.
- Operate 2 large pools [1.85 acres (Canada’s largest outdoor pool) and 1.5 acres in size]
- Manage hunting programs at various sites.
- Employ over 230 students seasonally within the conservation areas.
- Install new washrooms at the Byng Conservation Area.
- Replace septic systems at the Conestogo Conservation Area.
- Replace septic system, add new trailer staging area, repair the maintenance shop and repair the low-level bridge at the Elora Gorge Conservation Area.
- Replace bridge at the Rockwood Conservation Area.



P&S #14 Conservation Areas: How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change
Expenditures and Funding to Reserves			INCR/(DECR)
Compensation and Benefits	5,033,000	5,774,000	741,000
Administration Expenses	215,000	220,000	5,000
Property Tax	65,000	65,000	-
Other Operating Expenses	3,724,000	3,723,000	(1,000)
Total OPERATING Expenditures	9,037,000	9,782,000	
Total CAPITAL Expenditures	2,000,000	2,000,000	-
TOTAL EXPENDITURES AND FUNDING TO RESERVES	11,037,000	11,782,000	745,000
Funding			(INCR)/DECR
Self Generated			
Brant	1,100,000	1,175,000	(75,000)
Byng Island	1,000,000	1,100,000	(100,000)
Belwood Lake	400,000	375,000	25,000
Conestogo Lake	550,000	600,000	(50,000)
Elora Gorge	2,000,000	2,300,000	(300,000)
Elora Quarry	450,000	450,000	-
Guelph Lake	1,300,000	1,400,000	(100,000)
Laurel Creek	650,000	650,000	-
Pinehurst Lake	850,000	900,000	(50,000)
Rockwood	1,250,000	1,300,000	(50,000)
Shade's Mills	450,000	450,000	-
Total Fee Revenue	10,000,000	10,700,000	(700,000)
Miscellaneous Income (Luther)	71,000	71,000	-
Funding From Reserves			
Gravel	1,000	1,000	-
Conservation Areas - Capital Projects	500,000	500,000	-
TOTAL REVENUE	10,572,000	11,272,000	(700,000)
Net Surplus/(Deficit)	(465,000)	(510,000)	45,000



P&S #15 - Administrative Support (Category 3)

Administrative Support includes expenses related to finance, communications, capital support and other administrative expenses that support Category 3 programs and services.

How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change
Expenditures and Funding to Reserves			INCR/(DECR)
Compensation and Benefits	648,600	668,000	19,400
Administration Expenses	100,900	100,900	-
Insurance	208,500	208,500	-
Other Operating Expenses	240,000	240,000	-
LESS: Recovery of Corporate Services Expenses			
Total OPERATING Expenditures	1,198,000	1,217,400	
TOTAL EXPENDITURES AND FUNDING TO RESERVES	1,198,000	1,217,400	19,400
Funding			
TOTAL REVENUE	0	0	0
Net Surplus/(Deficit)	(1,198,000)	(1,217,400)	19,400

Supplementary Information (Information Systems and Motor Pool)

1) INFORMATION SYSTEMS & TECHNOLOGY - COMPUTER CHARGES

The work of the IS&T Group includes wages, capital purchases and ongoing maintenance, and operation is funded through the Information Systems and Technology Reserve. The IS&T Reserve is sustained through a charge back framework. A "Computer Charge" is allocated to the individual programs based on the number of users and the nature of system usage or degree of reliance on IS&T activities and services.

The **Information Systems and Technology** (IS&T) group leads GRCA's information management activities; develops and acquires business solutions; and oversees investment in information and communications technology as detailed below:



Specific Activities:

- Develop and implement GRCA's long-term information management, information technology and communications plans.
- Assess business needs and develop tools to address requirements, constraints and opportunities. Acquire and implement business and scientific applications for use at GRCA. Manage information technology and business solutions implementation projects on behalf of GRCA, GRCF and the Lake Erie Source Protection Region.
- Develop, and implement GRCA's Geographic Information Systems (GIS) technology and spatial data infrastructure. Manage GRCA's water-related data. Create and maintain standards for the development, use and sharing of corporate data. Develop policies and implement tools to secure GRCA's data and IT and communications infrastructure.
- Acquire, manage and support GRCA's server, storage, network and personal computer infrastructure to support geographic information systems (GIS); flood forecasting and warning, including real-time data collection; database and applications development; website hosting; electronic mail; internet access; personal computing applications; and administration systems, including finance, property and human resources.
- Develop and operate a wide area network connecting 14 sites and campus style wireless point-to-multipoint networks at Head Office, Conservation Areas, Nature Centres and Flood Control Structures. Develop and operate an integrated Voice over IP Telephone network covering nine sites and 220 handsets. Support and manage mobile phones, smart phones and pagers. Develop, implement and maintain GRCA's IS&T disaster recovery plan.
- Operate on-line campsite reservation and day-use systems with computers in 10 Conservation Areas. Provide computers and phone systems for use at outdoor education centres.
- Build and maintain working relationships with all other departments within GRCA. Develop and maintain partnerships and business relationships with all levels of government, Conservation Ontario, private industry and watershed communities with respect to information technology, information management, business solutions and data sharing.

2) VEHICLE, EQUIPMENT – MOTOR POOL CHARGES

Motor Pool charges are allocated to the individual sections based on usage of motor pool equipment. Effectively, motor pool charges are included under administrative costs or other operating expenses, as applicable, on P&S #1 to #15.

Specific Activities:

- Maintain a fleet of vehicles and equipment to support all GRCA programs.
- Purchases of new vehicles and/or equipment.
- Disposal of used equipment.
- Lease certain equipment.



Information Systems & Motor pool: How much does it cost, and who pays for it?

	NEW REGS Budget 2023 (draft Oct version)	NEW REGS Budget 2024	Budget Change INCR/(DECR)
Expenditures			
Information Systems			
Compensation and Benefits	1,290,000	1,329,000	39,000
Administrative Expenses	25,500	25,500	-
Software and Hardware Maintenance	187,500	187,500	-
Supplies and Services	54,000	54,000	-
Total OPERATING Expenditures	1,557,000	1,596,000	
Capital Expenses	170,000	300,000	130,000
LESS Internal Charges	(1,437,000)	(1,437,000)	-
NET Unallocated Expenses	290,000	459,000	169,000
Motor Pool			
Compensation and Benefits	312,000	321,000	9,000
Administrative Expenses	26,000	26,000	-
Insurance	50,600	63,000	12,400
Motor Pool Building and Grounds Maintenance	10,400	10,000	(400)
Equipment, Repairs and Supplies	286,000	336,000	50,000
Fuel	254,000	284,000	30,000
Total OPERATING Expenditures	939,000	1,040,000	
Capital Expenses	375,000	675,000	300,000
LESS Internal Charges	(1,300,000)	(1,300,000)	
NET Unallocated Expenses	14,000	415,000	401,000
TOTAL EXPENDITURES	304,000	874,000	570,000
Funding			
TOTAL REVENUE	0	0	
Gross Surplus (Deficit)	(304,000)	(874,000)	
Funding From Reserves	3,041,000	3,611,000	
Funding to Reserves	(2,737,000)	(2,737,000)	
Net Surplus/(Deficit)	0	0	



3) Grand River Conservation Authority Members (2024)

Region of Waterloo (including Cities of Kitchener, Waterloo, Cambridge and Townships of North Dumfries, Wellesley, Wilmot and Woolwich

Doug Craig (Cambridge), Mike Devine (Citizen), Jim Erb (Waterloo), Sue Foxton (North Dumfries), Gord Greavette (Citizen), Colleen James (Kitchener), Sandy Shantz (Woolwich), Natasha Salonen (Wilmot), Kari Williams (Kitchener), and Pam Wolf (Cambridge)

Regional Municipality of Halton

John Challinor II

Haldimand and Norfolk Counties

Dan Lawrence and Rob Shirton

City of Hamilton

Alex Wilson

County of Oxford

Bruce Banbury

City of Brantford

Gino Caputo and Kevin Davis

City of Guelph

Christine Billings and Ken Yee Chew

Townships of Amaranth, East Garafraxa, Southgate and Melancthon and Town of Grand Valley

Guy Gardhouse

Townships of Mapleton and Wellington North

Lisa Hern

Municipality of North Perth and Township of Perth East

Jerry Smith

Township of Centre Wellington

Shawn Watters

Town of Erin, Townships of Guelph-Eramosa and Puslinch

Chris White

County of Brant

Brian Coleman and David Miller

