



Financial Statements of
ESSEX REGION CONSERVATION AUTHORITY

Year ended December 31, 2006

**GRAHAM, SETTERINGTON, McINTOSH,
DRIEDGER & HICKS**
CHARTERED ACCOUNTANTS



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AUDITORS' REPORT

**To the Members of
Essex Region Conservation Authority**

We have audited the balance sheet of the Essex Region Conservation Authority as at December 31, 2006 and the statements of operations and surplus and continuity of reserves for the year then ended. These financial statements are the responsibility of the conservation authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the conservation authority as at December 31, 2006 and the results of its operations for the year then ended in accordance with the significant accounting principles disclosed in note 1 to the financial statements.

**GRAHAM, SETTERINGTON, McINTOSH,
DRIEDGER & HICKS**

Graham, Setterington, McIntosh,

Driedger & Hicks

Leamington, Ontario
June 27, 2007

Chartered Accountants
Licensed Public Accountants

Essex Region Conservation Authority
Statement of Financial Position
Year ended December 2006

December 31	2006	2005
Assets		
Current Assets		
Cash	\$ 1,011,597	\$ 115,697
Accounts receivable (Note 2)	2,156,476	2,469,755
	<u>3,168,073</u>	<u>2,585,452</u>
Liabilities		
Accounts payable and accruals	793,202	627,849
Deferred revenues	2,366,643	1,849,798
	<u>3,159,845</u>	<u>2,477,647</u>
Net Assets	<u>\$ 8,229</u>	<u>\$ 107,805</u>
Fund Balances		
Amounts to be funded in future periods (Note 3)	\$ (134,224)	\$ (75,295)
Reserves (Schedule 10)	125,435	122,056
Accumulated Surplus	<u>17,018</u>	<u>61,044</u>
Net Financial Position	<u>\$ 8,229</u>	<u>\$ 107,805</u>

Essex Region Conservation Authority
Statement of Financial Activities
Year ended December 2006

	2006 Budget (Note 5)	2006 Actual	2005 Actual
Revenues			
Government Grants & Transfer Payments:			
Provincial - Section 39	\$ 202,964	\$ 202,263	\$ 202,263
- Source water protection	602,000	1,237,946	545,504
- Water & erosion control infrastructure	1,581,100	1,320,447	1,245,000
- Ministry of Natural Resources	199,480	244,030	201,608
- Other	171,170	74,072	47,200
Federal	1,071,533	1,000,563	583,604
Municipal			
Levy - operations	1,232,914	1,232,914	1,180,585
Levy - land acquisition & special projects	1,050,000	1,050,000	780,000
Water & erosion control infrastructure and special projects	1,643,535	1,375,778	754,726
Total government revenues	7,754,696	7,738,012	5,540,490
User fees and earned income:			
Corporate support recoveries	469,193	511,039	368,848
Flood & erosion protection	387,500	279,840	285,490
Conservation education	25,000	17,920	22,646
Nature-based recreation	97,204	123,678	95,775
Protect & enhance biodiversity	351,698	520,283	386,472
Holiday Beach conservation area	171,423	157,103	176,821
John R. Park Homestead conservation area (Schedule 6)	64,750	34,157	61,854
Total user fees and earned income	1,566,768	1,644,020	1,397,906
Other revenues:			
Donations and other grants			
General	506,332	42,742	34,910
Essex Region Conservation Foundation	129,486	57,500	49,756
In-kind contributions	1,420,500	803,858	1,184,658
Insurance proceeds	-	247,445	-
Interest and miscellaneous income	-	42,634	3,157
Total other revenues	2,056,318	1,194,179	1,272,481
Change in deferred revenue:			
Net transfers from/(to) deferred revenue	254,679	(516,845)	(904,070)
	\$ 11,632,461	\$ 10,059,366	\$ 7,306,807
Expenditures			
Protect & Improve Water (Schedule 1)	\$ 651,211	\$ 621,044	\$ 267,331
Protect & Enhance Biodiversity (Schedule 2)	2,894,512	2,417,776	2,411,737
Flood & Erosion Protection (Schedule 3)	3,952,188	4,206,507	2,220,323
Conservation Education (Schedule 4)	201,939	208,302	229,792
Nature-Based Recreation			
Holiday Beach Conservation Area (Schedule 6)	193,326	429,199	196,853
John R. Park Homestead Conservation Area (Schedule 5)	161,347	159,056	148,387
Other (Schedule 7)	1,182,119	588,097	541,526
Land acquisition (Schedule 8)	1,656,375	608,412	560,000
Corporate Services (Schedule 9)	739,444	861,619	818,242
	11,632,461	10,100,013	7,394,191
Surplus (deficiency) of revenues over expenditures	\$ -	\$ (40,647)	\$ (87,384)
Accumulated surplus, beginning of year	17,018	61,044	58,894
Net transfers from/(to) reserves	-	(3,379)	89,534
Accumulated surplus, end of year	\$ 17,018	\$ 17,018	\$ 61,044
Analysis of surplus			
Holiday Beach Conservation Area	\$ 467	\$ -	\$ 467
General surplus	60,577	17,018	60,577
	\$ 61,044	\$ 17,018	\$ 61,044

Essex Region Conservation Authority
Schedules to Statement of Financial Activities
For the year ended December 31

	2006 Budget	2006 Actual
Essex Region Conservation Authority		
Schedule 1 - Protect & Improve Water		
Expenditures		
Source Water Protection Program		
Wages & benefits	\$ 360,200	\$ 317,553
Office, utilities, insurance & corporate support	104,800	124,427
Office reconfiguration & buildout - SWP staff	-	51,285
Computers, data management & software	42,000	48,952
Training & professional development	16,000	17,612
Professional, technical consultants & resources	70,000	17,304
Travel	9,000	10,069
	<u>602,000</u>	<u>587,202</u>
Surface & Ground Water Monitoring		
Wages & benefits	24,611	14,719
Supplies, utilities, insurance & corporate support	13,500	10,973
Professional, technical consultants & resources	11,100	8,150
	<u>49,211</u>	<u>33,842</u>
	<u>\$ 651,211</u>	<u>\$ 621,044</u>

Essex Region Conservation Authority
Schedule 2 - Protect & Enhance Biodiversity

Expenditures		
Program management & support	\$ 126,533	\$ 112,541
Habitat restoration	1,001,010	455,455
Rural NPS	355,000	267,524
Rural NPS Erie & St. Clair	280,000	247,393
Muddy Creek	200,000	197,992
Friends of watersheds	217,081	123,104
Detroit River Secretariate	100,000	94,437
Aquatic species at risk	45,000	93,750
Demonstration farm	25,640	31,096
Windsor & Lakeshore natural heritage studies	-	14,359
Wheatley Harbour sediment	-	3,390
Wetland management plans	40,000	-
	<u>2,263,731</u>	<u>1,528,501</u>
Forestry		
Treeplanting	437,268	513,351
Emerald Ash Borer response	66,980	253,632
One million trees	-	9,750
	<u>504,248</u>	<u>776,733</u>
	<u>\$ 2,894,512</u>	<u>\$ 2,417,776</u>

For the year ended December 31

2006
Budget 2006
Actual

Essex Region Conservation Authority
Schedule 3 - Flood & Erosion Protection

Expenditures

Program management & support	\$ 29,265	\$ 17,743
Development reviews & regulations	392,638	334,986
Municipal planning & drainage review/input	167,059	168,793
Flood & erosion planning, prevention & control	181,026	154,392
Geographic information services	83,200	78,184
	<u>823,923</u>	<u>736,355</u>
Capital projects		
Windsor Waterfront West	1,722,000	2,705,466
SE Leamington east side study	210,000	383,781
Little River Dykes (East Riverside)	300,000	291,363
Canard River Flood Control	-	20,784
Turkey Creek Flood Control	-	9,009
Belle River W C Rehab	98,000	8,713
West Lonsberry	-	7,346
Leamington Road I Dyke Repairs	622,000	7,325
Lakeside Park Kingsville	-	6,043
Belle River Flood Control	-	5,100
Upper Little River SWM plan	33,000	1,641
Pelee Island Dykes	-	1,500
Miscellaneous	114,000	4,339
	<u>3,099,000</u>	<u>3,452,409</u>
	\$ 3,952,188	\$ 4,206,507

Essex Region Conservation Authority
Schedule 4 - Conservation Education & Communications

Expenditures

Communications		
Wages & benefits	\$ 72,190	\$ 72,695
Supplies	3,700	4,894
Educational materials and media placement	8,700	2,323
Computers, equipment & telecommunications	2,645	1,427
Professional development & training	1,250	1,355
Travel	2,200	1,178
	<u>90,685</u>	<u>83,873</u>
School Program		
Wages & benefits	53,138	55,442
Computers, software & equipment	1,500	2,423
Travel	2,000	2,203
Office, supplies & telecommunications	1,700	1,984
	<u>58,338</u>	<u>62,052</u>
Miscellaneous special programs & events	52,916	62,376
	<u>\$ 201,939</u>	<u>\$ 208,302</u>

For the year ended December 31

2006
Budget 2006
Actual

Essex Region Conservation Authority
Schedule 5 - John R. Park Homestead Conservation Area

Revenues

Provincial Grants		
Community Museum Operating Grant	\$ 22,200	\$ 22,188
Other	4,000	7,418
Municipal - Levy	62,397	62,397
Sales, admissions & special events	49,750	39,626
Less: COGS	(9,300)	(5,469)
Donations	8,000	5,437
Other		148
Bingo & other fundraising	15,000	-
	<u>152,047</u>	<u>131,744</u>

Expenditures

Wages and benefits	128,809	131,380
Utilities, insurance & corporate support	18,200	19,054
Site, equipment, artifact repair & maintenance	2,838	7,338
Advertising and promotion	2,200	1,285
	<u>\$ 152,047</u>	<u>\$ 159,056</u>

Essex Region Conservation Authority
Schedule 6 - Holiday Beach Conservation Area

Revenues

Admissions, entrance and camping fees	\$ 167,183	\$ 151,484
Less: COGS	(3,500)	(3,972)
Property rentals	12,540	12,300
Provincial Grants - Other	1,300	1,630
Municipal - Levy	9,803	19,848
	<u>187,326</u>	<u>181,290</u>
Insurance recoveries	-	247,445
	<u>187,326</u>	<u>428,735</u>

Expenditures

Wages & benefits	115,723	106,458
Advertising, promotion and information	2,500	1,397
Utilities, telephone & corporate support	16,200	22,151
Insurance and taxes	7,750	8,731
Capital maintenance	9,803	5,610
Supplies & maintenance	22,250	29,269
Development sewage assessment	13,100	-
Construction (facility rebuild)	-	255,584
	<u>\$ 187,326</u>	<u>\$ 429,199</u>

For the year ended December 31

2006
Budget 2006
Actual

Essex Region Conservation Authority
Schedule 9 - Corporate Support Services

Expenditures

Administration

Wages & benefits	\$ 343,796	\$ 351,869
Occupancy & buildout	78,000	108,803
Office, bank charges & miscellaneous	22,700	86,791
Equipment, computers & telecommunications	38,735	54,283
Dues & memberships	26,500	26,725
Insurance	30,000	23,808
Board member expense	21,000	20,640
Travel & vehicle	14,700	11,450
Professional fees	13,000	8,950
	<u>588,431</u>	<u>693,320</u>

Central Workshop & Grounds

Supplies & maintenance	6,053	17,566
Office, utilities, insurance & corporate support	13,419	11,455
Wages & benefits	13,132	5,669
	<u>32,604</u>	<u>34,690</u>

Vehicles & Equipment

Maintenance and repairs	28,000	41,623
Fuel	35,800	41,088
Wages & benefits	8,655	13,691
Insurance	11,000	10,121
Supplies, materials & short-term rentals	8,704	10,089
Licences	1,250	2,067
	<u>93,409</u>	<u>118,679</u>

Capital expenditures

Vehicle/equipment purchases	<u>25,000</u>	<u>14,930</u>
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\$ 739,444 \$ 861,619

Essex Region Conservation Authority
Schedule 10- Continuity of Reserves

	Balance at December 31, 2005	Transfers to/(from) Reserves	Balance at December 31, 2006
Wetlands Enhancement	\$ 3,739	(3,739)	\$ -
Ruscom Shores -11 Acre Demo	9,684	(9,684)	-
Canard River Low Flow	38,071		38,071
Canard River Maintenance	20,370	2,084	22,453
Demonstration Farm Equipment	9,876	(3,348)	6,528
Turkey & Little River Water Sampling	1,342		1,342
Tree Replacement	38,974	13,726	52,700
Pelee Island Management Plan	-	1,996	1,996
Hillman Marsh Dykes	-	2,343	2,343
	\$ 122,056	\$ 3,379	\$ 125,435

**Essex Region Conservation Authority
Summary of Significant Accounting Policies
December 31, 2006**

Management Responsibility – The financial statements of the Essex Region Conservation Authority ("Authority") are prepared by management in accordance with generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Basis of Accounting – Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Capital Expenditures – Capital expenditures are reported on the statement of financial activities in the period incurred.

Reserves – Reserves for future expenditures and contingencies are established as required using the estimates of management. Increases or decreases in these reserves are made by appropriations to or from operations.

Corporate Support Recoveries – Internal charges for the use of the vehicles and equipment are made to the various projects and programs of the Authority. The internal charges are designed to recover the costs of operating the equipment, including replacement. Finance, administration and overhead items are partially charged to programs, on a direct wage basis.

In-Kind Contributions – Contributions relate to 15-year stewardship agreements, signed with private landowners, for habitat rehabilitation. The contribution is valued at \$1,500 per acre.

Government Transfers &

Deferred Revenue – The Authority receives certain amounts for which the related services have yet to be performed. The gross transfer payments received during the year are shown by government program, however, revenue recognized is inclusive of net transfers to or from deferred revenue.

Statement of Cash Flows - A statement has not been presented as it would not provide any additional meaningful information.

Use of Estimates – The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Essex Region Conservation Authority
Notes to the Financial Statements
December 31, 2006

1. Purpose of Organization

The Essex Region Conservation Authority (ERCA) is established under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources, exclusive of gas, oil, coal and minerals for the watersheds within its area of jurisdiction.

2. Accounts Receivable

Included in accounts receivable is \$191,909 (2005 - \$337,259) due from the Essex Region Conservation Foundation. The amounts due are non-interest bearing, unsecured and have no specified repayment terms.

3. Amounts to be funded in future periods

Kingsville Train Station improvements	\$ 46,718
Holiday Beach sewer development	<u>87,506</u>
	<u>\$134,224</u>

4. Pension Agreements

The Essex Region Conservation Authority belongs to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of the members of its staff. This 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. The cost of the plan is the employer's contribution to the plan.

The 2006 employer portion of OMERS pension contributions were \$210,550 (2005 - \$192,897).

5. Budget Amounts

Under public sector generally accepted accounting principles, budget amounts are to be reported on the statement of financial activities for comparative purposes. The 2006 budget amounts for ERCA were adopted on December 8, 2005. The budget figures are unaudited.

6. Comparative Amounts

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

