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Date: Tuesday, April 2<sup>nd</sup>, 2019

To: Stephanie Paparella, Legislative Coordinator, City of Hamilton

From: Sonja Radoja, Manager Corporate Services

Cc: Joe Farwell, CAO  
Karen Armstrong, Deputy CAO/Secretary Treasurer  
Helen Jowett, GRCA Chair  
Marcus Adili, GRCA Board Member (Hamilton representative)

Report: **Grand River Conservation Authority (GRCA) Reserve Details**

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**Summary:**

The audited financial statements as at December 31<sup>st</sup>, 2018 provide information regarding GRCA reserves on the balance sheet and under note disclosure (note 9) a listing of reserves by category is provided. See attached for the relevant sections of the GRCA 2018 Audited Financial Statements.

The total GRCA reserves as at December 31, 2018 is \$23,677,015

**Report:**

The GRCA reserves are categorized as operating, capital or motor pool reserves and have the following balances as at December 31, 2018:

|            |                     |
|------------|---------------------|
| Operating  | \$ 6,817,580        |
| Capital    | \$15,010,386        |
| Motor Pool | <u>\$ 1,849,049</u> |
| Total      | <u>\$23,677,015</u> |

Within each category there are specific purposes outlined for the reserves, as listed in note 9 of the audited financial statements. Also approximately \$6.9M of the total \$23.7M reserves is governed by external parties that have an interest in the reserve. The land sale proceeds reserve and gauge reserve (\$6,656,343) has a provincial interest and their use is governed by provincial regulations. The nature centre reserves (\$259,904) have various school board interests and these reserves are designated for capital maintenance related to the nature centres.

Sincerely,

A handwritten signature in black ink, appearing to read "Sonja Radoja", is written over the printed name.

Sonja Radoja  
Manager Corporate Services

**GRAND RIVER CONSERVATION AUTHORITY**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

## STATEMENT 1

## GRAND RIVER CONSERVATION AUTHORITY

(Established by the Conservation Authorities Act)

## Statement of Financial Position

As at December 31, 2018

(with comparative figures for 2017)

|   | 2018                         | 2017                         |
|---|------------------------------|------------------------------|
| <b>Financial Assets</b>                           |                              |                              |
| Cash  | \$ 2,343,757                 | \$ 2,848,480                 |
| Investments (Note 2)                              | 27,517,997                   | 25,793,092                   |
| Accounts Receivable - Government Grants           | 1,224,415                    | 616,183                      |
| Accounts Receivable - Municipal Levies and Other  | 183,293                      | 90,797                       |
| Other Receivables                                 | 1,073,807                    | 841,335                      |
|   | <u>32,343,269</u>            | <u>30,189,887</u>            |
| <b>Financial Liabilities</b>                      |                              |                              |
| Accounts Payable and Accrued Liabilities (Note 5) | 3,622,171                    | 3,074,669                    |
| Deferred Revenue (Note 3)                         | 4,522,832                    | 4,010,667                    |
| Deposits  | 291,477                      | 269,129                      |
|   | <u>8,436,480</u>             | <u>7,354,465</u>             |
| <b>Net Financial Assets</b>                       | <u>23,906,789</u>            | <u>22,835,422</u>            |
| <b>Non-Financial Assets</b>                       |                              |                              |
| Tangible Capital Assets (Note 4)                  | 88,748,529                   | 89,358,860                   |
| Prepaid Expenses and Inventory                    | 239,921                      | 274,121                      |
|   | <u>88,988,450</u>            | <u>89,632,981</u>            |
| <b><u>ACCUMULATED SURPLUS</u></b>                 | <b>\$ <u>112,895,239</u></b> | <b>\$ <u>112,468,403</u></b> |

ACCUMULATED SURPLUS COMPRISED OF

|   |          |                              |                              |
|---|----------|------------------------------|------------------------------|
| Accumulated Surplus - Reserves - Operating    | (Note 9) | \$ 6,817,580                 | \$ 6,353,936                 |
| Accumulated Surplus - Reserves - Capital      | (Note 9) | 15,010,386                   | 14,361,616                   |
| Accumulated Surplus - Reserves - Motor Pool   | (Note 9) | 1,849,049                    | 1,981,677                    |
| Accumulated Surplus - Other                   |          | 469,695                      | 412,314                      |
| Accumulated Surplus - Tangible Capital Assets |          | 88,748,529                   | 89,358,860                   |
| <b><u>ACCUMULATED SURPLUS</u></b>             |          | <b>\$ <u>112,895,239</u></b> | <b>\$ <u>112,468,403</u></b> |

Commitments and Contingencies (Notes 7 and 8)

(see accompanying notes to the financial statements)

**(9) Accumulated Surplus**

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

|                                   | 2018         | 2017         |
|-----------------------------------|--------------|--------------|
| <b>Operating</b>                  |              |              |
| Property and Liability Insurance  | \$ 270,383   | \$ 270,383   |
| Building and Mechanical Equipment | 1,706,833    | 1,496,833    |
| Small Office Equipment            | 7,397        | 7,257        |
| Personnel                         | 1,037,112    | 1,037,112    |
| Apps' Mill Nature Centre          | 23,849       | 23,398       |
| Laurel Creek Nature Centre        | 67,338       | 66,065       |
| Guelph Lake Nature Centre         | 137,227      | 104,633      |
| Shade's Mills Nature Centre       | 27,854       | 27,327       |
| Taquanyah Nature Centre           | 3,636        | 3,567        |
| Computer Replacement              | 1,200,862    | 1,197,993    |
| Forestry Management               | 703,737      | 648,359      |
| Cottage Operations                | 519,114      | 509,301      |
| Property Rental                   | 469,333      | 337,824      |
| Planning Enforcement              | 425,180      | 417,142      |
| Grand River Management Plan       | 105,178      | 103,190      |
| Watershed Restoration             | 112,547      | 103,552      |
| Total Operating Reserves          | \$ 6,817,580 | \$ 6,353,936 |
| <b>Capital</b>                    |              |              |
| Completion of Capital Projects    | 147,000      | 147,000      |
| Cambridge Desiltation Pond        | 7,616        | 8,022        |
| Gravel                            | 239,749      | 235,217      |
| General Capital                   | 562,741      | 552,103      |
| Major Dam Maintenance             | 2,981,946    | 2,812,749    |
| Gauges                            | 642,300      | 541,859      |
| Conservation Area                 | 4,012,440    | 4,274,499    |
| Land Reserves                     | 6,416,594    | 5,790,167    |
| Total Capital Reserves            | \$15,010,386 | \$14,361,616 |
| <b>Motor Pool</b>                 |              |              |
| Motor Pool Equipment Replacement  | 1,764,064    | 1,900,423    |
| Vehicle Insurance                 | 84,985       | 81,254       |
| Total Motor Pool Reserves         | \$ 1,849,049 | \$ 1,981,677 |
| Total Reserves                    | \$23,677,015 | \$22,697,229 |

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.