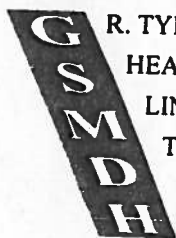


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**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of Essex Region Conservation Authority, which comprise the statement of financial position as at December 31, 2012, the statements of operations, cash flow and net debt for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

*Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Essex Region Conservation Authority, as at December 31, 2012, and the statements of operations, cash flow and net debt for the year then ended in accordance with Canadian public sector accounting standards.

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

*Graham, Setterington, McIntosh  
Driedger Hicks LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Leamington, Ontario  
June 20, 2013

**Essex Region Conservation Authority  
Statement of Financial Position  
as at December 31**

	2012	2011
<b>Financial Assets</b>		
Cash	\$ 863,728	\$ 466,033
Accounts receivable (Note 5)	1,252,538	1,547,698
	<u>2,116,266</u>	<u>2,013,731</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	618,168	707,050
Loans payable (Note 6)	-	3,311
Deferred revenues	1,775,671	1,695,251
	<u>2,393,839</u>	<u>2,405,612</u>
<b>Net Debt</b>	(277,573)	(391,881)
<b>Non-Financial Assets</b>		
Tangible capital assets (Notes 2(c) and 3)	14,544,489	\$ 14,604,729
Prepaid expenses and inventory	40,191	40,497
	<u>14,584,680</u>	<u>14,645,226</u>
<b>Accumulated surplus</b>	<u>\$ 14,307,107</u>	<u>\$ 14,253,345</u>
<b>Accumulated surplus consists of:</b>		
Operating fund (deficit)	(436,970)	(477,971)
Reserves (Schedule 5)	199,587	126,587
Equity in tangible capital assets	14,544,489	14,604,729
	<u>14,307,107</u>	<u>14,253,345</u>

*The accompanying notes and schedules are an integral part of these financial statements.*

On behalf of the Board:

\_\_\_\_\_ Chair

\_\_\_\_\_ Secretary-Treasurer

**Essex Region Conservation Authority  
Statement of Operations  
for the year ended December 31**

(unaudited)

	2012 Budget	2012 Actual	2011 Actual
<b>Revenues</b>			
<b>Government grants &amp; transfer payments:</b>			
Provincial - Section 39			
- Source Water Protection	\$ 202,263	\$ 202,263	\$ 202,263
- MNR (Water & Erosion Control Infrastructure)	660,500	581,653	399,831
- Other	364,580	406,750	113,250
Federal	284,660	175,997	167,465
Municipal	638,175	569,083	721,690
Levy - General			
Levy - Special	1,640,209	1,640,206	1,431,950
Other (Remedial projects and studies)	1,050,000	1,050,000	1,050,000
<b>Total government revenues</b>	<b>616,260</b>	<b>950,758</b>	<b>1,672,129</b>
	<b>5,456,647</b>	<b>5,576,710</b>	<b>5,758,578</b>
<b>Self-generated &amp; other revenues</b>			
User fees and admissions			
Leases and property rentals	824,300	840,411	836,191
Interdepartmental recoveries	65,125	77,540	67,450
Donations and other grants	609,000	605,405	639,569
General			
Essex Region Conservation Foundation	122,000	249,960	211,913
In-kind contributions	130,000	240,094	197,853
Interest and miscellaneous income	562,750	162,538	820,251
	3,500	8,833	8,038
<b>Total other revenues</b>	<b>2,316,675</b>	<b>2,184,782</b>	<b>2,781,265</b>
<b>Change in deferred revenue</b>			
Net transfers from/(to) deferred revenue			
	366,130	(80,420)	329,870
<b>Total Revenues</b>	<b>\$ 8,139,452</b>	<b>\$ 7,681,072</b>	<b>\$ 8,869,713</b>
<b>Expenses</b>			
Watershed planning, engineering, regulations and management (Schedule 1)	2,273,220	2,586,423	3,118,395
Conservation areas management, land restoration and watershed science (Schedule 2)	4,418,200	3,463,344	4,240,452
Communications, education and community outreach (Schedule 3)	407,602	362,478	376,575
Corporate and shared resources (Schedule 4)	942,430	1,007,123	896,196
	8,041,452	7,419,368	8,631,619
Amortization			
Loss on disposal/destruction of assets	232,500	199,988	239,429
<b>Total Expenses</b>	<b>-</b>	<b>7,954</b>	<b>-</b>
	<b>8,273,952</b>	<b>7,627,310</b>	<b>8,871,048</b>
<b>Net surplus/(deficit) for the year</b>			
Accumulated surplus, beginning of year	\$ (134,500)	\$ 53,762	\$ (1,335)
Accumulated surplus, end of year	\$ 14,253,346	\$ 14,253,346	\$ 14,254,681
	\$ 14,118,846	\$ 14,307,107	\$ 14,253,345

*The accompanying notes and schedules are an integral part of these financial statements.*

**Essex Region Conservation Authority  
Statement of Cash Flow  
for the year ended December 31**

	2012 Actual	2011 Actual
<b>Cash provided for (used in):</b>		
<b>Operating Activities</b>		
Net surplus for the year	\$ 53,762	\$ (1,335)
Non cash items:		
Amortization	199,988	239,429
Loss/(Gain) on sale of tangible capital assets	7,954	(775)
In-kind land donations	-	(98,742)
(Increase) decrease accounts receivable	295,160	(53,884)
(Increase) decrease prepaid expenses and inventory	306	(6,515)
Increase (decrease) accounts payable and accruals	(88,881)	(509,538)
Increase (decrease) deferred revenues	80,420	(329,869)
	548,709	(761,229)
<b>Financing Activities</b>		
Loan payments	(3,311)	(13,246)
<b>Investing Activities</b>		
Construction of tangible capital assets	(94,719)	(27,397)
Construction of tangible capital assets-work in progress	(3,226)	-
Purchase of tangible capital assets	(49,757)	(215,407)
	(147,702)	(242,804)
(Decrease) Increase in cash and cash equivalents	397,696	(1,017,279)
Cash and cash equivalents, beginning of year	466,033	1,483,312
<b>Cash and cash equivalents, end of year</b>	<b>\$ 863,728</b>	<b>\$ 466,033</b>

*The accompanying notes and schedules are an integral part of these financial statements.*

**Essex Region Conservation Authority  
Statement of Net Debt  
for the year ended December 31**

	(unaudited)		
	2012 Budget	2012 Actual	2011 Actual
Net surplus/(deficit) for the year	\$ (134,500)	\$ 53,762	\$ (1,335)
Donated land	-	-	(98,742)
Acquisition and/or construction of tangible capital assets	(70,000)	(147,702)	(243,579)
Amortization of tangible capital assets	232,500	199,988	239,429
Loss on disposal/destruction of assets	-	7,954	-
Change in prepaid expenses and supplies inventory	-	306	(6,515)
Decrease/(Increase) in net debt	28,000	114,308	(110,742)
Net debt, beginning of year	(391,881)	(391,881)	(281,138)
Net debt, end of year	\$ (363,881)	\$ (277,573)	\$ (391,881)

*The accompanying notes and schedules are an integral part of these financial statements.*

**Essex Region Conservation Authority**  
**Notes to the Financial Statements**  
**for the year ended December 31**

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**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. Summary of Significant Accounting Policies**

- a) **Management Responsibility** – The financial statements of the Essex Region Conservation Authority (“Authority”) are prepared by management in accordance with Canadian public sector accounting standards for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The integrity and objectivity of these statements are also management’s responsibility. Management is also responsible for all of the notes and schedules to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.
- b) **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.
- c) **Tangible Capital Assets** – Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Donated tangible capital assets are reported at fair market value at the time of donation. Leasehold improvements are amortized on a straight-line basis over the lesser of the economic useful life of the improvement or the term of the related property management agreement or lease. Capital works-in-progress are not amortized until the asset is available for productive use. Tangible Capital Assets do not include: assets unrelated to the Authority’s core business operations, such as ancillary rental dwellings, heritage/historical assets held in perpetuity and minority ownership in assets owned by other public sector organizations. Tangible capital assets are amortized on a straight-line basis over their estimated useful lives, as follows:

Land/Site Improvements	15 to 30 years
Buildings	25 to 50 years
Engineered Structures	25 to 30 years
Linear Assets (Sewer and Water)	35 to 60 years
Machinery and Field Equipment	7 to 40 years
Vehicles	7 years
Furniture & Fixtures	20 years
Computer Hardware & Software	4 to 5 years

- d) **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.

**Essex Region Conservation Authority**  
**Notes to the Financial Statements**  
**for the year ended December 31**

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**2. Summary of Significant Accounting Policies (Continued)**

- e) **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 pro-rata basis.
- f) **In-Kind Contributions** – The Authority records various in-kind contributions made by private landowners and other public sector agencies. A landowner in-kind contribution is recorded when required by government grant programs to satisfy eligibility requirements and when the landowner contribution can be verified and valued. The Authority receives property and tangible goods, donated by various agencies and private landowners, which also results in the recording of an in-kind contribution.
- g) **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 unearned in the current period is recorded as a transfer to deferred revenue.
- h) **Use of Estimates** – The presentation of financial statements in conformity with Canadian public sector accounting standards 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. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, the carrying value of property plant and equipment and accruals. 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**  
**for the year ended December 31**

**3. Tangible Capital Assets**

<b>Cost</b>	<b>Balance 31-Dec-11</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance 31-Dec-12</b>
Land	\$ 9,188,168	\$ -	\$ -	\$ 9,188,168
Land/Site improvements	4,156,023	-	-	4,156,023
Buildings	553,498	38,724	(113,000)	479,222
Engineered structures	1,376,289	91,421	(56,850)	1,410,860
Leasehold improvements	890,442	-	-	890,442
Machinery and field equipment	322,422	41,729	-	364,151
Vehicles	355,618	-	(14,978)	340,640
Furniture and fixtures	103,280	-	-	103,280
Computer hardware and software	202,770	-	(18,535)	184,235
Capital works-in-progress	27,397	3,226	(27,397)	3,226
	<b>\$ 17,175,908</b>	<b>\$ 175,099</b>	<b>\$ (230,761)</b>	<b>\$ 17,120,246</b>

<b>Accumulated Amortization</b>	<b>Balance 31-Dec-11</b>	<b>Disposals</b>	<b>Amortization</b>	<b>Balance 31-Dec-12</b>
Land	\$ -	\$ -	\$ -	\$ -
Land/Site improvements	577,445	-	46,853	624,298
Buildings	376,894	(113,000)	13,494	277,388
Engineered structures	816,376	(48,896)	28,209	795,689
Leasehold improvements	204,846	-	34,966	239,812
Machinery and field equipment	141,305	-	27,704	169,009
Vehicles	210,253	(14,978)	37,422	232,696
Furniture and fixtures	53,384	-	3,564	56,948
Computer hardware and software	190,676	(18,535)	7,776	179,917
Capital works-in-progress	-	-	-	-
	<b>\$ 2,571,179</b>	<b>\$ (195,409)</b>	<b>\$ 199,988</b>	<b>\$ 2,575,757</b>

	<b>Net Book Value 31-Dec-11</b>			<b>Net Book Value 31-Dec-12</b>
Land	\$ 9,188,168	\$ -	\$ -	\$ 9,188,168
Land/Site improvements	3,578,578	-	-	3,531,725
Buildings	176,604	-	-	201,834
Engineered structures	559,913	-	-	615,171
Leasehold improvements	685,596	-	-	650,630
Machinery and field equipment	181,117	-	-	195,142
Vehicles	145,365	-	-	107,944
Furniture and fixtures	49,896	-	-	46,332
Computer hardware and software	12,094	-	-	4,318
Capital works-in-progress	27,397	-	-	3,226
	<b>\$ 14,604,729</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,544,489</b>

**Essex Region Conservation Authority**  
**Notes to the Financial Statements**  
**for the year ended December 31**

**3. Tangible Capital Assets (Continued)**

<b>Cost</b>	<b>Balance 31-Dec-10</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance 31-Dec-11</b>
Land	\$ 8,960,668	\$ 227,500	\$ -	\$ 9,188,168
Land/Site improvements	4,149,723	6,300	-	4,156,023
Buildings	553,498	-	-	553,498
Engineered structures	1,376,289	-	-	1,376,289
Leasehold improvements	890,442	-	-	890,442
Machinery and field equipment	299,905	22,517	-	322,422
Vehicles	321,905	58,607	(24,894)	355,618
Furniture and fixtures	103,280	-	-	103,280
Computer hardware and software	215,624	-	(12,854)	202,770
Capital works-in-progress	-	27,397	-	27,397
	<b>\$ 16,871,334</b>	<b>\$ 342,321</b>	<b>\$ (37,748)</b>	<b>\$ 17,175,908</b>

<b>Accumulated Amortization</b>	<b>Balance 31-Dec-10</b>	<b>Disposals</b>	<b>Amortization</b>	<b>Balance 31-Dec-11</b>
Land	\$ -	\$ -	\$ -	\$ -
Land/Site improvements	509,259	-	68,186	577,445
Buildings	365,336	-	11,558	376,894
Engineered structures	788,062	-	28,314	816,376
Leasehold improvements	169,880	-	34,966	204,846
Machinery and field equipment	110,858	-	30,447	141,305
Vehicles	186,867	(24,894)	48,280	210,253
Furniture and fixtures	49,820	-	\$ 3,564	53,384
Computer hardware and software	189,416	(12,854)	\$ 14,114	190,676
Capital works-in-progress	-	-	-	-
	<b>\$ 2,369,498</b>	<b>\$ (37,748)</b>	<b>\$ 239,429</b>	<b>\$ 2,571,179</b>

	<b>Net Book Value 31-Dec-10</b>			<b>Net Book Value 31-Dec-11</b>
Land	\$ 8,960,668	\$ -	\$ -	\$ 9,188,168
Land/Site improvements	3,640,464	-	-	3,578,578
Buildings	188,162	-	-	176,604
Engineered structures	588,227	-	-	559,913
Leasehold improvements	720,562	-	-	685,596
Machinery and field equipment	189,047	-	-	181,117
Vehicles	135,038	-	-	145,365
Furniture and fixtures	53,460	-	-	49,896
Computer hardware and software	26,208	-	-	12,094
Capital works-in-progress	-	-	-	27,397
	<b>\$ 14,501,837</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,604,729</b>

**Essex Region Conservation Authority**  
**Notes to the Financial Statements**  
**for the year ended December 31**

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**3. Tangible Capital Assets (Continued)**

The Authority owns historic treasures which are not included above, including the Kingsville Train Station and the John R. Park Homestead and its related artifacts. The assets have significant heritage and historical value in perpetuity and are not amortized or recorded as tangible capital assets in the financial statements.

**4. Financial Instruments**

The fair values of cash, receivables, payables, accruals and deferred revenue approximate their carrying values because of their expected short term maturity and treatment on normal trade terms. It is management's opinion that the Authority is not exposed to significant interest or currency risks arising from these financial instruments.

**5. Accounts Receivable**

Included in accounts receivable is a GST/HST Rebate of \$276,430 (2011 - \$360,327).

**6. Loans Payable**

Loan payable is financed with GMAC/ALLY, is secured over a 2010 Dodge Caravan, requires monthly payments of \$1,101 and is interest free. The loan was repaid during the year.

2012	2011
<u>\$ -</u>	<u>\$3,311</u>

**7. 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 2012 employer's portion of OMERS pension contributions was \$206,987 (2011 - \$177,840).

**8. Expenses by Object**

	2012	2011
Wages and benefits	\$3,160,955	\$3,106,509
Construction	903,861	1,299,899
Engineering and other technical consulting	901,386	840,500
Plant materials and landowner grants	714,287	704,423
Supplies, office, maintenance, and janitorial	406,115	473,352
Corporate support and shared services	363,456	374,204

**Essex Region Conservation Authority**  
**Notes to the Financial Statements**  
**for the year ended December 31**

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**8. Expenses by Object (Continued)**

	<b>2012</b>	<b>2011</b>
Vehicle, travel and equipment	326,696	306,661
Rent, insurance, taxes and utilities	227,710	256,687
Amortization	199,988	238,429
Contributed supplies and services	162,382	724,009
Repairs and Maintenance – Infrastructure	94,710	61,667
Audit and legal services	55,504	47,322
Dues and memberships	40,995	41,810
Land acquisition and acquisition assistance	30,762	343,000
Board and member expenses	26,550	40,430
Bank/Interest charges	11,953	10,966
	<u>\$7,627,311</u>	<u>\$8,871,048</u>

**9. Credit Facility**

The Authority maintains an operating line facility with the Canadian Imperial Bank of Commerce which bears interest at prime less .25% and is due on demand. As of December 31, 2012, no balance (2011 - \$0) was payable under this facility.

**10. Commitments**

On May 4, 2001 the Authority entered into a 30 year property management agreement, with the Province of Ontario (Ministry of Natural Resources), to manage the property known as Holiday Beach Conservation Area. The agreement can be terminated at any time, if notice is served at least 120 days in advance of the termination date.

**11. Related Entity**

*Essex Region Conservation Foundation*

Essex Region Conservation Authority ("ERCA") has an economic interest in the Essex Region Conservation Foundation ("Foundation"). The Foundation was established for the purpose of raising funds and disbursing grants to ERCA and other organizations, which are working towards a shared vision of environmental sustainability.

The Foundation was incorporated under the laws of Ontario without share capital or benefit for its members and is therefore exempt from income taxes. The income generated by the Foundation is distributed to ERCA and other qualifying donees as the funds are requested and approved. The accounting policy followed in reporting the Foundation is note disclosure.

The transactions with the Foundation include \$240,094 (2011 - \$197,853) recorded as revenue. All amounts have been measured at the exchange amount.

**Essex Region Conservation Authority**  
**Notes to the Financial Statements**  
**for the year ended December 31**

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**11. Related Entity (Continued)**

The assets, liabilities, results of operations and cash flow for the Foundation for the years ended December 31 are as follows:

	<b>2012</b>	<b>2011</b>
<b><i>Financial position:</i></b>		
Total assets	\$ 207,863	\$ 238,489
Total liabilities	\$ 47,360	\$ 83,523
Net assets	160,503	154,966
	\$ 207,863	\$ 238,489
<b><i>Results of operations:</i></b>		
Total revenue	\$ 249,446	\$ 179,706
Total expenses	243,910	182,547
Net income (loss) for the year	\$ 5,537	\$ (2,841)
<b><i>Cash flows:</i></b>		
Operating	\$ 254,739	\$ 207,799
Distributions	(280,049)	(159,369)

**Essex Region Conservation Authority  
Schedules to Statement of Operations  
for the year ended December 31**

(unaudited)

	2012 Budget	2012 Actual	2011 Actual
<b>Schedule 1- Watershed Planning, Engineering, Regulations and Management</b>			
<b>Flood &amp; Erosion Prevention &amp; Control</b>			
Wages, benefits & professional development	\$ 110,500	\$ 115,144	\$ 119,541
Computers, data, & telecommunications	23,300	21,629	17,218
Supplies, insurance, corporate services	21,250	21,493	19,577
Construction, consulting & technical resources	16,700	6,233	4,648
Travel, vehicle & field equipment	1,500	1,526	1,850
	<u>173,250</u>	<u>166,024</u>	<u>162,833</u>
<b>Regulations Compliance, Development Services &amp; Municipal Special Projects</b>			
Wages, benefits & professional development	362,150	316,826	306,368
Supplies, insurance, corporate services	63,500	66,794	61,172
Legal fees and consulting	15,000	30,978	28,226
Travel, vehicle & field equipment	12,500	11,165	9,063
Computers, data & telecommunications	3,000	2,880	2,508
	<u>456,150</u>	<u>428,644</u>	<u>407,336</u>
<b>Operational &amp; Long Range Planning</b>			
Wages, benefits & professional development	108,500	146,813	126,541
Supplies, insurance, corporate services	20,800	26,132	22,303
Travel, vehicle & field equipment	1,200	1,959	2,574
	<u>130,500</u>	<u>174,903</u>	<u>151,418</u>
<b>Remedial Water &amp; Erosion Control Infrastructure Projects &amp; Studies(WECI)</b>			
Consulting	611,160	731,293	618,054
Construction, landscape materials & equipment	254,600	671,168	1,316,485
Wages, supplies, travel & allocated overhead	76,210	99,640	165,461
	<u>941,970</u>	<u>1,502,101</u>	<u>2,100,000</u>
<b>Special Shoreline Restoration Projects &amp; Studies (non WECI)</b>			
Construction, landscape materials & technical resources	515,500	236,928	250,360
Wages, benefits & professional development	45,400	60,474	48,482
Supplies & overhead	10,450	16,344	(2,630)
Travel, vehicle & field equipment	-	1,005	596
	<u>571,350</u>	<u>314,750</u>	<u>296,807</u>
	<u>\$ 2,273,220</u>	<u>\$ 2,586,423</u>	<u>\$ 3,118,395</u>

**Schedules to Statement of Operations  
for the year ended December 31**

(unaudited)

2012                      2012                      2011  
Budget                      Actual                      Actual

**Schedule 2 - Conservation Areas Management, Land Restoration and Watershed Science**

<b>Program Planning, Management &amp; Development</b>			
Wages, benefits & professional development	\$ 175,500	\$ 182,604	\$ 177,226
Supplies, insurance & corporate support	35,750	34,845	43,379
Travel & vehicle	6,000	6,508	7,668
Computers, data & telecommunications	8,900	3,531	5,719
	226,150	227,488	233,992
<b>Land Management and Acquisition Planning</b>			
Wages, benefits & professional development	42,500	43,568	41,554
Supplies, insurance & corporate support	7,000	5,170	6,295
Consulting	-	4,169	17,467
	49,500	52,907	65,316
<b>Land Acquisition/CW-GS Projects</b>			
Acquisition assistance to project partners	-	-	343,000
Acquisition of property	736,000	-	-
Surveys, appraisals, assessments & legal	39,500	50,885	21,191
	775,500	50,885	364,191
<b>Conservation Areas Improvements &amp; Special Projects</b>			
Wages, supplies, travel & allocated overhead	33,000	42,818	18,747
Contract construction, consulting & technical resources	-	19,437	18,447
	33,000	62,256	37,194
<b>Conservation Areas Maintenance</b>			
Wages, benefits & professional development	156,050	124,881	182,028
Utilities, taxes, insurance & corporate allocation	100,500	81,434	122,929
Travel, vehicle & field equipment	45,000	66,397	58,502
Supplies - office & small maintenance	28,400	39,922	34,188
Construction & capital items	16,200	44,407	21,677
Landscape materials	7,900	1,253	15,740
Computers, data, & telecommunications	1,100	8,005	1,661
	355,150	366,298	436,724
<b>John R Park Homestead Conservation Area</b>			
<b>Revenues</b>			
Admissions, Sales & Program Fees	66,300	57,305	60,177
General Levy	103,000	102,997	96,900
Government grants	32,000	32,774	35,511
Other grants & donations	20,500	12,981	9,191
Interdepartmental Recoveries	15,000	18,213	14,662
Net transfers (to)/from reserves	(12,000)	(5,000)	(9,000)
	224,800	219,269	207,440
<b>Expenses</b>			
Wages, benefits & professional development	186,200	180,917	177,335
Utilities, taxes, insurance & corporate allocation	17,700	15,307	16,374
Supplies - office, site & curatorial	8,250	7,142	11,297
Events and cost of goods sold	10,800	14,207	15,976
Capital maintenance	1,850	7,212	2,821
	224,800	224,784	223,804

**Schedules to Statement of Operations  
for the year ended December 31**

(unaudited)

2012                      2012                      2011  
Budget                      Actual                      Actual

**Schedule 2 - Conservation Areas Management, Land Restoration and Watershed Science (Continued)**

	2012 Budget	2012 Actual	2011 Actual
<b>Holiday Beach Conservation Area</b>			
<b>Revenues</b>			
Admissions and events	131,700	172,775	181,157
General Levy	60,350	60,349	23,200
Property/land rental	13,500	13,637	8,212
Government grants	-	-	813
Other grants & donations	500	500	500
Transfers to deferred revenues/reserves	-	(2,365)	(6,320)
	206,050	244,896	207,563
<b>Expenses</b>			
Wages, benefits & professional development	90,750	133,317	137,927
Travel, vehicle & field equipment	24,000	24,240	30,347
Utilities, taxes, insurance & corporate allocation	33,000	43,654	41,565
Consulting	-	9,128	-
Site, capital & major maintenance	33,500	61,211	31,495
Supplies - office, events, janitorial & credit card charges	18,800	30,813	31,746
Computers, data, & telecommunications	6,000	6,156	7,447
	206,050	308,520	280,528
<b>Tree Planting and Land Restoration</b>			
Wages, benefits & professional development	304,250	307,722	316,445
Landscape materials & technical resources	275,600	265,796	264,349
Supplies & overhead	115,100	122,993	119,772
Vehicle & field equipment	59,700	71,522	53,868
Landowner contributions (donated services)	337,500	14,428	577,602
	1,092,150	782,461	1,332,035
<b>Demo Farm</b>			
Wages, benefits & professional development	18,000	22,832	17,694
Supplies & overhead	4,300	10,676	6,957
Construction, landscape materials & technical resources	8,000	4,524	7,882
Travel, vehicle & field equipment	2,350	2,844	2,215
	32,650	40,877	34,749
<b>Detroit River Cleanup</b>			
Wages, benefits & professional development	102,000	101,365	95,644
Supplies & overhead	25,100	50,582	43,930
Construction, landscape materials & technical resources	15,000	12,138	6,354
Travel, vehicle & field equipment	1,100	2,873	2,009
	143,200	166,959	147,937
<b>Provincial Source Protection Program</b>			
Landowner grants	321,000	355,380	112,281
Wages, benefits & professional development	391,300	361,647	387,962
Professional, technical consultants & resources	1,000	30,500	157,977
Supplies, insurance & corporate support	69,200	45,957	79,495
Program awareness, public education & outreach	10,000	14,938	13,551
SPA board member per diems	20,000	8,275	23,275
Computers, data management & software	10,000	8,126	15,472
Travel	12,000	4,780	13,113
	834,500	829,602	803,126



**Schedules to Statement of Operations  
for the year ended December 31**

(unaudited)

2012	2012	2011
Budget	Actual	Actual

**Schedule 2 - Conservation Areas Management, Land Restoration and Watershed Science (Continued)**

<b>Water Resources Monitoring/Water Quality Studies &amp; Projects</b>			
Wages, benefits & professional development	105,140	90,383	60,531
Landowner grants/contributed landowner services	290,950	207,845	173,885
Supplies, insurance & corporate support	24,360	27,177	22,181
Professional, technical consultants & resources	17,400	16,238	18,602
Travel	7,700	8,664	5,659
	<b>445,550</b>	<b>350,308</b>	<b>280,857</b>
	<b>\$ 4,418,200</b>	<b>\$ 3,463,344</b>	<b>\$ 4,240,452</b>

**Schedules to Statement of Operations  
for the year ended December 31**

(unaudited)  
2012  
Budget

2012  
Actual

2011  
Actual

**Schedule 3 - Communications, Education and Community Outreach**

	2012 Budget	2012 Actual	2011 Actual
<b>Communications, Media and Awareness Events</b>			
Wages, benefits & professional development	\$ 144,382	\$ 140,667	\$ 120,029
Supplies, insurance & corporate support	26,000	17,831	18,853
Travel, vehicle & field equipment	1,750	1,517	2,818
Publications, displays & website	7,900	7,885	30,231
Computers, data, & telecomm	2,000	1,043	1,827
	<b>182,032</b>	<b>168,944</b>	<b>173,758</b>
<b>School Program</b>			
Wages, benefits & professional development	63,000	65,490	66,389
Supplies - office & small maintenance	4,650	2,815	4,888
Travel, vehicle & field equipment	2,750	1,932	2,417
	<b>70,400</b>	<b>70,238</b>	<b>73,693</b>
<b>Friends of Watersheds</b>			
Wages, benefits & professional development	70,200	77,128	69,325
Volunteer contributions (donated services)	50,000	-	18,000
Construction, landscape materials & technical resources	17,000	21,149	19,942
Supplies & overhead	14,920	20,222	19,007
Travel, vehicle & field equipment	3,050	4,798	2,851
	<b>155,170</b>	<b>123,297</b>	<b>129,124</b>
	<b>\$ 407,602</b>	<b>\$ 362,478</b>	<b>\$ 376,575</b>

**Schedules to Statement of Operations  
for the year ended December 31**

(unaudited)

	2012 Budget	2012 Actual	2011 Actual
<b>Schedule 4 - Corporate and Shared Resources</b>			
<b>Expenses</b>			
<b>Corporate &amp; Shared Services (Administration, Finance, GIS, IT)</b>			
Wages, benefits & professional development (includes retirees)	\$ 530,980	\$ 515,129	\$ 463,777
Occupancy	90,000	92,670	91,675
Professional fees-audit & legal	14,500	46,647	16,340
Dues & memberships	36,300	35,078	36,124
Foundation support	26,500	33,675	29,649
Supplies & miscellaneous	42,350	36,889	37,813
Board meetings & per diems	17,000	21,911	23,534
Equipment, computers & telecomm	23,500	25,783	25,624
Travel (staff & members)	9,500	12,604	9,810
Retiree benefits	9,000	7,770	10,021
Insurance	1,800	2,000	2,051
	<b>801,430</b>	<b>830,156</b>	<b>746,418</b>
<b>Fleet &amp; Field/Shop Equipment</b>			
Maintenance, repairs & non-capital replacements	39,000	58,026	39,464
Fuel, supplies & rentals	46,000	55,415	46,597
Insurance & licences	9,700	9,730	9,652
Wages, benefits & professional development	3,300	10,015	3,862
	<b>98,000</b>	<b>133,186</b>	<b>99,575</b>
<b>Central Workshop &amp; Grounds Maintenance Contract</b>			
Wages, benefits & professional development	16,650	14,988	17,284
Supplies - office & small maintenance	7,500	6,801	8,239
Utilities, taxes, insurance & corporate allocation	15,650	15,969	18,211
Construction & capital items	1,000	3,228	2,548
Travel, vehicle & field equipment	2,200	2,795	3,922
	<b>43,000</b>	<b>43,781</b>	<b>50,204</b>
	<b>\$ 942,430</b>	<b>\$ 1,007,123</b>	<b>\$ 896,196</b>
	<b>\$ 8,041,452</b>	<b>\$ 7,419,368</b>	<b>\$ 8,631,619</b>

**Essex Region Conservation Authority****Schedule 5- Continuity of Reserves**

for the year ended December 31

	Balance at December 31, 2011	Transfers to Reserves	Transfers from Reserves	Balance at December 31, 2012
Canard River Low Flow	20,319	-	-	20,319
Canard River Maintenance	26,692	-	-	26,692
Turkey & Little River Water Sampling	1,342	-	-	1,342
Tree Replacement	50,000	40,000	-	90,000
Infrastructure & Major Maintenance	2,343	16,000	-	18,343
Vehicle & Equipment Replacement	5,037	-	-	5,037
JRPH Maintenance Reserve	20,854	12,000	7,000	25,854
Kingsville Train Station Maintenance Reserve	-	12,000	-	12,000
	<b>\$ 126,587</b>	<b>\$ 80,000</b>	<b>\$ 7,000</b>	<b>\$ 199,587</b>