

Holland Marsh Drainage System Joint Municipal Service Board Agenda

Thursday, April 13, 2023, 3:00 p.m.

The Trisan Centre Boardroom

25 Dillane Drive

Schomberg, Ontario

Pages

1. Call to Order

Recommendation:

That this meeting of the Holland Marsh Drainage System Joint Municipal Service Board come to order at 3:00 p.m.

2. Approval of Agenda/Changes

Recommendation:

That the Board approve the agenda dated April 13, 2023, as printed and circulated.

3. Declarations of Pecuniary Interest and the General Nature

4. Appointment of Chair and Vice Chair

4.1 Appointment of Chair

Recommendation:

That _____ be appointed as Chair of the Holland Marsh Drainage System Joint Municipal Service Board.

4.2 Appointment of Vice Chair

Recommendation:

That _____ be appointed as Vice Chair of the Holland Marsh Drainage System Joint Municipal Service Board.

5. Closed Session

Recommendation:

That the Board resolve itself into closed session under the provisions of the Municipal Act, 2001, Section 239(2) in order to discuss:

1. Legal Matter - Appeal to Drainage Referee

6. Reconvene Regular Meeting

7. Motion Arising out of Closed Session

8. **Comments by the Chair**
9. **Presentations/Deputations**
10. **Adoption of Board Minutes** 3
Recommendation:
 That the minutes of the Holland Marsh Drainage System Joint Municipal Service Board meeting held March 2, 2023 be approved, as printed and circulated.
11. **Correspondence/Reports**
- 11.1 December 31, 2022 Financial Results 7
Recommendation:
 That Report HMDS-FIN-2023-01 entitled "December 31, 2022 Financial Results" be received for information; and

 That the 2022 HMDSJMSB Financial Statement be approved as presented; and

 That the Board authorize HMDSJMSB's staff to invoice both Township of King and Town of Bradford West Gwillimbury for their share of the Board's deficit of \$107,035.
- 11.2 Report of Drainage Superintendent 27
Recommendation:
 That the Report HMDSJMSB-2023-03 of the Drainage Superintendent dated April 5, 2023 be received for information.
12. **New Business**
13. **Next Meeting**
 The next meeting of the HMDSJMSB will be on Thursday, June 8, 2023 at 7:00 p.m.
- 13.1 Future Meeting Dates
Recommendation:
 That the Board approves the 2023 meeting dates as follows:

 June 8, 2023 at 7:00 p.m.; August 10, 2023 at 7:00 p.m.; October 12, 2023 at 7:00 p.m.; December 14, 2023 at 3:00 p.m.
14. **Adjourn**
Recommendation:
 That this meeting of the Holland Marsh Drainage System Joint Municipal Service Board adjourn at _____p.m.



Holland Marsh Drainage System Joint Municipal Service Board Minutes

March 2, 2023, 3:00 p.m.
Large Engineering Boardroom
305 Barrie Street, Unit 2, Bradford, ON

| | | |
|------------------|--------------------------------------------------------------------------------|---------------------------------------------------------|
| Members Present: | Steve Pellegrini, Mayor - TOK Dave Munshaw Ben Verkaik, Councillor - BWG | William J Eek Jennifer Anstey, Councillor - TOK |
| Regrets: | Brian Visser Dan Sopuch | Raj Sandhu, Deputy Mayor - BWG |
| Staff Present: | Nathalie Carrier, Deputy Treasurer Frank Jonkman, Drainage Superintendent | Ruth Westlake, Holland Marsh Drainage Board Coordinator |

1. Call to Order

The Drainage Superintendent, Frank Jonkman, took the position of Chair in order to commence the meeting.

Resolution HM-2023- 01

Moved By Pellegrini

Seconded By Munshaw

That this meeting of the Holland Marsh Drainage System Joint Municipal Service Board come to order at 3:08 p.m.

CARRIED

2. Approval of Agenda/Changes

Resolution HM-2023- 02

Moved By Eek

Seconded By Anstey

That the Board approve the agenda dated March 2, 2023, as printed and circulated.

CARRIED

3. Declarations of Pecuniary Interest and the General Nature

There were no declarations of pecuniary interest.

4. Appointment of Chair and Vice Chair

4.1 Appointment of Chair

The Board nominated an interim Chair for this meeting and will appoint a Chair and Vice Chair at the next meeting.

Resolution HM-2023- 03

Moved By Eek

Seconded By Anstey

That Steve Pellegrini be appointed as interim Chair of the Holland Marsh Drainage System Joint Municipal Service Board.

CARRIED

5. Closed Session

Resolution HM-2023- 04

Moved By Munshaw

Seconded By Verkaik

That the Board resolve itself into closed session under the provisions of the Municipal Act, 2001, Section 239(2) in order to discuss:

1. Personal matters about an identifiable individual, including municipal or local board employees.

2. Legal Matter - Appeal to Drainage Referee

CARRIED

6. Reconvene Regular Meeting

The Chair reconvened the open meeting at 4:01 p.m.

7. Motion Arising out of Closed Session

Resolution HM-2023- 05

Moved By Munshaw

Seconded By Anstey

That the Board recommend to the Councils of the Town of Bradford West Gwillimbury and Township of King that Trevor Voorberg be appointed to the Holland Marsh Drainage System Joint Municipal Service Board as the member-at-large.

CARRIED

8. Comments by the Chair

Interim Chair Pellegrini welcomed the Board members to a new term.

Interim Chair Pellegrini highlighted upcoming Drainage Act 101 Workshop being offered by the Holland Marsh Drainage System Joint Municipal Service Board for staff and Council of Township of King and Town of Bradford West Gwillimbury to be held on March 8, 2023.

9. Presentations/Deputations

There were no presentations or deputations.

10. Adoption of Board Minutes

Resolution HM-2023- 06

Moved By Eek

Seconded By Munshaw

That the minutes of the Holland Marsh Drainage System Joint Municipal Service Board meeting held October 13, 2022 be approved, as printed and circulated.

CARRIED

11. Correspondence/Reports

11.1 Report of Drainage Superintendent

Frank Jonkman, Drainage Superintendent provided the Board members with an update on drainage activities and fielded related questions.

Resolution HM-2023- 07

Moved By Munshaw

Seconded By Eek

That the Report HMDSJMSB-2023-01 of the Drainage Superintendent dated February 23, 2023 be received for information.

CARRIED

11.2 Report of Drainage Superintendent - River Road Drain Actual Costs

Resolution HM-2023- 08

Moved By Anstey
Seconded By Eek

That Report HMDSJMSB-2023-02 of the Drainage Superintendent dated February 23, 2023 entitled "River Road Drain - Actual Cost By-law" is received;

And that the Board make recommendation to the Town of Bradford West Gwillimbury Council to enact an Actual Cost By-law to assess the affected lands and roads for the actual cost of the River Road Drain in the Town of Bradford West Gwillimbury.

CARRIED

12. New Business

There was no new business.

13. Next Meeting

The next meeting of the HMDSJMSB will be on Thursday, April 13, 2023 at 3:00 p.m. to be held in person attendance.

14. Adjourn

Resolution HM-2023- 09

Moved By Eek
Seconded By Munshaw

That this meeting of the Holland Marsh Drainage System Joint Municipal Service Board adjourn at 4:42 p.m.

CARRIED

Mayor Steve Pellegrini Interim Chair

Ruth Westlake, Secretary



Report of Financial Services

REPORT #: HMDS-FIN-2023-01

DATE: 13-Apr-22

TO: Members of the Holland Marsh Drainage System Joint Municipal Services Board

SUBJECT: **December 31, 2022 Financial Results**

PREPARED BY: Nathalie Carrier

1. RECOMMENDATIONS:

That Report HMDS-FIN-2023-01 entitled "December 31, 2022 Financial Results" be received for information; and

That the 2022 HMDSJMSB Financial Statement be approved as presented; and

That the Board authorize HMDSJMSB's staff to invoice both Township of King and Town of Bradford West Gwillimbury for their share of the Board's deficit of \$107,035.

2. PREAMBLE:

The purpose of this report is to present the HMDSJMSB with the status of the 2022 Operating and Capital Budgets for the period January 1 to December 31, 2022.

3. BASIC DATA PERTAINING TO THE MATTER:

The audit of the Board was performed the week of February 6. The Board's financial statement are attached to this report and will be presented by Jay Anstey from Bakertilly.

In 2022, maintenance work was expected for Saczowski, Wanda, Scotch Ferragina, Gorzo, Horlings and Morris Rd drains in Bradford. Maintenance work was expected on Drain 8 to 10 and Drain 14 in King Township. Capital works for 2022 included River Rd and Drain 16 in King Township for a total budget of \$1,418,000.

Over the past few years, the Board's administration expenses have gone up significantly because of legal fees incurred. Because legal fees are unpredictable, Board staff did not want to increase the annual contribution for each participating municipality (currently at \$75,000/each). It is

HMDS-FIN-2023-01

recommended that the 2022 deficit be invoiced to each municipality in 2023 in the hope that the current \$75,000 contributions will be enough to cover future legal cost if needed.

4. EFFECT ON TOWN FINANCES:

None.

5. ATTACHMENTS:

Attachment 5.1 2022 Budget by Program/Activity

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICE BOARD
2022 Budget by Program/Activity
As at December 31, 2022

| | 2022 Actual | 2022 Budget | Variance 2022 Budget / 2022 Actual \$ | Notes |
|--------------------------------------|------------------|----------------|------------------------------------------------|------------------------------------------------------------------------|
| HMDSJMSB BOARD | | | | |
| (Surplus) / Deficit | 88,535 | - | (88,535) | |
| Cost recovered | (150,000) | (150,000) | - | |
| Wages & Benefits | 60,438 | 45,696 | (14,742) | |
| Material & Supplies | 108,062 | 104,304 | (3,758) | |
| Net Cost (Contribution) | 107,035 | - | (107,035) | |
| DRAINAGE SUPERINTENDENT | | | | |
| Cost recovered | (39,953) | (38,700) | 1,253 | |
| Provincial Grants | (35,608) | (38,700) | (3,092) | |
| Wages & Benefits | 71,339 | 65,100 | (6,239) | |
| Material & Supplies | 4,222 | 12,300 | 8,078 | |
| Net Cost (Contribution) | - | - | - | |
| HOLLAND MARSH DRAINAGE SYSTEM | | | | |
| Prior Year (Surplus) / Deficit | (275,920) | - | 275,920 | |
| Levies - (BWG & King) | (313,653) | (195,128) | 118,525 | |
| Levies - (MTO & County) | (5,705) | (15,768) | (10,063) | |
| Provincial Grants | (74,858) | (70,429) | 4,429 | |
| Perimeter Canal Maintenance | 152,472 | 85,000 | (67,472) | |
| Main Drain Maintenance | 54,338 | 104,625 | 50,287 | |
| Pumping Station Operation | 94,183 | 89,000 | (5,183) | |
| Equipment Operations | 6,591 | 2,700 | (3,891) | |
| Net Cost (Contribution) | (362,552) | - | 362,552 | |
| BWG Drains | | | | |
| BWG Levies | (93,698) | (42,286) | 51,412 | |
| Provincial Grants | (19,003) | (12,514) | 6,489 | |
| Bradford Small Scheme | 257 | | (257) | |
| Saczowski Drain | 6,781 | 12,000 | 5,219 | |
| Wanda Drain | 1,446 | 8,300 | 6,855 | |
| Scotch Drain | 1,156 | 9,000 | 7,844 | |
| Horlings Drain | 61,086 | 13,000 | (48,086) | Dykes raised in several areas |
| Ferragina Drain | 723 | 3,500 | 2,777 | |
| Gorzo Drain | 867 | 4,000 | 3,133 | |
| Morris Rd Drain | 40,385 | 5,000 | (35,385) | Carry over work from 2021 (2021 Budget was \$45K and only spent \$11K) |
| Net Cost (Contribution) | (0) | - | 0 | |

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICE BOARD
 2022 Budget by Program/Activity
 As at December 31, 2022

| | 2022 Actual | 2022 Budget | Variance 2022 Budget / 2022 Actual \$ | Notes |
|-------------------------------------|----------------|----------------|------------------------------------------------|----------------------------------------------------------------------------|
| King Drains | | | | |
| King Levies | (28,398) | (21,362) | 7,036 | |
| Provincial Grants | (4,958) | (2,438) | 2,520 | |
| Drain 5 | 4,581 | | (4,581) | Several culverts flushed to improve conditions at landowner request |
| Drain 8 | 24,045 | 11,000 | (13,045) | Several culverts replaced late in the season at the request of a landowner |
| Drain 9 | 3,306 | 7,800 | 4,494 | |
| Drain 10 | 1,050 | 2,500 | 1,450 | |
| Drain 11 | 374 | | (374) | emergency spot cleanout was needed |
| Drain 14 | - | 2,500 | 2,500 | |
| Net Cost (Contribution) | 0 | - | (0) | |
| CAPITAL PROJECTS - 2022 | | | | |
| Capital revenues | (76,234) | (1,418,000) | (1,341,766) | |
| Canal Reconstruction - Construction | | - | - | |
| River Road Drain | 15,675 | 724,000 | 708,325 | Final paperwork still to come |
| Melidy Drain | 15,941 | 50,000 | 34,059 | |
| Drain 15 | 1,526 | 434,000 | 432,474 | |
| Drain 16 | 43,092 | 150,000 | 106,908 | |
| Section 76 | - | 60,000 | 60,000 | |
| Net Cost (Contribution) | - | - | - | |
| (SURPLUS) / DEFICIT | | | 255,517 | |

| CAPITAL PROJECTS - TOTAL TO DATE | | | |
|----------------------------------|-----------|-----------|----------|
| River Road Drain | 731,173 | 760,000 | 28,827 |
| Melidy Drain | 22,100 | 50,000 | 27,900 |
| Drain 15 | 652,257 | 594,000 | (58,257) |
| Drain 16 | 73,252 | 60,000 | (13,252) |
| Section 76 | 2,792 | 60,000 | 57,208 |
| Net Cost (Contribution) | 1,481,573 | 1,524,000 | 42,427 |

**HOLLAND MARSH DRAINAGE SYSTEM
JOINT MUNICIPAL SERVICES BOARD
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Draft for Discussion

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
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AS AT DECEMBER 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The accompanying financial statements of the Holland Marsh Drainage System Joint Municipal Services Board ("the Board") are the responsibility of the Board's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management. The Board meets with management and the external auditor to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval.

The financial statements have been audited by Baker Tilly SGB LLP, independent external auditor appointed by the Board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

Frank Jonkman, Superintendent
April 13, 2023

Nathalie Carrier, Deputy Treasurer, BWG
April 13, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of Holland Marsh Drainage System Joint Municipal Services Board:

Opinion

We have audited the financial statements of the Holland Marsh Drainage System Joint Municipal Services Board ("the Board"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2022, and its results of operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board 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.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board'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 Board'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 Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly SGB LLP
Chartered Professional Accountants
Licensed Public Accountants
Collingwood, Ontario
April 13, 2023

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31

| | 2022 | 2021 |
|-------------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Financial assets | | |
| Accounts receivable | 11,465 | 564,716 |
| Due from Province | 717,576 | 377,715 |
| Due from Section 78 CIP (Note 4) | - | 405,697 |
| Due from Town of BWG - no set terms of repayment | 44,256 | 740,764 |
| Due from Township of King - no set terms of repayment | 205,196 | 674,593 |
| | 978,493 | 2,763,485 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 67,971 | 96,831 |
| Due to Town of BWG - no set terms of repayment | 666,862 | 2,489,224 |
| | 734,833 | 2,586,055 |
| Net financial assets | 243,660 | 177,430 |
| Non-financial assets | | |
| Tangible capital assets (Schedule 1) | 1,834,505 | 1,920,494 |
| Prepaid expenses | 11,861 | 9,960 |
| | 1,846,366 | 1,930,454 |
| Accumulated surplus (Note 6) | 2,090,026 | 2,107,884 |

Approved by the Board:

_____ Chair
 _____ Date

The accompanying notes are an integral part of
 these financial statements

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31

| | Budget 2022 \$ (Note 5) | Actual 2022 \$ | Actual 2021 \$ |
|----------------------------------------------------|----------------------------------|-------------------------|----------------------|
| Revenue | | | |
| Municipal contributions from: | | | |
| Town of BWG (Note 2) | 172,099 | 216,823 | 161,780 |
| Township of King (Note 2) | 211,729 | 286,783 | 206,104 |
| Section 78 and canal reconstruction (Note 4) | - | - | 22,125 |
| Town of BWG drains | 77,774 | 125,314 | 675,806 |
| Township of King drains | 17,222 | 73,017 | 161,070 |
| Other | 75,768 | 8,399 | 35,530 |
| Government grants | 122,933 | 134,427 | 70,156 |
| | <u>677,525</u> | <u>844,763</u> | <u>1,332,571</u> |
| Expenses | | | |
| Amortization of tangible capital assets | - | 108,520 | 108,669 |
| Communications | 1,700 | 974 | 940 |
| Equipment maintenance and rentals | 199,375 | 255,735 | 24,353 |
| Insurance | 11,700 | 17,751 | 14,210 |
| Memberships | 2,500 | 2,213 | 2,468 |
| Other | 25,714 | 22,185 | 14,874 |
| Professional | 67,240 | 68,256 | 88,683 |
| Salaries and benefits | 110,796 | 131,777 | 126,465 |
| Section 78 and canal reconstruction (Note 4) | - | - | 22,125 |
| Supplies, materials and subcontract | 89,700 | 13,424 | 30,069 |
| Town of BWG drains | 90,000 | 144,317 | 681,112 |
| Town of King drains | 18,800 | 77,975 | 174,160 |
| Utilities | 60,000 | 42,025 | 37,183 |
| (Gain) loss on disposal of tangible capital assets | - | (22,531) | 6,879 |
| | <u>677,525</u> | <u>862,621</u> | <u>1,332,190</u> |
| Annual (deficit) surplus | - | (17,858) | 381 |
| Accumulated surplus at beginning of year | - | 2,107,884 | 2,107,503 |
| Accumulated surplus at end of year (Note 6) | <u>-</u> | <u>2,090,026</u> | <u>2,107,884</u> |

The accompanying notes are an integral part of
these financial statements

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31

| | 2022 | 2021 |
|----------------------------------------------------|-----------------|---------|
| | \$ | \$ |
| Annual (deficit) surplus | (17,858) | 381 |
| Amortization of tangible capital assets | 108,520 | 108,669 |
| (Gain) loss on disposal of tangible capital assets | (22,531) | 6,879 |
| Change in prepaid expenses | (1,901) | (1,604) |
| | <hr/> | <hr/> |
| Change in net financial assets | 66,230 | 114,325 |
| Net surplus at beginning of year | 177,430 | 63,105 |
| | <hr/> | <hr/> |
| Net financial assets at end of year | 243,660 | 177,430 |
| | <hr/> | <hr/> |

Draft for Discussion

The accompanying notes are an integral part of
these financial statements

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31

| | 2022 \$ | 2021 \$ |
|----------------------------------------------------|---------------|----------------|
| Cash flows from (for): | | |
| Operating activities | | |
| Annual surplus (deficit) | (17,858) | 381 |
| Items not involving cash | | |
| Amortization of tangible capital assets | 108,520 | 108,669 |
| (Gain) loss on disposal of tangible capital assets | (22,531) | 6,879 |
| | <u>68,131</u> | <u>115,929</u> |
| Changes in | | |
| Accounts receivable | 553,251 | 333,726 |
| Due from Province | (339,861) | (31,886) |
| Due from Section 78 CIP | 405,697 | 310,298 |
| Due from Town of BWG | 696,508 | (740,764) |
| Due from Township of King | 469,397 | (148,564) |
| Accounts payable and accrued liabilities | (28,860) | 20,574 |
| Due to Town of BWG | (1,822,362) | 601,868 |
| Deferred revenue - Mill grants | - | (459,577) |
| Prepaid expenses | (1,901) | (1,604) |
| | <u>-</u> | <u>-</u> |
| Change in cash | - | - |
| Balance at beginning of year | - | - |
| Balance at end of year | <u>-</u> | <u>-</u> |

The accompanying notes are an integral part of
these financial statements

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022

Nature of organization

The Holland Marsh Drainage System Joint Municipal Services Board ("the Board") was established on June 25, 2007. As of January 1, 2008 the Board assumed responsibility for the Holland Marsh Drainage System (previously overseen by the Holland Marsh Drainage Commission), interior drains for the Town of Bradford West Gwillimbury (BWG) and the Township of King and small scheme for BWG. The Township of King and BWG have joint control of the Board.

1. Summary of significant accounting policies

The financial statements of the Board are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Board and the changes thereto. The statement of financial position includes all of the assets and liabilities of the Board. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Board's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Accrual basis of accounting

Sources of revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses 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.

(b) Revenue recognition

Municipal contributions from Town of BWG and Township of King are used to fund the annual operating expenses of the Board. The revenue is based on budgeted operating costs funded by the municipality, as well as assessments levied to the land owners in the Holland Marsh. The contributions are recognized as revenue in the year assessed.

Section 78 and canal reconstruction revenue from municipalities and other governments is based on the annual cost of the Canal Improvement Project ("CIP") less government transfers. Contributions are made based on the annual assessment schedule prepared by the engineers of the Board.

Town of BWG drains and small scheme and Township of King drains revenue are receivable from the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and the benefiting land owners, as determined by assessment schedules prepared by the Board's engineers. Revenue is recorded when related costs for the specific drain have been incurred.

Other revenues include amounts from The County of Simcoe and Ministry of Transportation Ontario for the recovery of project costs related to roads and bridges they own. Revenue is recorded when the related costs have been incurred.

Government transfers, which include government grants, are recognized as revenue in the period in which the events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(c) Segment disclosures

Board services have been segmented by grouping drain types, location and activities. Revenues that are directly related to the costs of the function have been attributed to each segment.

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022

1. Summary of significant accounting policies (continued)

(d) 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. The change in non-financial assets during the year, together with the annual surplus or deficit, provides the change in net financial assets (debt) for the year.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|-----------------------------------|----------------|
| Land improvements | 37 to 55 years |
| Buildings | 50 to 55 years |
| Vehicles, machinery and equipment | 10 to 52 years |

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Construction in process and tangible capital assets not available for use are not amortized until they are put into service.

Schedule 1 provides information on the tangible capital assets of the Board by major asset class, as well as accumulated amortization of the assets controlled. The reader should be aware that where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Equipment is the only category where a nominal value was assigned.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates have been made of historical cost and useful lives of tangible capital assets. Estimates have also been made for the amount of grant revenue recognized for the Section 78 and canal reconstruction project based on schedules prepared by external engineers. Actual results could differ significantly from those estimates.

2. Municipal contributions

Municipal contributions consist of the following:

| | Town of BWG | Township of King | Town of BWG | Township of King |
|--------------------------------|----------------|---------------------|----------------|---------------------|
| | 2022 | 2022 | 2021 | 2021 |
| | \$ | \$ | \$ | \$ |
| Annual operating contributions | 75,000 | 75,000 | 75,000 | 75,000 |
| Drainage Superintendent | 16,475 | 23,478 | 11,947 | 17,301 |
| Road levy | 8,605 | 10,660 | 3,097 | 2,674 |
| Land levy | 116,743 | 177,645 | 71,736 | 111,129 |
| | 216,823 | 286,783 | 161,780 | 206,104 |

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022

3. Credit facilities

The Board has available a \$2,700,000 revolving demand facility from Scotiabank with an interest rate of prime less 0.25%. At year end, the balance was \$NIL (2021 - \$NIL).

4. Due from Section 78 CIP

The Section 78 canal reconstruction project is a joint effort between the Town of BWG and the Township of King. The Project involves reconstruction of the Holland Marsh Drainage System including total or partial canal relocation, bottom cleanouts and structure improvement in select areas. The construction was completed in 2021, with minor maintenance being completed going forward.

The Section 78 canal reconstruction project has accumulated costs less government transfers and contributions from municipalities as authorized by the engineers of the Board.

The balance was non-interest bearing and had no set terms of repayment.

5. Budget amounts

The operating budget approved by the Board for 2022 is reflected on the statement of operations. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The budget did not include figures for acquisition nor amortization of tangible capital assets.

6. Accumulated surplus

The accumulated surplus consists of individual fund surpluses as follows:

| | 2022 \$ | 2021 \$ |
|-------------------------------------------------|------------------|------------------|
| Invested in tangible capital assets | <u>1,834,505</u> | 1,920,494 |
| Holland Marsh (Schedule 2): | | |
| Town of Bradford West Gwillimbury (40.85%) | 148,090 | 112,714 |
| Township of King (59.15%) | <u>214,455</u> | <u>163,208</u> |
| | <u>362,545</u> | 275,922 |
| Town of Bradford West Gwillimbury (Schedule 3): | | |
| General government | <u>(53,512)</u> | (44,266) |
| Township of King (Schedule 4): | | |
| General government | <u>(53,512)</u> | (44,266) |
| Accumulated surplus | <u>2,090,026</u> | <u>2,107,884</u> |

7. Contingencies

In the ordinary course of business, various claims and lawsuits are brought against the Board. It is the opinion of management that the settlement of these actions will not result in any material liabilities beyond any amounts already accrued. Any payment made by the Board pursuant to claims or lawsuits will be charged in the year of settlement.

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
SCHEDULE 1 - TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31

| | Land Improvements \$ | Buildings \$ | Vehicles, Machinery and Equipment \$ | Total 2022 \$ | Total 2021 \$ |
|--------------------------------------|----------------------------|------------------|-----------------------------------------------|------------------------------|---------------------|
| Cost | | | | | |
| Balance at beginning of year | 97,215 | 2,355,692 | 1,067,918 | 3,520,825 | 3,529,424 |
| Additions | - | - | 26,500 | 26,500 | - |
| Disposals | - | - | (26,458) | (26,458) | (8,599) |
| Balance at end of year | 97,215 | 2,355,692 | 1,067,960 | 3,520,867 | 3,520,825 |
| Accumulated amortization | | | | | |
| Balance at beginning of year | 78,993 | 930,527 | 590,811 | 1,600,331 | 1,493,382 |
| Amortization | 1,234 | 41,781 | 65,505 | 108,520 | 108,669 |
| Disposals | - | - | (22,489) | (22,489) | (1,720) |
| Balance at end of year | 80,227 | 972,308 | 633,827 | 1,686,362 | 1,600,331 |
| Net book value at end of year | 16,988 | 1,383,384 | 434,133 | 1,834,505 | 1,920,494 |

Draft for Discussion

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
SCHEDULE 2 - SURPLUS FOR THE HOLLAND MARSH
FOR THE YEAR ENDED DECEMBER 31

| | Town of Bradford West Gwillimbury \$ | Township of King \$ | Total 2022 \$ | Total 2021 \$ |
|-----------------------|--------------------------------------------------|---------------------------|------------------------------|---------------------|
| Opening surplus | 112,714 | 163,208 | 275,922 | 129,288 |
| Revenues | 162,131 | 234,789 | 396,920 | 260,104 |
| Expenses | (126,755) | (183,542) | (310,297) | (113,470) |
| Ending surplus | 148,090 | 214,455 | 362,545 | 275,922 |

Draft for Discussion

The accompanying notes are an integral part of
these financial statements

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
SCHEDULE 3 - DEFICIT FOR THE TOWN OF BRADFORD WEST GWILLIMBURY
DRAINS, DRAINAGE SUPERINTENDENT AND GENERAL GOVERNMENT
FOR THE YEAR ENDED DECEMBER 31

| | Drains \$ | Drainage Superintendent \$ | General Government \$ | Total 2022 \$ | Total 2021 \$ |
|-----------------------|--------------|----------------------------------|-----------------------------|---------------------|---------------------|
| Opening deficit | - | - | (44,266) | (44,266) | (28,914) |
| Revenues | 144,317 | 30,864 | 75,000 | 250,181 | 789,711 |
| Expenses | (144,317) | (30,864) | (84,246) | (259,427) | (805,063) |
| Ending deficit | - | - | (53,512) | (53,512) | (44,266) |

Draft for Discussion

The accompanying notes are an integral part of
these financial statements

HOLLAND MARSH DRAINAGE SYSTEM JOINT MUNICIPAL SERVICES BOARD
SCHEDULE 4 - DEFICIT FOR TOWNSHIP OF KING DRAINS, DRAINAGE SUPERINTENDENT AND
GENERAL GOVERNMENT
FOR THE YEAR ENDED DECEMBER 31

| | Drains \$ | Drainage Superintendent \$ | General Government \$ | Total 2022 \$ | Total 2021 \$ |
|-----------------------|--------------|----------------------------------|-----------------------------|---------------------|---------------------|
| Opening deficit | - | - | (44,266) | (44,266) | (28,914) |
| Revenues | 77,975 | 44,696 | 75,000 | 197,671 | 282,755 |
| Expenses | (77,975) | (44,696) | (84,246) | (206,917) | (298,107) |
| Ending deficit | - | - | (53,512) | (53,512) | (44,266) |

Draft for Discussion

The accompanying notes are an integral part of
these financial statements



HOLLAND MARSH
DRAINAGE SYSTEM
Joint Municipal Service Board

**REPORT OF THE
HOLLAND MARSH DRAINAGE SYSTEM
JOINT MUNICIPAL SERVICE BOARD**

REPORT #: HMDSJMSB-2023-03
DATE: 05-04-2023
SUBJECT: Drainage Superintendent Report
SUBMITTED BY: Frank Jonkman

1. Main Drain

- i. Dredging has been completed during timing restriction
- ii. Banks have been reshaped
- iii. Seeding required

2. Pumping Stations

- a. Art Janse Pumphouse
 - i. Pump 1 out of service, diffuser has been damaged and a replacement has been ordered
 - ii. Total repair approximately 40k, a new pump is approximately 132k
 - iii. Pump will not be returned to service until July
 - iv. SCADA system needed service for data logs
- b. Bardawill Pumphouse
 - i. SCADA system installed
 - ii. Level settings will be determined during the summer months
- c. Charlie Davis Pumphouse
 - i. No update
- d. Ferragina Pumphouse
 - i. No update
- e. Horlings Pumphouse
 - i. No update
- f. Professor Day Pumphouse
 - i. No update
- g. Morris Road Pumphouse
 - i. No update
- h. SCBR Pumphouse

- i. Further testing of alarm system to be completed pending weather.
- 3. BWG / TOK Small Drains
 - a. Planned Small Drain Maintenance
 - i. Drain 10, Drain 11, Drain 12, Drain 14 and Drain 15
 - b. Horlings Drain
 - i. Scheduled for maintenance in 2023
 - c. Morris Road Drain
 - i. Scheduled for maintenance in 2023
 - d. River Road Drain
 - i. Scheduled for maintenance in 2023
 - e. Drain 16
 - i. Burnside to prepare the report (ongoing)
 - f. S.76
 - i. Initial meeting held.
 - ii. No further update.
- 4. HMDSCIP Perimeter Maintenance
 - i. Interval 14 scheduled for maintenance in 2023
- 5. General
 - a. Burnside
 - i. Ongoing meetings/discussions on various projects
 - b. DFO
 - i. No report
 - c. LSRCA
 - i. No report
 - d. MTO Bridges
 - i. The Service Board should consider sending correspondence to the Ministry to enquire about the replacement of the north structure or providing additional capacity. The Canal Improvement Project will not be fully completed until such a time that this requirement has been met (ongoing).
 - ii. Ongoing correspondence with KSAL to determine best approaches in providing additional/required capacity.
 - e. OMAFRA
 - i. Tentative tour arranged with OMAFRA officials to speak about potential Phosphorus Reduction Facility announced as part of Bill 23
 - f. Holland River Drain
 - i. Will require brush removal, will work with New Tecumseth to determine how costs are distributed to the upstream watershed (ongoing).