AUDIT

Grand River Conservation Authority

Audit Findings Report

For the year ended December 31, 2012

KPMG LLP, Chartered Accountants, Licensed public Accountants

kpmg.ca

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Executive summary

Overview

The purpose[1] of this Audit Findings Report is to assist you, as a member of the audit committee, in your review of the results of our audit of the financial statements of Grand River Conservation Authority ("GRCA") as at and for the period ended December 31, 2012.

We appreciate the assistance of management and staff in conducting our audit. We hope this audit findings report is of assistance to you for the purpose above, and we look forward to discussing our findings and answering your questions.

Status

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures which include:

- completing our discussions with the audit committee
- obtaining a signed management representation letter
- obtaining responses from the legal firms
- obtaining evidence of the Board's approval of the financial statements.

Please refer to the Appendices for our draft auditors' report. We will update you on significant matters, if any, arising from the completion of the audit, including completion of the above procedures. Our auditors' report will be dated upon completion of any remaining procedures.

[1] This Audit Findings Report should not be used for any other purpose or by anyone other than the audit committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

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Significant audit, accounting and reporting matters

Included in this report are significant matters we have highlighted for discussion at the upcoming audit committee meeting. We look forward to discussing these matters and our findings with you.

Other matters

We have highlighted below other significant matters that we would like to bring to your attention:

Opening Land Balance Adjustment
• GRCA noticed that a piece of land sold in 2011 was not recorded in the Great Plains (GP) system. Upon further review, a total of $986,000 of land was excluded from GP (and thus excluded from the financial statements) since the adoption of PSAB 3150, Tangible Capital Assets ("TCA") in 2009. • The reason for this error is that were multiple parcels of land that had the same roll number for property tax purposes and therefore recorded at one value instead of multiple values. • The amount was then added to the beginning land balance, and in the prior year balances, in the financial statements
KPMG comments regarding effect on the audit
• We reviewed the work performed in determining amount of land excluded from GP. The process was reasonable based on the information and method used. • We concluded that the value of land omitted from the prior years' financial statements was not material as the unrecorded amounts were approximately 1% of total TCA and there was no impact to the statement of operations as land is a non-depreciable asset. • A note to the financial statement has been added called "recast" to describe the change in comparative figures and the reason for the change. .
Misstatements
• None identified.
Significant deficiencies
• None identified.

Accounting system Conversion
• GRCA converted their financial reporting system from SUN to MS Dynamics Great Plains (GP); the new system went live as of January 1, 2012. The process began in 2011 when new accounts within GP were created and month-end 2011 balances were entered into GP. Upon completion of the data entry, Finance completed a detailed review to ensure the data was imported correctly in a test side before transferring the data into the live GP system. • Tangible capital asset accounts were originally recorded in GP after the adoption of TCA in 2009. New accounts were created to facilitate Finance to create both non-PSAB and PSAB financial statements.
KPMG comments regarding effect on the audit
• We agreed accounting balances from the old system to the new system and also agreed total Accounts Receivable and Accounts Payable balances from SUN to the subledgers in GP. No

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differences identified. • We reconciled all revenue and expense accounts under GP at the conversion date to the balances within SUN and noted no differences.
Misstatements
• None identified.
Significant deficiencies
• None identified.

Hockeyfest Inc.
• Hockeyfest Inc. has filed a statement of claim against GRCA for breach of contract for $12 million in June 2012. A statement of defence has been filed by GRCA in July 2012. • The statement of claim was amended in November 2012 to include an additional defendant, Star Security. • In January 2013, Star Security filed a statement of defence and crossclaim against GRCA for any amounts awarded against it in favour of the plaintiff.
KPMG comments regarding effect on the audit
• Inquiry with Management regarding the status of the litigation • Confirming with legal counsel regarding their opinion and assessment of this matter (response is outstanding) • The contingency note has been updated to reflect that there is a claim that is not covered by insurance
Misstatements
• None identified.
Significant deficiencies
• None identified.

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Significant qualitative aspects of accounting policies and practices

Our professional standards require that we communicate our views regarding the matters below, which represent judgments about significant qualitative aspects of accounting policies and practices. Judgments about quality cannot be measured solely against standards or objective criteria. These judgments are inherently those of the individual making the assessment: the engagement partner. However, although judgments about quality are those of the engagement partner, the views discussed below are not contrary to positions KPMG has taken.

The following are the matters we plan to discuss with you:

Significant accounting policies	No significant changes in accounting policies
Critical accounting estimates	Critical management's identification of accounting estimates is: • Amortization period for tangible capital assets • Accruals
Critical disclosures and financial statement presentation	There are no new significant disclosures.

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Misstatements

Identification of misstatements

Misstatements identified during the audit have been categorized as follows:

- corrected misstatements, including disclosures
- uncorrected misstatements, including disclosures.

Corrected misstatements

There were no corrected misstatements.

Uncorrected misstatements

There were no uncorrected misstatements.

Appendices

Auditors’ report

INDEPENDENT AUDITORS' REPORT

To the Members of Grand River Conservation Authority:

We have audited the accompanying financial statements of Grand River Conservation Authority (the “Authority"), which comprise the statement of financial position as at December 31, 2012, the statements of operations and changes in accumulated surplus, cash flows and changes in net financial assets for the year then ended, and notes comprising of 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 these 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 our 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 Authority'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 Authority'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.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2012, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

February 28, 2013
Waterloo, Canada

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Independence letter

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PRIVATE & CONFIDENTIAL

Audit Committee
Grand River Conservation Authority
400 Clyde Road
PO Box 729
Cambridge, ON N1R 5W6

February 20, 2013

Dear Audit Committee:

Professional standards specify that we communicate to you in writing, at least annually, all relationships between the Entity (and its related entities) and our firm, that may reasonably be thought to bear on our independence.

In determining which relationships to report, we are required to consider relevant rules and related interpretations prescribed by the Institute of Chartered Accountants of Ontario and any applicable legislation or regulation, covering such matters as:

a) provision of services in addition to the audit engagement
b) other relationships such as:
    - holding a financial interest, either directly or indirectly, in a client
    - holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client
    - personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client
    - economic dependence on a client.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since the date of our last letter dated February 15, 2012.

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PROVISION OF SERVICES

The following summarizes the professional services rendered by us to the Entity (and its related entities) up to the date of this letter:

Description of Service	Fees Paid or Payable
Audit	
• Audit of the Entity's financial statements.	$ 32,750
• Grand River Conservation Authority Foundation	3,200
All other	
• Indirect tax and other advisory services	9,000

Professional standards require that we communicate the related safeguards that have been applied to eliminate identified threats to independence or to reduce them to an acceptable level. Although we have policies and procedures to ensure that we did not provide any prohibited services and to ensure that we have not audited our own work, we have applied the following safeguards regarding to the threats to independence listed above:

- We did not assume the role of management by instituting policies and procedures to prohibit us from making management decisions or assuming responsibility for such decisions
- We obtained pre-approval of non-audit services and during this pre-approval process we discussed the nature of the engagement, extent of fees charged, and other independence issues related to the services
- We obtained management's acknowledgement of responsibility for the results of the work performed by us regarding non-audit services and we have not made any management decisions or assumed responsibility for such decisions

OTHER RELATIONSHIPS

We are not aware of any other relationships between our firm and the Entity (and its related entities) that may reasonably be thought to bear on our independence up to the date of this letter.

CONFIRMATION OF INDEPENDENCE

We confirm that we are independent with respect to the Entity (and its related entities) within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario as of the date of this letter.

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OTHER MATTERS

This letter is confidential and intended solely for use by those charged with governance in carrying out and discharging their responsibilities and should not be used for any other purposes.

KPMG shall have no responsibility for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly,

KPMG LLP

Chartered Accountants, Licensed Public Accountants

/jfk

Management representation letter

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KPMG LLP
Chartered Accountants
115 King Street South, 2nd floor
Waterloo, Ontario N2J 5A3
Canada

February 28, 2013

Sirs:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Grand River Conservation Authority ("the Entity") as at and for the period ended December 31, 2012.

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

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

GENERAL:

1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated November 23, 2012, for:

   a) the preparation and fair presentation of the financial statements.

   b) providing you with all relevant information and access.

   c) such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

   d) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

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INTERNAL CONTROL OVER FINANCIAL REPORTING:

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

FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:

3) We have disclosed to you:

   a) the results of our assessment of the risks that the financial statements may be materially misstated as a result of fraud.

   b) all information in relation to fraud or suspected fraud that we are aware of and that affects the Entity and involves: management, employees who have significant roles in internal control, or others, where the fraud could have a material effect on the financial statements.

   c) all information in relation to allegations of fraud, or suspected fraud, affecting the Entity's financial statements, communicated by employees, former employees, regulators, or others.

   d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.

   e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

COMMITMENTS & CONTINGENCIES:

4) There are no:

   a) other liabilities that are required to be recognized and no other contingent assets or contingent liabilities that are required to be disclosed in the financial statements in accordance with the relevant financial reporting framework, including liabilities or contingent liabilities arising from illegal acts or possible illegal acts, or possible violations of human rights legislation.

   b) other environmental matters that may have an impact on the financial statements.

SUBSEQUENT EVENTS:

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

RELATED PARTIES:

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

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ESTIMATES:

7) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:

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

Yours very truly,

GRAND RIVER CONSERVATION AUTHORITY

_____

By: Mr. Joseph Farwell, Chief Administration Officer

_____

By: Ms. Sonja Radoja, Manager of Corporate Services

_____

By: Mr. Keith Murch, Assistant CAO, and Secretary Treasurer

cc: Audit Committee

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Attachment I – Definitions

MATERIALITY

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

FRAUD & ERROR

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

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

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

RELATED PARTIES

In accordance with Public Sector Accounting Standards *related party* is defined as:

- Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Two organizations are related parties if one has an economic interest in the other. Related parties also include management and immediate family members.

In accordance with Public Sector Accounting Standards a *related party transaction* is defined as:

- A related party transaction is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

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KPMG's Audit Quality Framework

Audit quality, and the respective roles of the auditor and audit committee, is fundamental to the integrity of financial reporting in our capital markets.

This is why audit quality is at the core of everything we do at KPMG. And we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To help ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

The framework comprises seven key drivers of audit quality.

The seven key drivers of audit quality

Driver	What it does	What it means to you
Tone at the top	Audit quality is part of our culture and our values and therefore non-negotiable Allows the right behaviours to permeate across our entire organization and each of our engagements	Assures you that: • Our culture supports our promise to you of excellent service and a high quality audit—consistently • You're receiving an independent, transparent, audit opinion • You're receiving an efficient and high quality audit that will help you maintain investor confidence in your financial statements. Provides you with: • An engagement team handpicked for your business needs – a team with relevant professional and industry experience • An audit engagement team whose qualifications evolve as your business grows and changes • An audit opinion that
Association with the right entities	Ethics above all Eliminates any potential independence and conflict-of-interest issues	
Clear standards and robust audit tools	A solid rule book Rigorous internal policies and guidance that help ensure our work meets applicable professional standards, regulatory requirements, and KPMG's standards of quality	
Recruitment, development and assignment of appropriately qualified personnel	People who add value Helps us attract and retain the best people and reinforces the importance of developing their talents Assigns Partners' portfolios based on their specific skill sets	

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Driver	What it does	What it means to you
Commitment to technical excellence and quality service delivery	The right tools for the right job Promotes technical excellence and quality service delivery through training and accreditation, developing business understanding and industry knowledge, investment in technical support, development of specialist networks, and effective consultation processes	continues to meet your needs as a participant in the capital markets Assists you with: • Assessing the effectiveness and efficiency of the audit • Performing your governance role with confidence.
Performance of effective and efficient audits	We understand that how an audit is conducted is as important as the final result. A code of conduct, audit delivery tools, and internal policies and procedures that help ensure the work performed by engagement personnel meets applicable professional standards, regulatory requirements, and our standards of quality	
Commitment to continuous improvement	Comprehensive and effective monitoring We regularly solicit feedback from the audit committees of the entities we audit. Our robust internal quality review program ensures the work of each partner is reviewed every three years. Additionally, our procedures and a sample of our audits of listed entities are reviewed by the Canadian Public Accountability Board (CPAB), the independent regulator of the accountancy profession in Canada. The Public Company Accounting Oversight Board (PCAOB) in the US also conducts an annual inspection of a sample of our audits of SEC registrants. Finally, a sample of other audits and reviews is undertaken annually by the various provincial institutes in Canada. We consider the recommendations that come from these reviews and implement actions to strengthen our policies and procedures, as appropriate.	

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The regulatory landscape is changing

Uncertain economic forecasts and a changing regulatory environment define today's world; reliable financial information and high quality audits have never been more essential.

We believe that high quality audits contribute directly to market confidence and we share your objectives of credible and transparent financial reporting.

Our Audit Quality Framework is particularly relevant to Audit Committees, and we see our role in being transparent to you as a key mechanism to support you in the execution of your responsibilities.

Our commitment to quality

The independence, judgment and professional skepticism of your auditors add value to your financial statements, and we believe it is important to be transparent about the processes we follow to develop a KPMG auditors' report. We want you to have absolute confidence in us and in the quality of your audit.

Our own professional standards dictate technical requirements for reaching and communicating an audit opinion. And we live and abide by these requirements. We invest heavily in our quality, and the Audit Quality Framework helps ensure these investments are the right ones—that they help us continuously drive and maximize our quality improvements. But we feel it is also important that we communicate to you how we view and implement audit quality. The seven key drivers outlined here, combined with the commitment of each individual in KPMG, are meant to do just that.

KPMG member firms across the world use this audit quality framework to describe, focus on and enhance audit quality for the benefit of the entities we audit and in support of the efficacy of our capital markets.

It is our hope that sharing our vision of what audit quality means is a significant step in building confidence in the value of our audits.

Audit quality is fundamental to the way we work.

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Other current developments

Public Sector Enterprises

New guidance issued

Portfolio Investments

In March 2012, the PSAB issued Section PS 3041, *Portfolio Investments*, which revises and replaces PS 3040, *Portfolio Investments*. In addition, Section PS3030, *Temporary Investments*, has been withdrawn as the distinction between temporary and portfolio investments has now been removed. The scope of Section PS3041 has been expanded to include interests in pooled investment funds. The recognition and measurement requirements of Section PS 3450, *Financial Instruments*, will have to be applied, other than to the initial recognition of an investment with significant concessionary terms. Certain other terms, requirements and definitions have also been amended to conform to Section PS 3450.

Handbook Improvements

In March 2012, PSAB issued improvements to certain handbook sections. Some of the key improvements included the following:

- Amendments to Section PS 2400, *Subsequent Events*, to clarify the meaning of date of completion of financial statements.
- Section PS 2500, *Basic Principles of Consolidation*, has been amended to clarify that any unrealized gain or loss attributable to derecognition of financial assets and financial liabilities in the fair value category due to inter-governmental sales or transfers would be eliminated from the consolidated statement of operations.
- Section PS 2510, *Additional Areas of Consolidation*, to clarify that the application of the modified equity method may require the reporting of other comprehensive income.
- Amendments were issued to Section PS 3050, *Loans Receivable*, to require the use of the effective interest method when amortizing a loan discount. The requirement to apply the effective interest method applies in the period Section PS 3450, *Financial Instruments*, is adopted.
- Section PS 3230, *Long-term Debt*, and Section PS 3390, *Contractual Obligations*, were amended to clarify the interaction with the requirements of Section PS 3450, *Financial Instruments*.

Clarifications to certain transition guidance

PSAB issued amendments to Section PS2601, *Foreign Currency Translation*, and Section PS 3450, *Financial Instruments*, to clarify the transition provisions in these standards. The transition provisions in Section PS 2601 have been amended to clarify their application to hedging instruments for government organizations. In addition, a new transitional provision has been added that applies to government organizations with self-sustaining foreign operations. Section PS 3450 has been amended to clarify that the measurement provisions are to be applied prospectively. In addition, a new transition provision has been added that applies to government organizations with assets classified as available for sale.

Previously issued guidance

—*Government Transfers*, Section PS 3410

- Sets outs recognition principles for government transfers.
- May allow deferral of transfers received if certain conditions exist that create a liability.
- This standard is effective for fiscal years beginning on or after April 1, 2012. The standard may be applied retroactively or prospectively.

—*Financial Instruments*, Section PS 3450

- Sets out principles to be used in establishing an accounting standard with respect to financial instruments and derivative instruments.

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- Fair value measurement proposed for derivatives and portfolio investments that are equity instruments quoted in an active market. Fair value can be applied to non-equity instruments through an accounting policy choice.

This standard is effective for fiscal years beginning on or after April 1, 2012

—*Foreign Currency Translation*, Section PS 2601

- PSAB has approved amendments to Section PS 2600 to be consistent with the new standard for Financial Instruments.
- This standard requires all monetary items and those non-monetary items included in the fair value category to be translated using the exchange rate on the financial statement date. Hedge accounting and the scope exclusion for foreign exchange reserves in PS 2600 have been removed.
- The amended standard is effective for fiscal years beginning on or after April 1, 2012 and must be adopted when the new Financial Instruments standard is adopted.

—*Financial Statement Presentation*, Section PS 1201

- *PS 3510 – Tax Revenue* was approved by PSAB in November 2009.
- This standard sets out revenue recognition principles for tax revenue.
- Provides principles for recognition of taxes collected on behalf of others.
- This standard is effective for fiscal years beginning on or after April 1, 2012.

—*Liability for Contaminated Sites*, Section PS 3260

- *PS 3260 – Liability for Contaminated Sites* was approved by PSAB in March 2010.
- A liability for remediation of contaminated sites should be recognized when an environmental standard exists, the contamination exceeds the environmental standard, the government is directly responsible or accepts responsibility, it is expected future economic benefits will be given up and a reasonable estimate of the amount can be made.
- This standard is effective for fiscal years beginning on or after April 1, 2014.

The section on *Government Transfers* is effective for fiscal years beginning on or after April 1, 2012. The standards on *Financial Instruments*, *Foreign Currency Translation* and *Financial Statement Presentation* should all be implemented together and, for government organizations are effective for fiscal years beginning on or after April 1, 2012. For governments, these standards are effective for fiscal years beginning on or after April 1, 2015. Early adoption is permitted. The section on *Liability for Contaminated Sites* is effective for fiscal years beginning on or after April 1, 2014.

Proposed amendments to PSAB

Exposure Draft: *Related Parties*

In September 2012, the PSAB issued an exposure draft on *Related Party Transactions*. The proposals provide guidance on the identification of related parties and on the recognition, measurement and disclosures of transactions with related parties.

Under the proposals, related parties would include entities that control or are controlled by the entity; entities that are under common control; entities that have shared control over, or that are subject to shared control; and individuals that are key management personnel or close members of their family. The proposals would permit a transaction to be recorded at the exchange amount and provide guidance as to when the carrying value, for example, might be used as the exchange amount. The proposals would also require that information about goods and services contributed by related parties be disclosed in the financial statements.

Exposure Draft: *Financial Instruments: Income on Externally Restricted Assets*

The PSAB recently issued an exposure draft on *Financial Instruments: Income on Externally Restricted Assets* that proposes to amend Section PS 3450, *Financial Instruments*, to ensure the reporting of income on externally restricted assets that are financial instruments aligns with the requirements in Section PS

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3100, *Restricted Assets and Revenues*. The proposed amendments clarify the accounting for gains, losses, interest and dividends when income attributable to a financial asset is externally restricted and addresses the accounting for adjustments associated with the transition to Section PS3450 when income attributable to a financial asset is restricted.

Exposure Draft: *Use of Appropriations*
The PSAB issued an exposure draft, *Use of Appropriations*, in September 2012. The proposals aim to improve consistency and comparability amongst similar entities. The proposed standard on accounting for the use of appropriations would apply only to those entities that directly access funding through their appropriations authority. Entities that receive actual transfers of monetary assets would apply existing standards.

The proposals require that the use of appropriations would be recognized when an appropriation, supply act or other legislation authorizes an entity to spend resources, and the reporting entity has an eligible transaction or event under that authority. It requires that the use of appropriations should be separately identified in the financial statements and be reported in either the statement of operations or the statement reconciling the opening and closing accumulated surplus or deficit.

PSAB projects underway

The following section discusses the major projects currently with the Public Sector Accounting Board:

Concepts underlying financial performance
The objective of this project is to review and amend, if necessary, the conceptual framework in Sections PS 1000, *Financial Statement Concepts*, and PS 1100, *Financial Statement Objectives*. PSAB's Conceptual Framework Task Force has recently issued a consultation paper that proposes an objective and primary audience for financial reporting, the accountabilities to be reported on in financial statements, and alternative reporting models to demonstrate them.

Update of Terminology
An exposure draft, titled *Update of Terminology*, was approved in June 2011 with the objective of amending the Introduction and applicable sections with a terminology to describe public sector entities which follow the *PSA Handbook*. The main features of the exposure draft included replacing references to "government", "public sector reporting entity", "entity" and "reporting entity" with "public sector entity", where applicable, in certain standards and guidelines of the *PSA Handbook* and removal of government partnerships and school boards from the definition of public sector in the Introduction to Public Sector Accounting Standards. The responses to the exposure draft have resulted in the Board developing a re-exposure draft proposing amendments to the Introduction to Public Sector Accounting Standards that clarifies the definition of a government organization including whether public sector entities (such as departments and ministries, for example) are government organizations or are part of government. The amendments will also address whether government partnerships are within the scope of the public sector and, if so, the appropriate basis of GAAP to be followed.

Other projects underway

The PSAB is currently working on a number of other projects that are in various stages of advancement. Some of the projects currently underway include asset retirement obligations; assets; fiscal sustainability; impairment of non-financial assets; restructurings; revenues and service concession arrangements. Details on these projects can be found on the *PSAB website*.

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Vote

Grand River Conservation Authority
2013 General Levy - Weight of Votes by Members
February 28, 2013

Appointed	Municipality/Group	Weight	Absent	Present	In Favour	Opposed
Jan d'Ailly	Region of Waterloo	5.0%				
Robert Deutschmann	Region of Waterloo	5.0%				
Jean Haalboom	Region of Waterloo	5.0%				
Ross Kelterborn	Region of Waterloo	5.0%				
Claudette Millar	Region of Waterloo	5.0%				
Jane Mitchell	Region of Waterloo	5.0%				
Les Armstrong	Region of Waterloo	5.0%				
Geoff Lorentz	Region of Waterloo	5.0%				
Todd Cowan	Region of Waterloo	5.0%				
Warren Stauch	Region of Waterloo	5.0%				
Lorne Boyko	Haldimand & Norfolk Counties	1.2%				
Fred Morison	Haldimand & Norfolk Counties	1.2%				
Barry Lee	Region of Halton	2.5%				
Jeanette Jamieson	City of Hamilton (adjusted)	2.8%				
Bruce Banbury	County of Oxford	1.0%				
Robert Hillier	City of Brantford	5.1%				
Vic Prendergast	City of Brantford	5.1%				
Maggie Laidlaw	City of Guelph	8.5%				
Bob Bell	City of Guelph	8.5%				
Tom Nevills	Group 1:	1.2%				
Pat Salter	Group 2:	1.5%				
George Wicke	Group 3:	0.5%				
Joanne Ross-Zuj	Twp of Ctr Wellington	3.2%				
John Brennan	Group 5:	4.0%				
Steve Schmitt	County of Brant	1.9%				
Brian Coleman	County of Brant	1.9%				
		100.0%	0.0%	0.0%	0.0%	0.0%