

# Walkerton Clean Water Centre





# TABLE OF CONTENTS

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Message from the Chair and the CEO . . . . .	2
Mission and Mandate . . . . .	4
Corporate Profile . . . . .	5
Corporate Governance . . . . .	6
Board of Directors, 2014–15 . . . . .	8
Organizational Chart. . . . .	13
Goals and Strategic Directions . . . . .	14
Summary of Performance for 2014–15 Activities . . . . .	15
Goal 1 . . . . .	16
Goal 2 . . . . .	21
Goal 3 . . . . .	22
Adherence to Governance, Accountability and Operations Frameworks. . . . .	27
Looking Forward . . . . .	28
Management’s Responsibility for Financial Information. . . . .	30
Independent Auditor’s Report. . . . .	32

# MESSAGE FROM THE CHAIR AND THE CEO

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2014–15 was another year of successes for the Walkerton Clean Water Centre (the Centre). We continued to provide top-notch education, training, information and advice to drinking water system owners, operators and operating authorities provincewide.

The Centre continued to administer and deliver core mandatory courses on behalf of the Ministry of the Environment and Climate Change (the Ministry), and in cooperation with the Ministry, developed a new mandatory course, Diligence in Drinking Water Operations. The Centre also delivered the course, Standard of Care – Safe Drinking Water Act, to municipal officials, councillors and decision-makers to enable 679 participants to better understand their obligations under the Safe Drinking Water Act, 2002.

To meet the needs of drinking water professionals, numerous specialized courses were coordinated and delivered across Ontario, including 25 hands-on courses, Maintenancefest events, Drinking Water Quality Management Standard workshops, specialized seminars, and Small Systems Workshops. The Centre's quality assurance program helped to ensure that high quality standards were upheld for all training initiatives. To date, the Centre has provided training to more than 55,000 participants.

The Technology Demonstration Facility provided hands-on training for operators as well as pilot testing of various drinking water treatment and distribution technologies. In total, 327 individuals, including participants in hands-on training courses held at the Centre, participated in technical tours of the Technology Demonstration Facility.

Eleven operational research publications, including peer-reviewed publications and external presentations, were produced to contribute to improvements in water treatment, equipment, technology, and operational requirements necessary to ensure that drinking water is safe.

The Centre continues to make progress on its goals and enhance its programs to support the drinking water priorities of the Government of Ontario.

We would like to take this opportunity to acknowledge the Government of Ontario for providing financial support, the Ministry for offering ongoing assistance, the Board of Directors for overseeing the Centre's operations, and the staff for delivering on the Centre's mandate throughout the year.



A handwritten signature in black ink, appearing to read 'John Stager'.

John Stager,  
*Chair, Board of Directors*



A handwritten signature in blue ink, appearing to read 'Roman Martiuk'.

Roman Martiuk,  
*Chief Executive Officer*



Participants work on the Continuous Free Chlorine Monitoring module at the regional Maintenancefest event held in Vaughan.

# MISSION AND MANDATE

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## Mission

We safeguard drinking water for the people of Ontario as the leading centre for high-quality training, applied research and technology demonstration.

## Objects/Mandate

Ontario Regulation 304/04, made under the *Development Corporations Act*, provides the Centre's objects. The objects of the Centre are to do the following, either alone or in conjunction with other organizations:

- To co-ordinate and deliver education and training for owners, operators and operating authorities of drinking water systems.
- To provide information, education and advice to owners, operators and operating authorities of drinking water systems and to the public about,
  - i. the treatment of water necessary to ensure that drinking water is safe,
  - ii. the equipment and technology used to ensure that drinking water is safe,
  - iii. the operational requirements necessary to ensure that drinking water is safe, and
  - iv. other environmental issues related to drinking water.
- To sponsor research into any activities related to its objects.
- To provide advice to the Minister on research and development priorities to achieve and maintain safe drinking water.
- To conduct such further activities, consistent with its objects, as are described in any policy direction issued by the Minister or as set out in any agreement with the Minister.

**679 municipal officials, councillors and decision-makers participated in the course, Standard of Care — Safe Drinking Water Act**

# CORPORATE PROFILE

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The Centre, an operational service agency of the Government of Ontario, was established in October 2004 as a response to Associate Chief Justice Dennis O'Connor's recommendations in the Report of the Walkerton Inquiry. A Board of Directors of up to 12 members governs the Centre. The Centre operates out of a facility that serves as a platform for the provision of education, training, information and advice to drinking water system owners, operators and operating authorities provincewide.

The Centre aims to meet the needs of drinking water professionals by delivering a comprehensive range of the highest quality training across Ontario. The Technology Demonstration Facility, with its leading-edge drinking water technologies, is used for hands-on training and to provide education, information and advice on water treatment and distribution equipment, technologies and operational requirements, and environmental issues related to drinking water. The Centre also assesses research gaps and needs, sponsors research that contributes to its mandate and uses research results to improve training. The Centre supports the drinking water related goals and priorities of the Government of Ontario.

# CORPORATE GOVERNANCE

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On the recommendation of the Minister, the Lieutenant Governor in Council appoints the Chair and members of the Centre's Board of Directors. Under the leadership of the Chair, the Board of Directors is responsible for overseeing the management of the Centre's activities.

The Centre is governed by Ontario Regulation 304/04, made under the Development Corporations Act, the Centre's bylaw, and a Memorandum of Understanding with the Minister.

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## Accountability

The Centre is committed to public transparency and accountability. It is accountable to the people of Ontario. The Centre is required to comply with relevant Government of Ontario policies, directives and guidelines, such as the Agencies & Appointments Directive, the Procurement Directive and the Travel, Meal and Hospitality Expenses Directive, to meet expectations regarding its operations.

In accordance with the requirements of Ontario Regulation 304/04, the Centre must submit an annual report for each fiscal year. This 2014–15 annual report includes the Centre's audited financial statements and is part of the accountability structure for the Centre. The Centre submits the report to the Minister, who tables it in the Ontario legislature, at which time the report is made available to the public on the Centre's website, [wcwc.ca](http://wcwc.ca).

The Board of Directors is responsible for ensuring there is an annual external audit of the Centre's operations and financial transactions as required by both Ontario Regulation 304/04 and the Memorandum of Understanding. This annual audit is subject to review by the Auditor General of Ontario. In addition, the Ministry reviews the Centre's operations at least once every three years and the Minister may request an audit at any time.

The Agencies & Appointments Directive requires that the Centre prepare a business plan each year, covering at least three years of operation. The Board of Directors oversees and directs the development and implementation of business plans, including the review of risks, performance measures and outcomes, in consultation with the Ministry.

In addition to annual reports and business plans, the Centre is responsible for developing and implementing policies and procedures to ensure the transparency and accountability of its operations.





Participants at the Small Systems Workshop complete an exercise during the Ultraviolet Absorbance and Transmittance module in the Centre's laboratory.

# BOARD OF DIRECTORS, 2014–15

The Lieutenant Governor in Council, on the advice of the Minister, appoints the Centre's Board of Directors. Members hold office for terms of up to two years and are eligible for reappointment for successive terms. The Board of Directors is accountable to the Ontario legislature through the Minister and is responsible for the overall supervision of the Centre's operations. The Board of Directors meets regularly. The total annual remuneration for all members of the Board of Directors was \$21,034.50 during 2014–15.

## John Stager, Chair

**Member since:** December 17, 2013

**Current term:** December 17, 2013–  
December 16, 2015

Mr. Stager has more than 30 years of environmental management and organizational transformation experience. From 2008 to 2012 he was the Chief Drinking Water Inspector for the province of Ontario, as well as the Assistant Deputy Minister for the Drinking Water Management Division within the Ministry of the Environment. Prior to holding that position, Mr. Stager was the Assistant Deputy Minister Lead for the Inspections, Investigations and Enforcement modernization initiative from 2004 until 2008.

In this capacity, he led a series of modernization initiatives across Ontario's 13 regulatory compliance ministries.

In 2000, Mr. Stager represented the Ontario government in Walkerton, providing cross-ministry support to individuals, families and businesses following the E-coli outbreak.

Mr. Stager holds a B.Sc. from Acadia University and is a graduate of Western's Ivey Executive Program and Harvard's Executive Program on Strategic Management of Regulatory and Enforcement Agencies. In 2008, Mr. Stager was the recipient of an Ontario government Amethyst Award for innovative leadership.

The Centre delivered 6 Drinking Water Quality Management Standard workshops across the province

## Cathie Brown, Vice-Chair

*Senior Advisor, Association of Municipalities of Ontario*

**Member since:** October 12, 2004

**Current term:** February 11, 2015–  
February 10, 2017

Ms. Brown is a Senior Advisor at the Association of Municipalities of Ontario. Prior to this, Ms. Brown was the Source Water Protection Project Manager for the Ausable Bayfield and Maitland Valley Source Protection Region. Formerly, she was the Executive Director of the Ontario Rural Council.

## Lou Anthony D'Alessandro

*Public Health Inspector, North Bay Parry Sound District Health Unit, Environmental Health Division*

**Member since:** October 12, 2004

**Current term:** August 20, 2013–August 19, 2015

Mr. D'Alessandro is a certified public health inspector and has been involved with public health for more than 30 years. He is currently employed by the North Bay Parry Sound District Health Unit in the Environmental Health Division. Mr. D'Alessandro holds certification as a water quality analyst (class 1), onsite sewage system inspector (part 8 septic systems under the Ontario Building Code) and small water systems operator. Mr. D'Alessandro has managed several programs under the Health Protection and Promotion Act.

## Rui De Carvalho, M.Eng., P.Eng.

*Senior Vice-President, R.J. Burnside & Associates Limited*

**Member since:** October 12, 2004

**Chair:** September 8, 2009–September 7, 2012

**Current term:** October 22, 2014–  
October 21, 2016

Mr. De Carvalho has more than 38 years of experience as a consulting engineer in the water supply sector, both in Canada and internationally. In addition to various roles on municipal water supply projects, his experience also includes more than 20 years in the planning, design and implementation of water supply and infrastructure servicing in First Nations communities in Ontario and Labrador. More recently, Mr. De Carvalho was Burnside's Project Director on a series of major projects related to the reconstruction and management of the urban water supply infrastructure in Mozambique. He currently serves as Chair of the Burnside Board of Directors.

Mr. De Carvalho is a designated consultant by Professional Engineers Ontario, an environmental engineer certified by the American Academy of Environmental Engineers and a member of the International Water Association, the American Water Works Association, the Ontario Water Works Association, the Water Environment Federation and the Canadian Society for Civil Engineering.

## Nancy Kodousek, P.Eng.

*Director of Water Services, Region of Waterloo*

**Member since:** October 12, 2004

**Vice-Chair:** July 8, 2010–August 28, 2014

**Current term:** August 29, 2012–August 28, 2014

Ms. Kodousek has more than 30 years of senior management experience with both municipal and private sector water and wastewater systems. Prior to her current position as Director of Water Services at the Region of Waterloo, Ms. Kodousek held similar management-level positions at AWS Engineers & Planners (formerly Azurix) and the Region of Ottawa-Carleton.

Ms. Kodousek is a member of Professional Engineers Ontario, the Ontario Society of Professional Engineers, the American Water Works Association, and the Ontario Water Works Association. Ms. Kodousek participates and volunteers on a number of committees including the Canadian Water and Wastewater Association and the Canadian Water Network Canadian Municipal Water Consortium. Ms. Kodousek also holds certification as a level IV operator in water treatment, water distribution, wastewater collection and wastewater treatment.

## Wayne Manley

*Consultant*

**Member since:** October 12, 2004

**Current term:** August 20, 2013–June 13, 2014

Mr. Manley has been involved in drinking water operator certification and training since the early 1980s. Over the past 20 years, Mr. Manley has delivered training to drinking water operators, including First Nations systems' operators, across Ontario.

Mr. Manley has more than 30 years of experience in municipal drinking water treatment. He was previously the Superintendent of the City of Peterborough's water treatment plant.

## Delbert (Deb) Shewfelt

**Member since:** April 10, 2013

**Current term:** April 10, 2013–April 9, 2015

Mr. Shewfelt served on Goderich Town Council as Councillor, Reeve and Mayor for more than 28 years, 22 of those years as Mayor.

Mr. Shewfelt also served as a Huron County Councillor for four years in the 1970s and from 2000 to 2014, and is a Past Warden of Huron County (2008). Prior to his recent position as Mayor of Goderich, Mr. Shewfelt worked as a real estate broker and land developer.

# The Centre offered 25 hands-on courses

Mr. Shewfelt has served on several boards and committees, including the Mayor's Committee of the Lake Huron Southeast Shores Initiative, Great Lakes and St. Lawrence Cities Initiative, Maitland Valley Conservation Authority (Chair) and the Joint Management Committee of the Ausable Bayfield Maitland Valley Source Protection Region.

Mr. Shewfelt served on the Advisory Panel of the Ontario Drinking Water Standard of Care

Committee and is a Past Chair of the Ontario Municipal Water Association.

Mr. Shewfelt received the Queen Elizabeth II Silver Jubilee Medal in 1977 and the Queen Elizabeth II Diamond Jubilee Medal in 2012 for a lifetime of dedication to municipal service and environmental protection.

**Participants work on the Ultrafiltration Membranes module in the Technology Demonstration Facility during the fourth annual Maintenancefest.**



# 122 postsecondary students participated in hands-on training at the Technology Demonstration Facility

## Laura Smit

*Utilities Supervisor, Township of Severn*

**Member since:** February 18, 2015

**Current term:** February 18, 2015–  
February 17, 2017

Ms. Smit has dedicated more than 12 years to operating and maintaining water and wastewater systems. Born and raised in Orillia, Ms. Smit began working with the Township of Severn in 2001.

Having accepted a position as Wastewater Plant Manager, Ms. Smit moved to Jasper, Alberta and served in this position for just over a year. She returned to the Township of Severn in 2008 and is now the Utilities Supervisor.

## Stephen Spitzig, CPA, CMA

**Member since:** October 12, 2004

**Current term:** November 5, 2014–  
November 4, 2016

Mr. Spitzig has 30 years of accounting experience and received his Chartered Professional Accountant designation in 2014. He received his Certified Management Accountant designation from the Society of Management Accountants of Ontario in 1999. Mr. Spitzig also has an Honours Bachelor of Business Administration degree from Wilfrid Laurier University.

Born and raised in the town of Chepstow, Ontario, Mr. Spitzig has strong ties to the Walkerton area.

## Susan Todd

*Dean, School of Science and Engineering Technology, Durham College*

**Member Since:** September 15, 2010

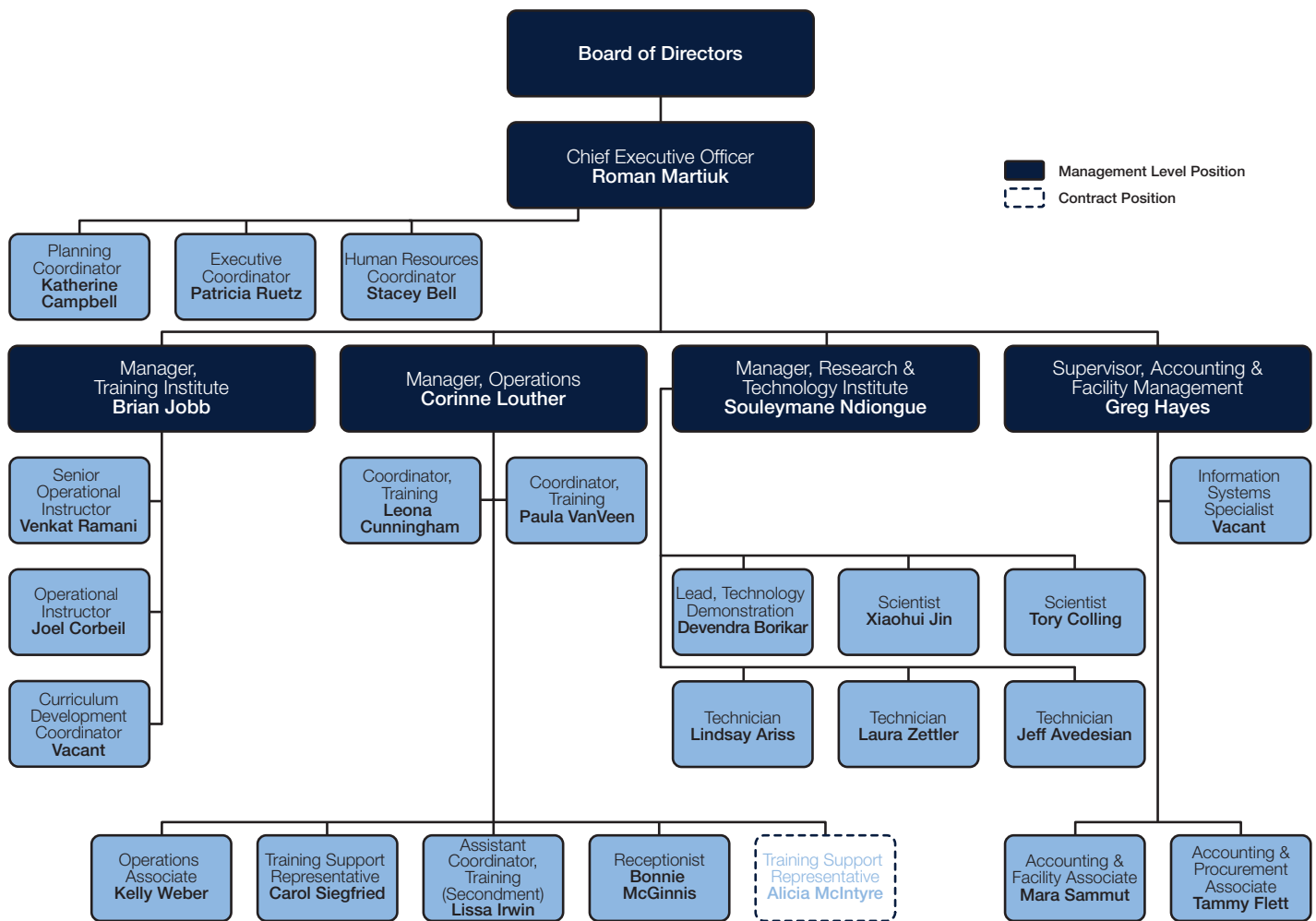
**Current term:** October 31, 2014–  
October 30, 2016

Ms. Todd has been involved in postsecondary education for 22 years and is currently Dean of the School of Science and Engineering Technology at Durham College in Oshawa, Ontario. Ms. Todd works with program advisory members, industrial partners, faculty, and students to ensure that the college's programs are current and innovative.

Prior to her role as Dean, Ms. Todd taught courses in chemistry, biology and mathematics at the postsecondary level and developed eight new programs for Durham College, including the Water Quality Technician program.

Ms. Todd has past experience with both private industry and the federal government.

# ORGANIZATIONAL CHART



As of March 31, 2015

# GOALS AND STRATEGIC DIRECTIONS

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The Centre's business plan outlines its direction for the future, making the best use of resources to deliver on its goals. This annual report describes the Centre's progress toward reaching these goals, including:

1. Meeting the needs of drinking water professionals by delivering a comprehensive range of the highest quality training across the province.
2. Increasing the reach of the Technology Demonstration Facility and using the facility as a platform for hands-on training.
3. Assessing research gaps and needs, advising the Ministry on research priorities and responding to the resulting direction from the Minister. Sponsoring research that contributes directly to the Centre's mandate and using research results to improve training and provide information to owners, operators and operating authorities of drinking water systems.



# SUMMARY OF PERFORMANCE FOR 2014–15 ACTIVITIES

Initiative	Description	Performance Indicator	Status	Comments
Training	Meet the needs of drinking water professionals by delivering a comprehensive range of the highest quality training across the province.	<b>Number of training participants</b> The Centre's 2014–15 business plan set a target to provide training to 7,500 participants.	Not achieved	The Centre set a target to train 7,500 participants during 2014–15 compared to the 5,488 trained during 2013–14. Although great strides were made, the Centre fell short of the target, training 7,221 participants during 2014–15. One contributing factor is that there were fewer registrants than anticipated in specialized courses. The Centre is investigating the reasons why the number of participants was lower than projected. It is expected that increased interest in the course, Standard of Care — Safe Drinking Water Act, will contribute to an increase in total training participants during 2015–16. This course was revised in fall 2014, resulting in renewed demand from municipal officials.
		<b>Evaluation of training quality</b> Maintain a quality assurance index of >0.85. The quality assurance index is an evaluation of training quality.	Achieved	The quality assurance index for 2014–15 was 0.932. The maximum score is 1.0.
		<b>Number of hands-on courses</b> Offer 25 hands-on courses.	Achieved	The Centre offered 25 hands-on courses during 2014–15.
Technology Demonstration	Increase the reach of the Technology Demonstration Facility and use the facility as a platform for hands-on training.	<b>Tours of the Technology Demonstration Facility</b> Increase the number of individuals who tour the Technology Demonstration Facility by five per cent. Approximately 413 individuals were provided with tours during 2013–14.	Achieved	The Centre provided tours of the Technology Demonstration Facility to 548 individuals during 2014–15, an increase of approximately 33 per cent over 2013–14. Tour participants see examples of the various drinking water treatment and distribution technologies used in Ontario and learn about the equipment and operational requirements necessary to ensure that drinking water is safe.
Research	Assess research gaps and needs, advise the Ministry on research priorities and respond to the resulting direction from the Minister. Sponsor research that contributes directly to the Centre's mandate and use research results to improve training and provide information to owners, operators and operating authorities of drinking water systems.	<b>Number of publications</b> Produce 10 publications of Centre-supported research projects, including internal research reports, peer-reviewed publications and external presentations by the Centre, to share information with the owners, operators and operating authorities of drinking water systems.	Achieved	The Centre produced 11 research publications and three fact sheets during 2014–15 to share information with owners, operators and operating authorities of drinking water systems.

# GOAL 1

Meet the needs of drinking water professionals by delivering a comprehensive range of the highest quality training across the province.

## Training Statistics

Since its inception, the Centre has provided training to 55,806 participants. The total number of training participants was 7,221 in 2014–15, an increase of approximately 31 per cent from the 5,488 participants trained during 2013–14. The table on page 20 illustrates the number of participants in all of the Centre’s training initiatives.

A number of factors contribute to the high-quality training that the Centre provides, including the instructors. Centre instructors are required to pass a two-day train-the-trainer workshop that includes a practical evaluation of their ability to deliver training. To ensure the needs of drinking water operators are met, the Centre develops new courses based on input received from consultation with training participants, review of industry standards, and recommendations from the Centre’s Training Advisory Committee.

The Training Advisory Committee acts as a driver for continual improvement of the training program by reviewing the annual training plan and providing recommendations on how the Centre can best meet the training needs of Ontario’s drinking water sector. The committee is made up of Centre staff and a broad cross-section of water sector specialists who participate voluntarily.

The Centre set a target to train 7,500 participants during 2014–15. Although great strides were made, the Centre fell short of the target, training 7,221 participants during 2014–15. One contributing factor is that there were fewer registrants than anticipated in specialized courses. The Centre is investigating the reasons why the number of participants was lower than projected. The course, Standard of Care — Safe drinking Water Act, was revised in fall 2014, resulting in increased demand from newly elected municipal officials. It is expected that renewed interest in this course will increase total training participants during 2015–16.

**93 per cent of survey respondents rated their training as good or excellent**

Participants work on an exercise during the Maintenance of Valves module at the fourth annual Maintenancefest at the Centre.



Participants work on a hands-on exercise during the Small System Filters module at the Small Systems Workshop held in North Bay.



## Quality Assurance Program

The Centre is committed to excellence and continuous improvement of its training. The Centre maintains a quality assurance index to measure the satisfaction of training participants and the effectiveness of training. The quality assurance index for 2014–15 was 0.932 out of a possible 1.0, an increase over the 2013–14 index of 0.922. For all courses combined, 93.2 per cent of survey respondents provided an overall course rating of good or excellent. The following measurements contribute to the quality assurance index:

- participant evaluations consisting of ratings for instructor, course content and overall course
- post-training participant evaluations that include questions similar to those on the initial participant evaluation forms
- course audits conducted by Centre staff to provide additional information on course content and instructors

## Hands-on Training

During 2014–15, the Centre met the target with 25 hands-on courses offered. Hands-on training is popular with participants and very effective because of its interactive nature.

## Mandatory Training

The Centre administers and delivers the Ministry's three mandatory courses: Entry-Level Drinking Water Operator; Operation of Small Drinking Water Systems; and Diligence in Drinking Water Operations.

In cooperation with the Ministry, the Centre developed the Diligence in Drinking Water Operations mandatory certificate renewal course, which was launched on January 1, 2015 and replaced the Treating and Distributing Safe Drinking Water course. As well, a review/revision of the course, Entry-Level Drinking Water Operator, was initiated to ensure that content is current and to improve the flow and delivery of the course. Revisions will be completed during 2015–16.

## Specialized Courses

The Centre continued to develop and deliver specialized courses and events throughout 2014–15, including Maintenancefest. Maintenancefest is a unique training experience, offering a variety of hands-on training modules led by drinking water experts. Regional Maintenancefest events were delivered in Vaughan and Thunder Bay and the fourth annual Maintenancefest was held during August 2014.

The Centre, the Ministry, the Municipal Water and Wastewater Regulatory Committee — a free forum for employees of system owners and operating authorities to discuss compliance with respect to water and wastewater systems — and the accreditation bodies, SAI Global and NSF International Strategic Registrations delivered Drinking Water Quality Management Standard workshops in Barrie, London, Smiths Falls, Thunder Bay and Timmins in April 2014, and in Orillia in March 2015. These workshops act as a follow-up to the existing Drinking Water Quality Management Standard course by providing participants with an opportunity to gain insight from each other and invited experts. The workshops provided information on best practices related to internal auditing, external audits, continual improvement and integrating the drinking water quality management standard into day-to-day operations.

The Centre also offered the seminar, Ensuring Safe Drinking Water: Learning from Frontline Experience with Contamination, in London and Peterborough during 2014–15. These seminars were presented by Dr. Steve Hruddy and analyzed numerous failures at water systems around the

world. Participants were challenged to view these disasters from the perspective of their operations and gain valuable insights on preventing similar problems.

## Standard of Care Training

During 2014–15, the Centre was involved in the update of the materials for the course, Standard of Care — Safe Drinking Water Act. This course helps municipal officials, councillors and decision-makers understand their obligations under the Safe Drinking Water Act, 2002. The Centre delivered the course to 679 participants over the course of the year.

## Small Systems Training

Two Small Systems Workshops, geared especially to the owners and operators of small drinking water systems, were offered in Walkerton and North Bay during October 2014. These events allowed participants to cycle through three training modules of their choice, focussed on operating and maintaining small drinking water systems. The Centre also continued to deliver the course, Practical Training for Small Drinking Water System Owners and Operators, to small systems regulated under Ontario Regulation 170/03, made under the Safe Drinking Water Act, 2002, or Ontario Regulation 319/08, made under the Health Protection and Promotion Act. During 2014–15, the Centre also added, to its website, a small drinking water systems zone that includes information on training requirements, fact sheets and free training materials of particular interest to owners and operators of small drinking water systems.

# TABLE 1: TRAINING STATISTICS\*

Course	Number Trained 2012-13	Number Trained 2013-14	Number Trained 2014-15	Three-year Cumulative Total
Entry-Level Drinking Water Operator	307	248	330	885
Treating and Distributing Safe Drinking Water (classroom)	1,940	937	698	3,575
Treating and Distributing Safe Drinking Water (correspondence)	211	255	176	642
Diligence in Drinking Water Operations (classroom)	– **	– **	868	868
Diligence in Drinking Water Operations (correspondence)	– **	– **	140	140
Operation of Small Drinking Water Systems (correspondence)	1,113	1,016	907	3,036
Operation of Small Drinking Water Systems (online)	462	433	527	1,422
Operation of Small Drinking Water Systems (classroom)	27	22	39	88
<b>SUBTOTAL: MANDATORY COURSES</b>	<b>4,060</b>	<b>2,911</b>	<b>3,685</b>	<b>10,656</b>
Specialized courses	2,288	1,895	2,386	6,569
Standard of Care – Safe Drinking Water Act	625	170	679	1,474
Municipal Drinking Water Licensing Program (classroom)	185	151	159	495
Northern Centre for Advanced Technology courses (online health and safety courses)	361	361	312	1,034
<b>TOTAL</b>	<b>7,519</b>	<b>5,488</b>	<b>7,221</b>	<b>20,228</b>

\* Since its inception in 2004, the Centre has provided training to 55,806 participants.

\*\* This table illustrates the transition from the mandatory certificate renewal course, Treating and Distributing Safe Drinking Water, to Diligence in Drinking Water Operations, which the Centre launched on January 1, 2015. Operators require the mandatory courses to obtain or retain their certification.

# GOAL 2

Increase the reach of the Technology Demonstration Facility and use the facility as a platform for hands-on training.

## Tours of the Technology Demonstration Facility

The Centre's Technology Demonstration Facility is a resource regarding the variety of drinking water treatment and distribution technologies available. Tours provide participants with information about the equipment and operational requirements necessary to ensure that drinking water is safe. During 2014–15, the Centre provided tours of the Technology Demonstration Facility to 548 individuals, including participants in hands-on training courses held at the Centre. This is an increase of approximately 33 per cent from 2013–14 and exceeds the target of a five per cent increase.

The Centre also offered customized visits to the Technology Demonstration Facility. In July 2014, the Centre worked with RES'EAU WaterNET research network, the Saugeen First Nation and the Chippewas of Nawash Unceded First Nation to deliver a workshop focussing on the importance of water quality to youths aged 13 to 18. The workshop included presentations, guest speakers and hands-on activities. The Centre also supported Ontario colleges by providing unique hands-on training to 83 postsecondary students enrolled in Ontario colleges that deliver the Ministry's mandatory Entry-Level Drinking Water Operator course as part of their curriculum. The Centre delivered hands-on training in the Technology Demonstration Facility to a total of 122 postsecondary students during 2014–15.

Students from Mohawk College of Applied Arts and Technology work on a training activity in the Technology Demonstration Facility.



# GOAL 3

Assess research gaps and needs, advise the Ministry on research priorities and respond to the resulting direction from the Minister. Sponsor research that contributes directly to the Centre's mandate and use research results to improve training and provide information to owners, operators and operating authorities of drinking water systems.

## Research Publications

During 2014–15, the Centre produced 11 research publications, including peer-reviewed publications and external presentations, exceeding the target of 10 publications. The publications address information gaps identified, evaluated and prioritized by the Centre's Research Advisory Committee. The Research Advisory Committee is made up of Centre staff and individuals who participate voluntarily to provide expertise in water research. An outline of each publication follows:

- Destruction of Cyanotoxins by Chemical Oxidation Treatment Processes. This paper was presented at the Ontario Water Works Association/Ontario Municipal Water Association Joint Annual Conference and Ontario Water Works Equipment Association Trade Show in London, Ontario in May 2014. Xiaohui Jin, a Scientist at the Centre, received the second place Ontario Water Works Association Young Professional Fresh Ideas Award for this presentation, which was co-authored by Victoria Colling, Sigrid Peldszus (University of Waterloo), and Souleymane Ndiongue.
- Evaluation and Comparison of Conventional and Advanced Oxidation Processes for the Removal of PPCPs and EDCs and Their Effect on THM-Formation Potentials. *Ozone: Science & Engineering* published this paper in Volume 37, Issue 2, 2015.
- Evaluations of Conventional, Ozone and UV/H<sub>2</sub>O<sub>2</sub> for Removal of Emerging Contaminants and THM-FPs. *Water Quality Research Journal of Canada* published this paper in Volume 50, Issue 2, 2015.
- Fouling of Low-Pressure Membrane During Drinking Water Treatment: Effect of NOM Components and Biofiltration Pretreatment. *Water Science & Technology: Water Supply* published this paper in Volume 14, Issue 3, 2014.
- Indicators of Filter Ripening for Slow Sand Filters. The Centre presented this paper at the 16<sup>th</sup> Canadian National Conference on Drinking Water in Gatineau, Quebec in October 2014.

The Centre produced 11 external presentations and peer-reviewed research publications





## Participants at the seminar, Ensuring Safe Drinking Water: Learning from Frontline Experience with Contamination, listen to the presentation.

- Monitoring Cyanobacteria and Cyanotoxins in Two Inland Lakes. This presentation was made at the Education Day for Lake Rosalind and Marl Lake property owners in May 2014. The Centre hosted this event to provide information and education to local residents. Invited speakers discussed topics including source water protection, shoreline restoration, and well maintenance, sampling and monitoring.
- Our Research Approach and Success. This presentation was made at Centennial College's Annual E3 Symposium in Toronto, Ontario in May 2014.
- Removal of Emerging Contaminants and Reduction of Existing Challenges using Ozone and Advanced Oxidation Processes with Conventional Treatments. This paper was presented at the International Ozone Association Pan American Group Annual Conference and Exposition in Montreal, Quebec in August 2014.
- Removal of Manganese and Iron from a GUDI Source, Reduction of Organics and Evaluation of "Alternate" Filter Media from a Small Drinking Water System's Perspective. This paper was presented at the Ontario Water Works Association/Ontario Municipal Water Association Joint Annual Conference and Ontario Water Works Equipment Association Trade Show in London, Ontario in May 2014.
- Removal of Taste and Odour Compounds and Cyanotoxins by Oxidation Treatment. The Centre presented this paper at the Northwestern Ontario Water and Wastewater Conference in Thunder Bay, Ontario in October 2014.
- Small Drinking Water Systems Technology Assessment of Microcystin-LR Removal. This paper was presented at the 16<sup>th</sup> Canadian National Conference on Drinking Water in Gatineau, Quebec in October 2014.

The Centre also produced three fact sheets for owners, operators and operating authorities of Ontario's drinking water systems. These fact sheets covered the following topics: application of continuous particle monitoring technologies; nominal vs. absolute filter ratings of small system filters; and quantitative microbial risk assessment.

## Ongoing Pilot Projects

The Research Advisory Committee identified, evaluated and prioritized gaps in drinking water research and reviewed the Centre's annual research plan. Ongoing pilot projects include:

- **Slow Sand Filtration:** This pilot testing project examined the formation of the biological active layer within the slow sand filter under cold and warm water conditions. Information collected will help define indicators of effective filter ripening. As an in-kind contribution to the researchers at the University of Waterloo, the Centre provided water and filter media samples to further study the biological process.
- **Small Systems and Point-of-Use/Point-of-Entry Technology Assessment:** This pilot testing project studied the effectiveness of typical small drinking water treatment technologies on the removal of cyanobacteria (blue-green algae) and cyanotoxins.

## Sponsored Research

The following research projects, which were awarded Centre grants in previous years, were ongoing during 2014–15:

- **Natural Sciences and Engineering Research Council of Canada Industrial Research Chair in Water Treatment at the University of Waterloo.** The Centre is supporting a research theme related to developing strategies to deal with cyanotoxins.
- **RES'EAU WaterNET research network.** RES'EAU WaterNET research network is a Canadian cross-disciplinary strategic research network devoted to developing innovative and affordable solutions for small, rural and First Nations water systems. The project research themes are: innovative and integrated treatment processes; water health assessment and modeling; and governance, risk management and compliance. As part of this project, 18 network students visited the Centre and received specialized training on water quality assessment and conventional and emerging water treatment approaches.

**548 individuals toured the Technology Demonstration Facility**

Participants from the RES'EAU WaterNET research network work on an activity in the Centre's laboratory.





A participant at the regional Maintenancefest event, held in Vaughan, works with a Centre instructor during the Leak Detection Technology and Application module.

# ADHERENCE TO GOVERNANCE, ACCOUNTABILITY AND OPERATIONS FRAMEWORKS

## The Mission

The mission of the Centre is to safeguard drinking water for the people of Ontario as the leading centre for high-quality training, applied research and technology demonstration, in accordance with the following:

- all applicable acts and regulations, including Ontario Regulation 304/04 made under the Development Corporations Act
- the Memorandum of Understanding between the Minister and the Centre
- applicable Management Board of Cabinet directives
- the Centre's bylaw and policies
- other elements of an effective governance and accountability framework

## The Approach

The Centre is aware of the parameters of its governance structure, which is vital to its operations. Equally important is the Centre's accountability to stakeholder groups and the people of Ontario. During 2014–15, the Centre developed a new three-year business plan and prepared its annual report in an accurate and timely manner in accordance with the Agencies & Appointments Directive.

## Accessibility Standards

The Centre continues to meet the requirements of Ontario Regulation 429/07, Accessibility Standards for Customer Service, made under the Accessibility for Ontarians with Disabilities Act, 2005. The Centre is a member of the Ministry's Accessibility Planning Working Group.

## Continuity of Operations Plan

The Centre is a member of the Ministry's Continuity of Operations Planning Divisional Committee. The Centre's Continuity of Operations Plan Committee actively works to identify and manage risks and ensure that a Continuity of Operations Plan is prepared and submitted to the Ministry based on a scheduled deadline.

## French Language Services Act

The Centre reports to the Office of Francophone Affairs when it enters into agreements with third parties who provide services to the public on its behalf.

# LOOKING FORWARD

The Centre is committed to meeting the training needs of the owners, operators and operating authorities of Ontario's drinking water systems, as well as municipal councillors and decision-makers. The Centre will continue to make the best use of resources to fulfill its mission and deliver on its objects. Ongoing and future initiatives include:

- Delivering drinking water education and training to owners, operators and operating authorities of drinking water systems.
- Upholding training quality standards through the quality assurance program and maintaining a quality assurance index of greater than 0.85. A maximum score of 1.0 would indicate that 100 per cent of respondents rated the overall course, instructor and course content as good or excellent.
- Increasing the number of hands-on courses offered.
- Developing and circulating a survey to determine the Centre's effectiveness in meeting the training needs of drinking water professionals.
- Exploring new training formats, including e-learning, to ensure customer satisfaction.
- Increasing the number of individuals who visit the Technology Demonstration Facility for tours.
- Disseminating information by producing publications of Centre-supported research projects, including fact sheets, peer-reviewed publications and external presentations by Centre staff.
- Sponsoring research that contributes directly to the Centre's mandate.

In addition, during 2015, the Board of Directors will undertake an extensive high-level review of the Centre's business and will develop a new strategic plan. Completion and approval of the plan, as well as initiating implementation, is expected to occur during 2015–16. This undertaking may have an impact on both programs and metrics that will be reflected in the next annual report.

Participants work on a hands-on activity during the Maintenance and Calibration of Chemical Pumps module at the fourth annual Maintenancefest at the Centre.



Students from Durham College of Applied Arts and Technology work on a hands-on training activity in the Technology Demonstration Facility.



# MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

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Senior management and the Board of Directors are responsible for the financial performance of the Centre. The Board of Directors reviews and approves the financial statements and all information presented in this annual report. The Board of Directors is also responsible for ensuring there is an annual external audit of the Centre's accounts and financial transactions. The annual audit is subject to review by the Auditor General of Ontario.

## Finance and Audit Committee's Responsibilities

The Board of Directors Finance and Audit Committee receives and reviews the Centre's quarterly financial reports. The Total and Departmental Income Statement reports provide complete revenue and expenditure variances, which the Centre's management team reviews.

The Finance and Audit Committee also plays a number of important roles in the audit process, including:

- meeting with the Centre's management team and external auditor to review any issues that need to be identified in the upcoming audit
- reviewing the external auditor's evaluation of internal controls with management
- reviewing the completed reports issued by the external auditor
- reviewing management's response and subsequent follow-up to any identified weaknesses

## External Audit

BDO Canada LLP audited the Centre's 2014–15 financial statements. The chartered accountant's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with public sector accounting standards. The auditor's report outlines the scope of the firm's examination and opinion.

## Financial Discussion

### Revenue

The Centre continues to recover costs through training course registration fees. During 2014–15, the Centre generated revenues of \$1.85M in course registration fees, a 25 per cent increase from 2013–14 fees revenue of \$1.48M. This is due to the increase in the overall number of training participants. The Centre also received a transfer payment from the Government of Ontario of \$1M during 2014–15.

### Expenditures

The Centre's internal controls continue to effectively monitor overall expenditures. Total expenditures decreased by approximately five per cent from 2013–14 to 2014–15, due in part to the impact of an internal reorganization on salaries and benefits. Rent expenses also decreased as a result of a retroactive rent adjustment during 2014–15. The decrease in total expenditures reflects continued controls regarding travel, conference attendance and communications.

### Balance Sheet

The Centre continues to be in a strong financial position with \$6.2M in cash and GIC investments. The March 31, 2015 net asset balance of \$7.3M will enable the Centre to contribute to drinking water training and pilot testing in Ontario.

# INDEPENDENT AUDITOR'S REPORT

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Tel: 519 881 1211  
Fax: 519 881 3530

www.bdo.ca

BDO Canada LLP  
121 Jackson Street  
PO Box 760  
Walkerton ON N0G 2V0 Canada

## To the Members of Walkerton Clean Water Centre

We have audited the accompanying financial statements of the Walkerton Clean Water Centre, which comprise the statement of financial position as at March 31, 2015 and the statements of changes in net assets, operations and cash flows 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 for government not-for-profit organizations, 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.

## Auditor's 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 the 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 auditor's 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, the auditor considers 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 Walkerton Clean Water Centre as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

"BDO CANADA LLP"

Chartered Professional Accountants,  
Licensed Public Accountants  
Walkerton, Ontario  
June 12, 2015

## Statement of Financial Position

March 31	2015	2014
<b>Assets</b>		
Current		
Cash	\$3,124,762	\$2,303,763
Current portion of investments (Note 3)	3,062,637	5,179,480
Accounts receivable	184,543	106,009
Prepaid expenses	56,662	52,821
	<b>6,428,604</b>	7,642,073
Capital assets (Note 4)	952,342	1,169,300
Other assets (Note 5)	580,207	571,657
	<b>\$7,961,153</b>	\$9,383,030
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable and accrued liabilities	\$349,613	\$249,002
Deferred revenue	302,958	296,073
	<b>652,571</b>	545,075
Commitments (Note 9)		
<b>Net Assets</b>	<b>7,308,582</b>	8,837,955
	<b>\$7,961,153</b>	\$9,383,030

On behalf of the Board:



Director



Director

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

## Statement of Changes in Net Assets

For the year ended March 31	2015 Total	2014 Total
Balance, beginning of year	<b>\$8,837,955</b>	\$11,893,709
Deficiency of revenue over expenses for the year	<b>(1,529,373)</b>	(3,055,754)
<b>Balance, end of year</b>	<b>\$7,308,582</b>	\$8,837,955

## Statement of Operations

For the year ended March 31	2015	2014
Revenue (Page 36)	<b>\$2,845,413</b>	\$1,478,115
Expenses (Page 36)	<b>4,455,980</b>	4,705,242
Deficiency of revenue over expenses before other interest and other income	<b>(1,610,567)</b>	(3,227,127)
Interest and other income	<b>113,294</b>	190,253
Loss on disposal of capital assets and impairment of curriculum rights	<b>(32,100)</b>	(18,880)
Deficiency of revenue over expenses for the year	<b>\$(1,529,373)</b>	\$(3,055,754)

## Schedule of Revenue and Expenses

For the year ended March 31	2015	2014
<b>Revenue</b>		
Province of Ontario transfer payment (Note 6)	\$1,000,000	\$—
Training registrations	1,845,413	1,478,115
	<b>\$2,845,413</b>	<b>\$1,478,115</b>
<b>Expenses</b>		
Advertising and promotion	\$53,116	\$54,715
Amortization	240,415	289,227
Audit and legal	8,928	16,310
Bad debts	—	109
Bank charges	4,931	7,131
Conferences	21,106	29,691
Consulting services	57,155	30,125
Director fees	21,035	10,925
Employee benefits	419,782	462,203
Insurance	28,646	29,442
Minor capital expenditures	4,600	3,125
Office	156,478	156,042
Professional development	6,855	22,402
Property maintenance	—	702
Recruitment	31,146	1,591
Rent	364,423	571,775
Repairs and maintenance	38,882	24,533
Research projects	83,255	66,251
Salaries	1,852,936	2,081,097
Sponsorships	16,160	19,000
Subscriptions and memberships	21,521	17,371
Telephone	29,172	31,146
Training	818,993	570,968
Travel	54,932	64,529
Vehicle	25,121	32,141
Website and communications	96,392	112,691
	<b>\$4,455,980</b>	<b>\$4,705,242</b>

## Statement of Cash Flows

For the year ended March 31	2015	2014
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating</b>		
Deficiency of revenue over expenses	(1,529,373)	(3,055,754)
Items not involving cash:		
Amortization of capital assets	240,415	289,227
Loss on disposal of capital assets	32,100	–
Impairment of curriculum rights	–	18,880
Donated capital assets	(20,744)	–
	(1,277,602)	(2,747,647)
Changes in non-cash working capital balances (Note 8)	25,121	(335,503)
	(1,252,481)	(3,083,150)
<b>Investing</b>		
Purchase of investments and interest reinvested	(3,096,961)	(105,004)
Redemption of investments	5,213,804	2,006,205
	2,116,843	1,901,201
<b>Capital</b>		
Acquisition of capital assets	(37,158)	(69,953)
Proceeds on disposal of capital assets	2,345	–
Acquisition of curriculum rights	(8,550)	(12,252)
	(43,363)	(82,205)
Net increase (decrease) in cash during the year	820,999	(1,264,154)
Cash, beginning of year	2,303,763	3,567,917
Cash, end of year	\$3,124,762	\$2,303,763

# Notes to Financial Statements

March 31, 2015

## 1. Summary of Significant Accounting Policies

### Nature and Purpose of Organization

The Walkerton Clean Water Centre is an operational service agency of the Province of Ontario and was established on October 1, 2004 under the authority of The Development Corporation Act.

In accordance with the act, the Centre's objectives are to:

- a) Coordinate and deliver training for drinking water system owners, operators and operating authorities.
- b) Provide advice to the Minister of the Environment on high priority research to achieve safe drinking water.
- c) Sponsor drinking water research within the Centre's mandate.
- d) Make technical, scientific and regulatory information related to making safe drinking water more readily available including information about the statutory standard of care.

The Centre is exempt from Federal and Provincial income taxes.

### Basis of Presentation

The financial statements of the Centre have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board (PSAB for Government NPOs).

### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and guaranteed investment certificates with a duration of less than 90 days from the date of acquisition.

### Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at the estimated fair market value upon donation.

Amortization is based on the estimated useful life of the asset and is calculated with a half year provision as follows:

Computer equipment	33% declining balance
Computer software	50% declining balance
Leasehold improvements	20% declining balance
Office furniture and equipment	20% declining balance
Signs	20% declining balance
Technical equipment	20% declining balance
Vehicle	20% declining balance



# Notes to Financial Statements

March 31, 2015

## Other Assets

Curriculum rights are recorded at cost. Since they have an unlimited useful life, the rights have not been amortized. When an intangible asset no longer has any long term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Annually the curriculum rights are reviewed to determine the service potential.

## Revenue Recognition

Transfer payments are recognized when the amount is known and collectability is reasonably assured. Revenue from training registrations is recognized when payment is receivable and the course has been completed. Interest revenue is recognized as it is earned over the period of investment. Donation revenue is recognized once the Centre has possession of the goods donated.

## Financial Instruments

The Centre classifies its financial instruments as either fair value or amortized cost. The Centre's accounting policy for each category is as follows:

### Fair Value

The category includes cash and investments that are quoted in an active market. They are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

When a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

### Amortized Cost

This category includes accounts receivable, and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

## Use of Estimates

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Areas of key estimation include determination of the allowance for doubtful accounts, estimated useful life of capital assets, and impairment of curriculum rights.

## Notes to Financial Statements

March 31, 2015

### 2. Financial Instrument Classification

The following table provides cost and fair information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2015			2014
	Fair Value	Amortized Cost	Total	Total
Cash	3,124,762	–	\$3,124,762	\$2,303,763
Investments (Note 3)	3,062,637	–	3,062,637	5,179,480
Accounts receivable	–	184,543	184,543	106,009
Accounts payable	–	(349,613)	(349,613)	(249,002)
	6,187,399	(165,070)	6,022,329	\$7,340,250

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which their fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the latest bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes to Financial Statements

March 31, 2015

<b>March 31, 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash	\$3,124,762	\$ –	\$ –	\$3,124,762
Investments	3,062,637	–	–	3,062,637
<b>Total</b>	<b>\$6,187,399</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$6,187,399</b>
<b>March 31, 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash	\$2,303,763	\$ –	\$ –	\$2,303,763
Investments	5,179,480	–	–	5,179,480
<b>Total</b>	<b>\$7,483,243</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$7,483,243</b>

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2015 and March 31, 2014. There were also no transfers in or out of Level 3.

### 3. Investments

	<b>2015</b>	<b>2014</b>
Bank of Nova Scotia GIC	\$ –	\$4,156,690
Bank of Nova Scotia GIC	\$ –	1,022,790
Royal Bank of Canada GIC, 1.47%, due June 2015	<b>2,023,037</b>	–
RBC Investment Savings Account	<b>1,039,600</b>	–
	<b>3,062,637</b>	5,179,480
Less amounts due within one year included in current assets	<b>3,062,637</b>	5,179,480
	<b>\$ –</b>	<b>\$ –</b>

## Notes to Financial Statements

March 31, 2015

### 4. Capital Assets

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$135,404	\$119,296	\$128,407	\$113,085
Computer software	46,870	43,933	46,870	40,996
Leasehold improvements	50,205	33,512	47,715	29,650
Office furniture and equipment	350,611	259,102	348,593	236,477
Signs	51,041	37,645	51,041	34,296
Technical equipment	2,851,480	2,071,229	2,898,639	1,936,771
Vehicle	54,598	23,150	54,598	15,288
	<b>\$3,540,209</b>	<b>\$2,587,867</b>	<b>\$3,575,863</b>	<b>\$2,406,563</b>
Net book value		<b>\$952,342</b>		\$1,169,300

Included in capital assets are donated assets acquired during the year with a fair market value of \$20,744.

### 5. Other Assets

	2015	2014
Curriculum rights, at cost	\$580,207	\$571,657

During the year, curriculum rights were purchased in the amount of \$8,550 (2014 - \$12,252). Curriculum rights totaling \$NIL (2014 - \$18,880) for assets no longer in use have been removed from the cost base of the asset.

### 6. Transfer Payments

During the year, the Centre received \$1,000,000 (2014 - \$NIL) in transfer payments from the Province of Ontario.

### 7. Pension Plan

The Centre provides pension benefits for all its full-time employees through participation in the Public Service Pension Plan which is a multi-employer defined benefit pension plan administered by the Ontario Pension Board. This plan is accounted for as defined contribution plan, as the Centre has insufficient information to apply defined benefit accounting to the plan. The Centre's contribution related to the pension plan for the period was \$126,492 (2014 - \$141,702) and is included in employee benefits in the statement of revenue and expenditures.

## Notes to Financial Statements

March 31, 2015

### 8. Statement of Cash Flows

The change in non-cash working capital balances is made up as follows:

	2015	2014
Accounts receivable	\$(78,534)	\$81,030
Prepaid expenses	(3,841)	7,155
Accounts payable and accrued liabilities	100,611	(481,265)
Deferred revenue	6,885	57,577
	<b>\$25,121</b>	<b>\$(335,503)</b>

### 9. Commitments

Walkerton Clean Water Centre has entered into three vehicle operating leases and one equipment operating lease. These leases end in April, June and July of 2016 and October of 2018. Monthly payments are \$454, \$386, \$842 and \$111 respectively.

The minimum annual lease payments on the vehicles and equipment for the next four years are as follows:

2016	\$21,514
2017	\$5,467
2018	\$1,327
2019	\$774

The Centre is currently negotiating a long-term lease with the Ontario Realty Corporation. As of the report date, no contract has been agreed upon or signed. Proposed monthly payments are \$47,726 plus HST.

# Notes to Financial Statements

March 31, 2015

## 10. Financial Instrument Risk Management

### Credit Risk

Credit risk is the risk of financial loss to the Centre if a debtor fails to make payments of interest and principal when due. The Centre is exposed to this risk relating to its cash and accounts receivable. The Centre holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Walkerton Clean Water Centre cash accounts are insured up to \$100,000 (2014 - \$100,000).

The maximum exposure to investment credit risk is outlined in Note 2.

The Centre measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Centre's historical experience regarding collections.

The amounts outstanding at year end were as follows:

	Total	Current	31-61 days	61-90 days	90 + days
Trade receivables	\$129,304	\$104,748	\$12,880	\$3,000	\$8,676
Other	55,239	55,239	–	–	–
Gross receivables	184,543	159,987	12,880	3,000	8,676
Less: impairment allowances	–	–	–	–	–
Net receivables	\$184,543	\$159,987	\$12,880	\$3,000	\$8,676

### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk, and equity risk. The Centre is not exposed to significant currency risk or equity risk as it does not transact materially in foreign currency or hold significant equity financial instruments.

### Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Centre is exposed to this risk through its interest bearing investments.

### Liquidity Risk

Liquidity risk is the risk that the Centre will not be able to meet all cash outflow obligations as they come due. The Centre mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash-flow of financial liabilities):

	Within 6 months	6 months to 1 year	1-5 years	> 5 years
Accounts payable	\$349,613	\$ –	\$ –	\$ –

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.





Walkerton Clean Water Centre  
20 Ontario Road, P.O. Box 160  
Walkerton, ON N0G 2V0  
[WCWC.ca](http://WCWC.ca)