

**CATARAQUI REGION CONSERVATION AUTHORITY**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2020**

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## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS


The accompanying financial statements of the Cataraqui Region Conservation Authority (the "conservation authority") are the responsibility of the conservation authority's management and have been prepared in accordance with Canadian public sector accounting standards. The significant accounting policies are described in summary in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The conservation authority's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The board of directors meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by Secker Ross & Perry LLP, independent external auditors appointed by the board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the conservation authority's financial statements.

  
\_\_\_\_\_  
Kátrina Furlanetto, M.Env.Sc.  
General Manager

  
\_\_\_\_\_  
Cheryl Rider, CPA, CGA  
Supervisor, Finance

## INDEPENDENT AUDITOR'S REPORT

To the Directors of Cataraqi Region Conservation Authority

### Opinion

We have audited the accompanying financial statements of Cataraqi Region Conservation Authority which comprise the statement of financial position as at December 31, 2020 and the statements of operations and accumulated surplus, changes in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cataraqi Region Conservation Authority as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Cataraqi Region Conservation Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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

*Secker Ross & Perry<sup>LLP</sup>*

Chartered Professional Accountants  
Licensed Public Accountants  
Kingston, Ontario  
April 28, 2021

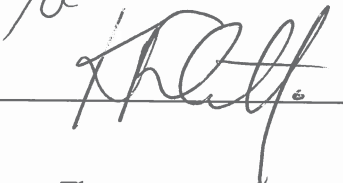
CATARAQUI REGION CONSERVATION AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
<b>Financial Assets</b>		
Cash	\$3,499,868	\$3,102,572
Cash held for Source Water Protection	30,390	55,747
Claims and other amounts recoverable	<u>86,520</u>	<u>98,009</u>
	<u>3,616,778</u>	<u>3,256,328</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	80,328	71,894
Deferred revenue - other	29,664	50,031
Deferred revenue – obligatory reserves (schedule D)	941,414	828,550
Termination and vacation pay	<u>76,936</u>	<u>234,355</u>
	<u>1,128,342</u>	<u>1,184,830</u>
<b>Net Financial Assets</b>	<u>2,488,436</u>	<u>2,071,498</u>
<b>Non-Financial Assets</b>		
Prepaid expense	2,704	16,889
Tangible capital assets - net (schedule A)	<u>11,017,922</u>	<u>11,318,647</u>
	<u>11,020,626</u>	<u>11,335,536</u>
<b>Accumulated Surplus (schedule B)</b>	<u>\$13,509,062</u>	<u>\$13,407,034</u>
<b>Commitments (note 12)</b>		

Approved on behalf of the Board

  
\_\_\_\_\_ Chair

  
\_\_\_\_\_ General Manager

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

# CATARAQUI REGION CONSERVATION AUTHORITY

## STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>			
Municipal grants	\$2,602,358	\$2,602,359	\$2,553,916
Authority generated (note 3)	1,497,881	1,259,954	1,467,545
Government transfers			
Federal	-	25,000	-
Provincial (note 10)	216,101	221,867	275,134
Projects	<u>15,640</u>	<u>10,000</u>	<u>38,168</u>
	<u>4,331,980</u>	<u>4,119,180</u>	<u>4,334,763</u>
<b>Expenses (note 4)</b>			
Corporate services	1,121,537	852,569	942,263
Watershed planning and engineering	835,547	730,666	663,757
Conservation areas	511,100	413,497	477,162
Amortization	540,000	487,545	541,450
Conservation lands	561,144	481,526	650,484
Watershed science	314,219	213,844	268,775
Corporate financing	344,100	348,738	211,052
Facilities	188,066	113,922	122,645
Projects	303,900	198,196	217,694
General manager's office	248,102	268,530	259,908
Fleet	108,450	71,405	87,503
Water control structures	46,200	34,267	41,238
Full authority board and executive	<u>10,200</u>	<u>9,215</u>	<u>12,368</u>
	<u>5,132,565</u>	<u>4,223,920</u>	<u>4,496,299</u>
<b>Deficiency of revenues over expenses before other items</b>	(800,585)	(104,740)	(161,536)
<b>Other income (expense)</b>			
Gain on disposal of assets	-	49,349	14,263
Change in termination and vacation pay	<u>-</u>	<u>157,419</u>	<u>(136,607)</u>
<b>Annual surplus (deficit)</b>	(800,585)	102,028	(283,880)
Accumulated surplus, beginning of year	<u>13,407,034</u>	<u>13,407,034</u>	<u>13,690,914</u>
<b>Accumulated surplus, end of year (schedule B)</b>	<u>\$12,606,449</u>	<u>\$13,509,062</u>	<u>\$13,407,034</u>

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

**CATARAQUI REGION CONSERVATION AUTHORITY**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
<b>Annual surplus (deficit)</b>	\$(800,585)	\$ 102,028	\$(283,880)
Acquisition of tangible capital assets, net	(314,500)	(186,820)	(168,122)
Amortization of tangible capital assets	540,000	487,545	541,450
Change in prepaids	<u>-</u>	<u>14,185</u>	<u>3,536</u>
<b>Increase (decrease) in net financial assets</b>	(575,085)	416,938	92,984
Net financial assets, beginning of year	<u>2,071,498</u>	<u>2,071,498</u>	<u>1,978,514</u>
<b>Net financial assets, end of year</b>	<u>\$1,496,413</u>	<u>\$2,488,436</u>	<u>\$2,071,498</u>

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



# CATARAQUI REGION CONSERVATION AUTHORITY

## STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
<b>Cash flow from (used in) operating activities</b>		
Annual surplus (deficit)	\$ 102,028	\$ (283,880)
Amortization which does not affect cash	487,545	541,450
Gain on sale of tangible capital assets	<u>(49,349)</u>	<u>(14,263)</u>
	540,224	243,307
Changes to financial assets and liabilities		
Claims and other amounts recoverable	11,489	(54,846)
Receivable from Cataraqui Conservation Foundation	-	13
Prepaid expense	14,185	3,536
Accounts payable and accrued liabilities	8,434	2,571
Deferred revenue - other	(20,367)	29,885
Deferred revenue – obligatory reserves	112,864	113,815
Termination and vacation pay	<u>(157,419)</u>	<u>136,607</u>
	<u>509,410</u>	<u>474,888</u>
<b>Cash flow from (used in) capital activities</b>		
Acquisition of tangible capital assets	(207,176)	(209,181)
Proceeds on sale of tangible capital assets	<u>69,705</u>	<u>55,322</u>
	<u>(137,471)</u>	<u>(153,859)</u>
<b>Net increase in cash</b>	371,939	321,029
<b>Cash at beginning of year</b>	<u>3,158,319</u>	<u>2,837,290</u>
<b>Cash at end of year</b>	<u>\$ 3,530,258</u>	<u>\$ 3,158,319</u>
<b>Represented by:</b>		
General	\$ 3,499,868	\$ 3,102,572
Source Water Protection	<u>30,390</u>	<u>55,747</u>
	<u>\$ 3,530,258</u>	<u>\$3,158,319</u>

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

# CATARAQUI REGION CONSERVATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

### 1. Organization

Cataraqui Region Conservation Authority was established under the Conservation Authorities Act of Ontario. The objectives of the conservation authority as stated in Section 20(1) of the Conservation Authorities Act R.S.O. 1990 are “to provide, in the area over which it has jurisdiction, programs and services designed to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals”. The conservation authority is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

### 2. Significant Accounting Policies

The financial statements of the conservation authority are prepared by management in accordance with generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the conservation authority are as follows:

#### (a) Basis of Accounting

The financial statements of the conservation authority have been prepared on the accrual basis of accounting, whereby revenues and expenses are reflected in the accounts in the year in which they have been earned or incurred respectively. The financial statements do not include the activities of the Cataraqui Conservation Foundation, a related incorporated registered charity.

#### (b) Tangible Capital Assets

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

Land improvements	30 years
Buildings	40 years
Bridges, dams and docks	10 to 40 years
Vehicles and machinery	10 to 15 years
Monitoring and recreational equipment	8 years
Furniture and fixtures	10 years
Information technology	5 years

The conservation authority generally has a capitalization threshold of \$5,000, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pools are desktop computer systems and furniture and fixtures.

# CATARAQUI REGION CONSERVATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2020

### 2. Significant Accounting Policies (continued)

(b) Tangible Capital Assets (continued)

Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

(c) Revenue Recognition

Government transfers and grants from member municipalities and funding for projects are recognized as revenue when the transfer is authorized, any eligible criteria has been met and the amount can be reasonably estimated. Authority generated funds, generally consisting of user fees, are recognized in the period in which the services are performed. Other restricted contributions received in advance of the related expenditure are deferred until the related expenditure is incurred.

(d) Deferred Revenue

The conservation authority receives certain amounts for which the related services have yet to be performed. Such amounts may consist of the following:

- grants from other levels of government to be directed towards specific projects or types of expenditures (e.g., source water protection);
- amounts received from member municipalities for the operation, maintenance or capital improvements for specific conservation areas and/or water control structures; and,
- amounts received from member municipalities or others which are to be directed towards specific projects or types of expenditures.

A number of the components of deferred revenue, sometimes referred to as obligatory reserves, are established and managed by the conservation authority in accordance with its Reserve Policy. This policy sets out the conservation authority's parameters for managing various funding envelopes, including those where management has been granted decision-making authority for the direction of funds within specific conservation areas or for specific water control structures.

Funds received for the purchase of tangible capital assets are recognized when the related asset is purchased.

(e) Reserves

The conservation authority may approve the establishment of reserve funds by making appropriations from accumulated operating surplus. All further increases or decreases to reserve funds are reflected as appropriations from or to accumulated operating surplus respectively. Imputed interest is added to reserve funds annually.

(f) Amount to be Funded in Future Years

The unfunded liability for vacation pay and termination benefits amounting to \$76,936 (\$234,355 for 2019) has been reported as a liability and the offsetting unfunded amount as an amount to be funded in future years, a component of accumulated surplus.

# CATARAQUI REGION CONSERVATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2020

### 2. Significant Accounting Policies (continued)

(g) Retirement Benefits and Other Employee Benefit Plans

The conservation authority is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The conservation authority has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The conservation authority records as an expense the amount paid to OMERS during the year.

(h) Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the conservation authority is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

(i) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Significant estimates include the amortization method and useful lives of tangible capital assets. Actual results could differ from those estimates.

### 3. Authority Generated Revenues

A breakdown of authority generated revenues is as follows:

	<u>2020</u>	<u>2019</u>
Student program fees	\$ 17,203	\$ 113,819
Planning and development review	319,684	235,039
Trees program	298,400	336,636
Conservation area revenue	74,411	104,219
Facility rentals	13,883	13,652
Outdoor centre	169,329	227,536
Equipment and vehicle rental recoveries	346,914	362,189
Other	<u>20,130</u>	<u>74,455</u>
	<u>\$1,259,954</u>	<u>\$1,467,545</u>

# CATARAQUI REGION CONSERVATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS (continued)

### YEAR ENDED DECEMBER 31, 2020

#### 4. Expenses by Object

A breakdown of expenses by object is as follows:

	<u>2020</u>	<u>2019</u>
Wages and benefits	\$2,138,930	\$2,346,790
Travel and vehicle	109,548	144,580
Materials and supplies	786,615	903,953
Computer supplies and IT support	50,195	39,425
Purchased services	374,099	252,616
Insurance, heat and utilities	191,878	182,416
Property taxes	39,212	37,962
Other	45,898	47,107
Amortization	<u>487,545</u>	<u>541,450</u>
	<u>\$4,223,920</u>	<u>\$4,496,299</u>

#### 5. Pension Agreement

The conservation authority's employees are members of the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer pension plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employee based on length of service and rates of pay. Because OMERS is a multi-employer pension plan, the conservation authority does not recognize any share of the pension plan deficit of \$3.2 billion (at December 31, 2020) based on the fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipalities and their employees. The amount contributed to OMERS for 2020 was \$171,918 (\$156,174 in 2019) for current service and is included as an expense in the statement of operations and accumulated surplus.

#### 6. Cataraqui Conservation Foundation

Contributions were received during the year from the Cataraqui Conservation Foundation in the amount of \$6,000 (\$6,000 in 2019).

#### 7. Bank Credit Facility

The conservation authority has an approved bank credit facility of \$750,000 of which none had been drawn as at December 31, 2020.

CATARAQUI REGION CONSERVATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2020

**8. Budget Figures**

The budget data presented in these financial statements is based upon the 2020 operating and projects budgets approved by the board. The reconciliation of the approved budget to the budget figures reported in these financial statements is listed below:

	<u>2020</u>	<u>2019</u>
Budget deficit for the year per approved budget	\$ -	\$ -
Less: Amortization	(540,000)	(540,000)
Add: Acquisition of tangible capital assets	314,500	103,500
Less: Net transfers (from) to reserves	<u>(575,085)</u>	<u>(816,037)</u>
Budget deficit per statement of operations and accumulated surplus	<u>\$(800,585)</u>	<u>\$(1,252,537)</u>

**9. Segmented Information**

The following is a breakdown of revenues and expenses by segment:

	<u>2020</u>			<u>2019</u>
	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>	<u>Net</u>
Watershed	\$1,172,887	\$ 838,039	\$334,848	\$ 11,747
Conservation lands	1,354,952	1,441,172	(86,220)	(152,405)
Fleet	133,119	22,056	111,063	87,347
General manager's office & FA Board	257,950	277,745	(19,795)	(121,091)
Corporate services	993,320	903,810	89,510	78,813
Corporate financing	209,555	348,738	(139,183)	(8,765)
Projects	<u>10,000</u>	<u>198,195</u>	<u>(188,195)</u>	<u>(179,526)</u>
	<u>\$4,131,783</u>	<u>\$4,029,755</u>	<u>\$ 102,028</u>	<u>\$(283,880)</u>

**10. Provincial Government Transfers**

The following is a breakdown of provincial government transfers:

	<u>2020</u>	<u>2019</u>
Section 39 – flood control	\$56,701	\$ 56,701
Source water protections	110,816	159,040
Dam maintenance and other	<u>54,350</u>	<u>59,393</u>
	<u>\$221,867</u>	<u>\$275,134</u>

# CATARAQUI REGION CONSERVATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2020

### 11. Risk Management

The conservation authority has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and interest rate risk. The Board ensures that the conservation authority has identified its risks and ensures that management monitors and controls them. The risks and management's responses to mitigate them have not changed significantly from 2019 and there are no significant changes expected in fiscal 2021.

#### (a) Credit Risk

The conservation authority is exposed to credit risk in the event of non-payment of a customer, related party or user. This risk is mitigated as most amounts receivable are from organizations with low credit risk.

It is management's opinion that the conservation authority is not exposed to significant credit risk associated with its cash deposits as they are held with a Canadian chartered bank.

Claims and other amounts recoverable at December 31, 2020 are largely current, with only 63% (2019 - 10%) of amounts owing being outstanding for longer than sixty days. None of the balances have been determined to be impaired. All amounts receivable from Cataraqui Conservation Foundation have been outstanding for less than thirty days.

Maturities of the trade receivables owing at December 31, 2020 are as follows:

Current	\$ 8,836
31 - 60 days	948
61 - 90 days	11,500
Greater than 90 days	<u>73</u>
	<u>\$21,357</u>

#### (b) Liquidity Risk

The conservation authority's exposure to liquidity risk is dependent on its ability to convert claims, municipal grants and amounts receivable to cash in order to meet financial liabilities.

The conservation authority manages liquidity risk by continually monitoring actual and forecasted cash flows from operations to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the conservation authority's reputation.

#### (c) Interest Rate Risk

The conservation authority is exposed to interest rate risk through its cash balance. It is management's opinion that the authority is not exposed to significant interest rate risk as changes in the interest rate applicable to cash balances would not be significant to the conservation authority's annual surplus (deficit).

# CATARAQUI REGION CONSERVATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS (continued)

### YEAR ENDED DECEMBER 31, 2020

#### 11. Risk Management (continued)

(d) Fair Values

The conservation authority does not hold any financial assets or liabilities that are required to be measured at fair market value and does not use derivatives of any kind in its risk management practices.

The carrying values of cash, claims and other amounts recoverable and accounts payable approximate their fair values due to the relatively short terms to maturity of these instruments.

#### 12. Commitments

- (a) The conservation authority entered into a shared services agreement with the Corporation of the County of Frontenac (the “County”) for the provision for information services. Under the arrangement, the conservation authority will become a full participant in the Frontenac Municipal Information System (“F.M.I.S”) with the four organizations already party to the system. The F.M.I.S provides strategic planning, project management, help desk support, network administration and procurement services to the participating organizations. The conservation authority will be responsible for annual contributions to F.M.I.S equal to \$109,000 for the first year of participation, declining to a contribution of \$90,000 in the fifth year of participation. These costs are in consideration of salaries, training and mileage for staff resources. In addition to this contribution, the conservation authority will be responsible for one third of the cost of hardware and software required to support one staff position at F.M.I.S. Amounts owing under the agreement will be billed to the conservation authority quarterly, with an annual reconciliation of costs incurred and amounts paid by January 31 of the following calendar year. The arrangement may be terminated by the conservation authority with eighteen months’ notice.
- (b) The conservation authority has entered into a memorandum of understanding (“MOU”) with the County for the development of a joint administrative building . This MOU permits the conservation authority to progress on the design of the facility, drafting of the construction/tender documents, generation of cost estimates and the development of a long-term lease document, but does not bind the conservation authority to proceed beyond the detailed design phase. It is intended that lease payments under the final lease agreement will include pre-construction costs, construction costs, furniture and operating costs associated with the facility.



# CATARAQUI REGION CONSERVATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2020

### 13. Effects of Pandemic

Since the commencement of the COVID-19 outbreak there have been significant disruptions to organizations throughout Canada and around the world, leading to a general economic slowdown.

The many pandemic protocols put in place by various national governments, provincial governments and local authorities continue to create uncertainty around future operations. It is not possible to reliably estimate the duration or severity of these consequences, or their impact on the financial position and results of operations for the conservation authority for future periods.

In order to mitigate the effects of the pandemic, the conservation authority has undertaken a number of efforts, including deferring or refining programming delivery, modifying systems to reduce contact between guests and staff, reducing operating costs and applying for eligible government emergency relief funding.

The conservation authority is following Public Health policy trends and decisions for the purposes of contingency planning for future programs.

### 14. Comparative Information

Some of the comparative figures have been reclassified to conform to the financial statement presentation adopted for 2020.

## CATARAQUI REGION CONSERVATION AUTHORITY

## SCHEDULE OF TANGIBLE CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 2020

	Land	Land Improvements	Buildings	Bridges Dams and Docks	Vehicles and Machinery	Monitoring and Recreational equipment	Furniture and Fixtures	Information Technology	2020	2019
<b>Cost</b>										
Balance, beginning of year	\$ 7,266,144	\$ 11,354,109	\$ 1,488,907	\$ 2,264,932	\$ 600,534	\$ 242,774	\$ 573,707	\$ 297,840	\$ 24,088,947	\$ 24,048,390
Additions during year		22,787	4,744	4,656	143,549	1,456	27,705	2,279	207,176	209,181
Less disposals during year	-	-	-	-	(86,357)	-	-	-	(86,357)	(168,624)
<b>Balance, end of year</b>	<u>7,266,144</u>	<u>11,376,896</u>	<u>1,493,651</u>	<u>2,269,588</u>	<u>657,726</u>	<u>244,230</u>	<u>601,412</u>	<u>300,119</u>	<u>24,209,766</u>	<u>24,088,947</u>
<b>Accumulated amortization</b>										
Balance, beginning of year	-	8,468,597	1,015,979	2,062,354	325,520	182,515	440,215	275,120	12,770,300	12,356,415
Amortization during year		327,560	28,062	24,334	48,316	11,809	35,958	11,506	487,545	541,450
Less accumulated amortization on disposals	-	-	-	-	(66,001)	-	-	-	(66,001)	(127,565)
Balance, end of year	-	<u>8,796,157</u>	<u>1,044,041</u>	<u>2,086,688</u>	<u>307,835</u>	<u>194,324</u>	<u>476,173</u>	<u>286,626</u>	<u>13,191,844</u>	<u>12,770,300</u>
<b>Net book value of tangible capital assets</b>	<u>\$ 7,266,144</u>	<u>\$ 2,580,739</u>	<u>\$ 449,610</u>	<u>\$ 182,900</u>	<u>\$ 349,891</u>	<u>\$ 49,906</u>	<u>\$ 125,239</u>	<u>\$ 13,493</u>	<u>\$ 11,017,922</u>	<u>\$ 11,318,647</u>

**CATARAQUI REGION CONSERVATION AUTHORITY**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**YEAR ENDED DECEMBER 31, 2020**

	Balance, Beginning of Year	Activity in Year	Transfers	Balance, End of Year
Surplus - investment in capital assets	\$11,318,647	\$(438,196)	\$137,471	\$11,017,922
Unfunded termination and vacation pay	(234,355)	157,419	-	(76,936)
Surplus - operating	(1,797)	382,805	(381,008)	-
Reserves (schedule C)	<u>2,324,539</u>	<u>-</u>	<u>243,537</u>	<u>2,568,076</u>
	<u>\$13,407,034</u>	<u>\$102,028</u>	<u>\$ -</u>	<u>\$13,509,06</u>

## SCHEDULE OF CONTINUITY OF DISCRETIONARY RESERVES

YEAR ENDED DECEMBER 31, 2020

	Balance Beginning of Year	Transfers to Reserve	Transfers from Reserve	Interest Earned	Ending Balance
<b>Corporate</b>					
Corporate Financing	\$ 338,301	\$ 6,150	\$(166,018)	\$ 2,018	\$ 180,451
Fleet (Equipment)	11,073	70,000	(73,850)	124	7,347
Fleet (Vehicles)	35,003	15,000	-	300	50,303
General	218,444	38,000	(119,911)	1,287	137,820
Data acquisition reserve	-	107,000	(13,147)	50	93,903
Information Technology	52,684	23,000	(2,238)	451	73,897
Stabilization	143,016	365,374	-	858	509,248
Trust	329,682	10,000	-	1,981	341,663
Trust-Mac Johnson Wildlife Area	41,366	1	-	248	41,615
<b>Conservation Lands</b>					
Boat Ramp and Water Access Point	5,884	1,300	-	43	7,227
Cataraqui Trail	38,908	6,500	(7,741)	246	37,913
Friends of the Cataraqui Trail	5,000	11,325	-	33	16,358
Conservation Areas	102,167	5,000	(29,984)	579	77,762
Facilities	533,664	65,000	(35,610)	3,241	566,295
Real Property	336,489	50	(56,282)	1,687	281,944
<b>Watershed Management</b>					
Forestry	68,662	16,998	-	470	86,130
Watershed Management	64,196	21,500	(27,867)	371	58,200
	<u>\$ 2,324,539</u>	<u>\$ 762,198</u>	<u>\$(532,648)</u>	<u>\$ 13,987</u>	<u>\$ 2,568,076</u>

## SCHEDULE OF CONTINUITY OF OBLIGATORY RESERVES

YEAR ENDED DECEMBER 31, 2020

	Balance Beginning of Year	Transfers to Reserve	Transfers from Reserve	Interest Earned	Ending Balance
<b>Corporate</b>					
Development Review Legal Funds	\$ 36,312	\$ -	\$ -	\$ 218	\$ 36,530
<b>Conservation Lands</b>					
Boat Ramp and Water Access Point	2,572	2,500	-	31	5,103
Cataraqui Trail Reserve	35,000	-	(3,090)	206	32,116
Lemoine Point Conservation Area	275,661	35,267	(20,566)	1,728	292,090
Lemoine Point Conservation Area Workshop	18,217	5,075	(707)	140	22,725
Lemoine Point Native Plant Nursery	37,605	-	(2,724)	225	35,106
Parrott's Bay Conservation Area	117,348	18,535	(2,350)	794	134,327
Owl Woods Conservation Area	7,226	527	-	46	7,799
<b>Water Control Structures</b>					
Sydenham Lake Dam	67,571	34,248	(3,022)	428	99,225
Wilton Road Dam	7,858	9,863	(2,167)	88	15,642
Highgate Creek Channelization	49,055	1,250	(6,549)	288	44,044
Little Cataraqui Creek Dam	25,480	8,516	(1,801)	185	32,380
Temperance Lake Dam	32,378	5,662	(1,801)	214	36,453
Marsh Bridge Dam	20,057	10,032	(1,801)	136	28,424
Fred Grant Dam	22,087	4,735	(1,801)	148	25,169
Broome-Runciman Dam	46,080	22,825	(1,801)	308	67,412
Buells Creek Detention Basin	11,866	5,712	(1,801)	94	15,871
Booth Falls Diversion	16,177	1,880	(7,155)	96	10,998
	<u>\$ 828,550</u>	<u>\$ 166,627</u>	<u>\$(59,136)</u>	<u>\$ 5,373</u>	<u>\$941,414</u>