

Financial Statements of

**CATARAQUI REGION CONSERVATION
AUTHORITY**

Year ended December 31, 2021

CATARAQUI REGION CONSERVATION AUTHORITY

Table of Contents

Year ended December 31, 2021

	Page
Management's Responsibility for the Financial Statements	
Independent Auditors' Report	
Financial Statements:	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Changes in Net Financial Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 14

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

The 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 KPMG LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Conservation Authority's financial statements.



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General Manager



Cheryl Rider, CPA, CGA, Dipl. M.A.
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INDEPENDENT AUDITORS' REPORT

To the Board of Cataraqui Region Conservation Authority

Opinion

We have audited the financial statements of Cataraqui Region Conservation Authority (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations, 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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.

Other Matter – Comparative Information

The financial statements as at and for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on April 28, 2021.



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 the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Page 3

- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
Kingston, Canada
March 23, 2022

CATARAQUI REGION CONSERVATION AUTHORITY


Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Financial assets:		
Cash	\$ 4,021,538	\$ 3,499,868
Cash held for Source Water Protection	45,670	30,390
Accounts receivable	195,446	72,134
Harmonized sales tax receivable	29,357	14,386
	<u>4,292,011</u>	<u>3,616,778</u>
Financial liabilities:		
Accounts payable and accrued liabilities	204,872	80,328
Deferred revenue - other	48,055	29,664
Deferred revenue (note 11)	932,046	941,414
Termination and vacation pay	61,015	76,936
Total liabilities	<u>1,245,988</u>	<u>1,128,342</u>
Net financial assets	3,046,023	2,488,436
Non-financial assets:		
Prepaid expenses	6,149	2,704
Tangible capital assets (note 2)	10,989,597	11,017,922
	<u>10,995,746</u>	<u>11,020,626</u>
Commitments (note 13)		
Accumulated surplus (note 10)	\$ 14,041,769	\$ 13,509,062

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

On behalf of the Board:

 Chairperson

_____ Chairperson

CATARAQUI REGION CONSERVATION AUTHORITY

Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

	Budget 2021	Actual 2021	Actual 2020
	(unaudited - note 8)		
Revenue:			
Municipal grants	\$ 2,671,744	\$ 2,671,744	\$ 2,602,359
Authority generated (note 3)	2,194,258	1,642,966	1,259,954
Government transfers:			
Federal	–	11,295	25,000
Provincial (note 12)	208,701	224,837	221,867
Projects	–	–	10,000
Total revenue	5,074,703	4,550,842	4,119,180
Expenses (note 4):			
Corporate services	1,406,400	857,583	852,569
Watershed planning and engineering	925,685	699,550	730,666
Conservation areas	542,420	451,254	413,497
Amortization	–	498,670	487,545
Conservation lands	911,910	593,602	481,526
Watershed science	319,850	263,893	213,844
Corporate financing	201,883	269,311	348,738
Facilities	206,500	123,218	113,922
Change in termination and vacation pay	–	(15,921)	(157,419)
Projects	–	95,578	198,196
General manager's office	324,600	272,512	268,530
Fleet	132,125	68,351	71,405
Water control structures	90,955	42,290	34,267
Full authority board and executive	12,375	8,244	9,215
Total expenses	5,074,703	4,228,135	4,066,501
Annual operating surplus	–	322,707	52,679
Revenue related to capital:			
Government transfers – Federal	–	100,000	–
Donation	–	110,000	–
Gain on disposal of assets	–	–	49,349
Total revenue related to capital	–	210,000	49,349
Annual surplus	–	532,707	102,028
Accumulated surplus, beginning of year	–	13,509,062	13,407,034
Accumulated surplus, end of year (note 10)	\$ –	\$ 14,041,769	\$ 13,509,062

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

CATARAQUI REGION CONSERVATION AUTHORITY

Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020
(In thousands of dollars)

	Budget 2021	Actual 2021	Actual 2020
	(unaudited - note 8)		
Annual surplus	\$ —	\$ 532,707	\$ 102,028
Purchase of tangible capital assets	—	(470,345)	(207,176)
Gain on sale of tangible capital assets	—	—	(49,349)
Proceeds on sale of tangible capital assets	—	—	69,705
Amortization of tangible capital assets	—	498,670	487,545
Change in prepaid expenses	—	(3,445)	14,185
	—	24,880	314,910
Increase in net financial assets	—	557,587	416,938
Net financial assets, beginning of year	—	2,488,436	2,071,498
Net financial assets, end of year	\$ —	\$ 3,046,023	\$ 2,488,436

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

CATARAQUI REGION CONSERVATION AUTHORITY

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used for):		
Operating activities:		
Annual surplus	\$ 532,707	\$ 102,028
Items not involving cash:		
Amortization of tangible capital assets	498,670	487,545
Gain on sale of tangible capital assets	–	(49,349)
Changes to financial assets and liabilities:		
Claims and other amounts recoverable	(138,283)	11,489
Prepaid expenses	(3,445)	14,185
Accounts payable and accrued liabilities	124,544	8,434
Deferred revenue – other	18,391	(20,367)
Deferred revenue – obligatory reserve	(9,368)	112,864
Termination and vacation pay	(15,921)	(157,419)
	<u>1,007,295</u>	<u>509,410</u>
Capital activities:		
Purchase of tangible capital assets	(470,345)	(207,176)
Proceeds on sale of tangible capital assets	–	69,705
	<u>(470,345)</u>	<u>(137,471)</u>
Increase in cash during the year	536,950	371,939
Cash, beginning of year	3,530,258	3,158,319
Cash, end of year	<u>\$ 4,067,208</u>	<u>\$ 3,530,258</u>
Represented by:		
General	\$ 4,021,538	\$ 3,499,868
Source Water Protection	45,670	30,390
	<u>\$ 4,067,208</u>	<u>\$ 3,530,258</u>

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

CATARAQUI REGION CONSERVATION AUTHORITY

Notes to Financial Statements

Year ended December 31, 2021

Cataraqui Region Conservation Authority (the “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.

1. 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) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) 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:

Asset	Useful Life - Years
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

CATARAQUI REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(b) Non-financial assets (continued):

(i) Tangible capital assets (continued):

Annual amortization is charged in the first year after acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time the costs are transferred to the appropriate asset category.

(ii) Contributions of tangible capital assets:

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

(iii) Impairment:

When conditions indicate that a tangible capital asset no longer contributes to the Conservation Authority's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Statement of Operations and Accumulated Surplus.

(c) Revenue recognition:

Government transfers and municipal grants 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 contributions pursuant to legislation, regulations or agreement that may only be used for certain programs or in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed.

(e) Reserves:

The Conservation Authority receives restricted contributions under the authority of provincial legislation and Municipal by-laws. These funds by their nature are restricted in their use, and until applied to applicable expenses, are recorded as deferred revenue. Amounts applied to qualifying costs are recorded as revenue in the fiscal period that they are expended.

CATARAQUI REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Amount to be funded in future years:

The unfunded liability for vacation pay and termination benefits amounting to \$61,015 (2020 - \$76,936) 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.

(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) Government transfers:

Government transfers are recognized as revenue or expenditures in the year that the events giving rise to the transfer occurred, provided the transfer is authorized, eligibility criteria, if any, have been met by the recipient, and a reasonable estimate of the amount can be made.

(j) Use of estimates:

The preparation of financial statements 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 expenses during the period. Actual results could differ from those estimates.

CATARAQUI REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Tangible capital assets:

Cost	Balance at December 31, 2020	Transfers and additions	Transfers, disposals and adjustments	Balance at December 31, 2021
Land	\$ 7,266,144	\$ –	\$ –	\$ 7,266,144
Land improvements	11,376,896	259,405	–	11,636,301
Buildings	1,493,651	7,867	–	1,501,518
Bridges, dams and docks	2,269,588	92,657	–	2,362,245
Vehicles and machinery	657,726	–	–	657,726
Monitoring and recreational equipment	244,230	–	–	244,230
Furniture and fixtures	601,412	48,574	–	649,986
Information technology	300,119	17,044	–	317,163
Work-in-progress	–	44,798	–	44,798
Total	\$ 24,209,766	\$ 470,345	\$ –	\$ 24,680,111

Accumulated amortization	Balance at December 31, 2020	Amortization expense	Transfers, disposals and adjustments	Balance at December 31, 2021
Land improvements	\$ 8,796,157	\$ 336,207	\$ –	\$ 9,132,364
Buildings	1,044,041	27,903	–	1,071,944
Bridges, dams and docks	2,086,688	26,064	–	2,112,752
Vehicles and machinery	307,835	48,316	–	356,151
Monitoring and recreational equipment	194,324	11,607	–	205,931
Furniture and fixtures	476,173	38,255	–	514,428
Information technology	286,626	10,318	–	296,944
Total	\$ 13,191,844	\$ 498,670	\$ –	\$ 13,690,514

	Net book value December 31, 2020	Net book value December 31, 2021
Land	\$ 7,266,144	\$ 7,266,144
Land improvements	2,580,739	2,503,937
Buildings	449,610	429,574
Bridges, dams and docks	182,900	249,493
Vehicles and machinery	349,891	301,575
Monitoring and recreational equipment	49,906	38,299
Furniture and fixtures	125,239	135,558
Information technology	13,493	20,219
Work-in-progress	–	44,798
Total	\$ 11,017,922	\$ 10,989,597

CATARAQUI REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Authority generated revenues:

A breakdown of authority generated revenues is as follows:

	2021	2020
Planning and development review	\$ 428,739	\$ 319,684
Equipment and vehicle rental recoveries	383,371	346,914
Trees program	350,670	298,400
Other	167,442	—
Outdoor centre	166,726	169,329
Donations	—	20,130
Conservation area revenue	98,072	74,411
Student program fees	34,091	17,203
Facility rentals	13,855	13,883
	<u>\$ 1,642,966</u>	<u>\$ 1,259,954</u>

4. Expenses by object:

A breakdown of expenses by object is as follows:

	2021	2020
Wages and benefits	\$ 2,204,957	\$ 2,138,930
Materials and supplies	669,808	786,615
Amortization	498,670	487,545
Purchased services	413,947	374,099
Insurance, heat and utilities	227,429	191,878
Change in termination and vacation pay	(15,921)	(157,419)
Travel and vehicle	119,806	109,548
Computer supplies and IT support	64,244	50,195
Property taxes	38,331	39,212
Other	6,864	45,898
	<u>\$ 4,228,135</u>	<u>\$ 4,066,501</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 Ontario Municipal organizations and their employees. Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding measurements. The amount contributed to OMERS for 2021 was \$155,737 (2020 - \$163,250) for current service and is included as an expense in the Statement of Operations and Accumulated Surplus.

CATARAQUI REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

6. Cataraqui Conservation Foundation:

Contributions were received during the year from the Cataraqui Conservation Foundation in the amount of \$20,000 (2020 - \$6,000) of which \$15,000 has been spent and \$5,000 has been moved to a reserve for future educational expenses.

7. Bank credit facility:

The Conservation Authority has an approved bank credit facility with its lender in the amount of \$750,000, of which none had been drawn as at December 31, 2021 (2020 – undrawn).

8. Budget figures:

The budget data presented in these financial statements is based upon the 2021 operating and projects budgets approved by the board. These amounts are unaudited. The Conservation Authority only prepares a budget for the Statement of Operations, the budget figures in the Statement of Change in Net Financial Assets has not been provided.

9. Segmented information:

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

	Revenue	Expenses	2021 Net	2020 Net
Watershed	\$ 1,407,486	\$ 1,008,808	\$ 398,678	\$ 334,848
Conservation lands	1,663,351	1,611,070	52,281	(86,220)
Fleet	147,104	68,351	78,753	111,063
General manager's office & FA Board	242,945	284,056	(41,111)	(19,795)
Corporate services	1,015,893	894,261	121,632	89,510
Corporate financing	284,063	266,011	18,052	(139,183)
Projects	–	95,578	(95,578)	(188,195)
	<u>\$ 4,760,842</u>	<u>\$ 4,228,135</u>	<u>\$ 532,707</u>	<u>\$ 102,028</u>

CATARAQUI REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

10. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2021	2020
Equity in tangible capital assets	\$ 10,989,597	\$ 11,017,922
Less: Unfunded termination and vacation pay	(61,015)	(76,936)
	10,928,582	10,940,986
Corporate Reserves:		
Corporate Financing Reserve	195,689	180,451
Fleet (Equipment) Reserve	24,432	7,347
Fleet (Vehicles) Reserve	88,058	50,303
General Reserve	142,269	137,820
Data Acquisition Reserve	83,401	93,903
Information Technology Reserve	83,805	73,897
Stabilization Reserve	139,504	509,247
Trust Reserve	342,859	341,663
Trust Reserve Mac Johnson Wildlife Area Nature Centre Reserve	41,871	41,615
Total surplus	1,141,888	1,436,246
Conservation Lands Reserves:		
Boat Ramp and Water Access Point Reserve	7,945	7,227
Cataraqi Trail Reserve	64,642	37,913
Friends of the Cataraqi Trail	16,416	16,359
Conservation Areas Reserve	88,953	77,762
Facilities Reserve	1,358,282	566,295
Real Property Reserve	264,931	281,944
	1,801,169	987,500
Watershed Management Reserves:		
Forestry Reserve	105,918	86,130
Watershed Management Reserve	64,212	58,200
	170,130	144,330
Total reserves	3,113,187	2,568,076
Total accumulated surplus	\$ 14,041,769	\$ 13,509,062

CATARAQUI REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

11. Deferred revenue:

	Balance, December 31, 2020	Additions	Transferred to income	Interest earned	Balance December 31, 2021
Externally restricted:					
Conservation Lands Reserves:					
Development Review Legal Funds	\$ 36,530	\$ -	\$ -	\$ 128	\$ 36,658
Boat Ramp and Water Access Point - Reserve Leeds and the Thousand Islands	5,103	2,500	-	27	7,630
Cataraqui Trail Reserve -Crabtree & Rideau Lakes Donation	32,116	40,391	(18,065)	163	54,605
Lemoine Point Conservation Area Reserve	292,090	27,970	(12,971)	1,092	308,181
Lemoine Point Native Plant Nursery Reserve	35,106	13,259	-	127	48,492
Lemoine Point Workshop Reserve	22,725	5,210	(9,466)	88	18,557
Parrott's Bay Conservation Area Reserve	134,327	22,586	-	526	157,439
Owl Woods Reserve	7,799	1,044	-	29	8,872
	565,796	112,960	(40,502)	2,180	640,434
Water Control Structure Reserves:					
Sydenham Lake Dam Reserve	99,225	5,013	(50,490)	199	53,947
Wilton Road Dam Reserve	15,642	8,388	(9,768)	63	14,325
Highgate Creek Channelization Reserve	44,044	1,937	(2,104)	152	44,029
Little Cataraqui Creek Dam Reserve	32,380	8,298	(2,104)	130	38,704
Temperance Lake Dam Reserve	36,453	17,318	(25,691)	125	28,205
Marsh Bridge Dam Reserve	28,424	16,877	(30,226)	59	15,134
Fred Grant Dam Reserve	25,169	4,372	(2,104)	96	27,533
Broome-Runciman Dam Reserve	67,412	7,776	(26,459)	172	48,901
Buells Creek Detention Basin Reserve	15,871	6,981	(13,196)	58	9,714
Booths Falls Diversion Reserve	10,998	2,186	(2,104)	40	11,120
	375,618	79,146	(164,246)	1,094	291,612
Total	\$ 941,414	\$ 192,106	\$ (204,748)	\$ 3,274	\$ 932,046

CATARAQUI REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

12. Provincial government transfers:

The following is a breakdown of provincial government transfers:

	2021	2020
Section 39 – flood control	\$ 56,701	\$ 56,701
Source water protections	156,481	110,816
Dam maintenance and other	11,655	54,350
	\$ 224,837	\$ 221,867

13. 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, 2021

14. Impact of COVID-19:

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ('COVID-19') as a pandemic. This resulted in governments worldwide, including the Canadian, Ontario and municipal governments, enacting emergency measures to combat the spread of the virus.

The pandemic has had operational and financial impacts including additional costs. Impacts have been mitigated by associated funding and other cost saving measures.

The Conversation Authority continues to respond to the pandemic and plan for continued operational and financial impacts during the 2022 fiscal year and beyond. Management has assessed the impact of COVID-19 and believes there are no significant financial issues as the Conversation Authority has access to sufficient financial resources to sustain operations in the coming year. The outcome and time frame to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its financial effect on future operations at this time.

15. Comparative Information:

Some of the comparative figures have been reclassified to conform to the financial statement presentation adopted for 2021.