

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Financial Statements**  
**Year Ended December 31, 2021**

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**SOUTH NATION RIVER CONSERVATION AUTHORITY**

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**Year Ended December 31, 2021**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The financial statements of South Nation River Conservation Authority are the responsibility of management and have been approved by the Board.

The financial statements of South Nation River Conservation Authority have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. A summary of the significant accounting policies are described in Note 2 of the financial statements. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

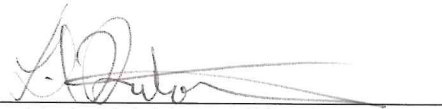
The Authority's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely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

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. The Board also considers, for approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited by Baker Tilly REO LLP, independent external auditors appointed by the authority, in accordance with Canadian auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.



Chairman



Linda Hutchinson, Director

Finch, ON  
April 21, 2022

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of South Nation River Conservation Authority

### *Opinion*

We have audited the financial statements of South Nation River Conservation Authority (the Authority), which comprise the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with 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 ASNPO, 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 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 Authority or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Members of South Nation River Conservation Authority (*continued*)

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

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

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

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

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

*Baker Tilly* REO LLP


Winchester, Ontario  
April 21, 2022

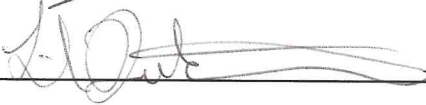
Chartered Professional Accountants, Licensed Public Accountants

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Statement of Financial Position**  
**Year Ended December 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash	\$ 3,707,167	\$ 2,835,543
Accounts receivable	1,351,224	1,520,485
Receivable from municipalities (Note 4)	366,985	424,505
	<b>5,425,376</b>	4,780,533
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	652,167	728,394
Deferred income (Note 5)	1,717,063	1,239,149
	<b>2,369,230</b>	1,967,543
<b>NET FINANCIAL ASSETS</b>	<b>3,056,146</b>	2,812,990
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	10,849,510	10,393,755
Assets under construction	8,172	-
Prepaid expenses	50,535	73,282
	<b>10,908,217</b>	10,467,037
<b>ACCUMULATED SURPLUS (Note 11)</b>	<b>\$ 13,964,363</b>	\$ 13,280,027

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Chairman

  
 \_\_\_\_\_ Director

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2021**

	Budget 2021	Actual 2021	Actual 2020
<b>Net surplus for the year</b>	<b>\$ (111,315)</b>	<b>\$ 684,336</b>	<b>\$ 43,090</b>
Acquisition of tangible capital assets	(541,883)	(755,824)	(370,282)
Contributed tangible capital assets	-	(8,400)	(60,666)
Proceeds on disposal of tangible capital assets	-	6,500	-
Change in assets under construction	-	(8,172)	-
Gain on disposal of tangible capital assets	-	(5,742)	-
Depreciation	285,112	307,711	314,885
Change in prepaid expenses	-	22,747	(17,483)
Increase (decrease) in net financial assets in the year	(368,086)	243,156	(90,456)
Net financial assets, beginning of year	2,812,990	2,812,990	2,903,446
<b>Net financial assets, end of year</b>	<b>\$ 2,444,904</b>	<b>\$ 3,056,146</b>	<b>\$ 2,812,990</b>

The accompanying notes are an integral part of these financial statements

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Statement of Continuity of Reserves**  
**Year Ended December 31, 2021**

	Balance, beginning of year	From operations	To operations	Balance, end of year
<b>RESERVES</b>				
Operating	\$ 917,546	\$ 118,492	\$ -	\$ 1,036,038
Capital projects	940,371	170,327	-	1,110,698
Stabilization	-	188,685	-	188,685
Water Control Structure	133,350	5,951	-	139,301
Sewage systems inspections	68,666	130,072	-	198,738
Dr. Jackson - Forestry programs	10,705	75	-	10,780
Findlay Creek	272,864	1,903	1,949	272,818
Environmental Projects	33,458	2,517	6,500	29,475
MNR revenue sharing	156,142	590	143,781	12,951
School programs	2,324	16	-	2,340
Land acquisition - forestry	46,799	328	-	47,127
Memorial fund	58,307	405	982	57,730
<b>Year ended December 31, 2021</b>	<b>\$ 2,640,532</b>	<b>\$ 619,361</b>	<b>\$ 153,212</b>	<b>\$ 3,106,681</b>
Year ended December 31, 2020	\$ 2,600,371	\$ 100,436	\$ 60,275	\$ 2,640,532

The accompanying notes are an integral part of these financial statements



**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Statement of Operations**

**Year Ended December 31, 2021**

	Budget 2021	Actual 2021	Actual 2020
<b>REVENUE</b>			
Ministry of Natural Resources and Forestry	\$ 91,070	\$ 91,070	\$ 91,070
Source water protection	85,262	101,875	92,331
Municipal levies	3,629,611	3,629,611	3,492,376
Special levies	828,016	767,978	628,006
Federal - other funding	53,325	352,505	281,032
Provincial - other funding	76,335	73,062	51,317
Municipal - other funding	524,920	510,846	429,702
Other sources	1,569,452	1,688,867	1,236,199
<b>TOTAL OPERATING REVENUE</b>	<b>6,857,991</b>	<b>7,215,814</b>	<b>6,302,033</b>
<b>RESOURCE MANAGEMENT (Schedule 1)</b>			
Water response programs	488,642	198,898	467,998
Partner programs	1,021,174	1,059,020	958,877
Projects	390,594	193,603	76,209
	1,900,410	1,451,521	1,503,084
<b>PROPERTY &amp; APPROVALS (Schedule 2)</b>			
Property	1,334,280	1,099,888	1,179,497
Approvals	1,188,644	1,368,177	1,242,995
Projects	485,720	695,486	402,396
	3,008,644	3,163,551	2,824,888
<b>CORPORATE &amp; COMMUNITY SERVICES (Schedule 3)</b>			
Corporate services	1,231,269	1,115,881	1,146,248
Information management and technology	194,900	119,555	146,309
Communications and outreach	348,971	373,259	323,529
	1,775,140	1,608,695	1,616,086
<b>TOTAL OPERATING EXPENSES</b>	<b>6,684,194</b>	<b>6,223,767</b>	<b>5,944,058</b>
<b>DEPRECIATION</b>	<b>285,112</b>	<b>307,711</b>	<b>314,885</b>
<b>TOTAL EXPENSES</b>	<b>6,969,306</b>	<b>6,531,478</b>	<b>6,258,943</b>
<b>NET SURPLUS</b>	<b>(111,315)</b>	<b>684,336</b>	<b>43,090</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>13,280,027</b>	<b>13,280,027</b>	<b>13,236,937</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 13,168,712</b>	<b>\$ 13,964,363</b>	<b>\$ 13,280,027</b>

The accompanying notes are an integral part of these financial statements

**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Statement of Cash Flows**

**Year Ended December 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Net surplus	\$ 684,336	\$ 43,090
Items not affecting cash:		
Depreciation	307,711	314,885
Contributed tangible capital assets	(8,400)	(60,666)
Gain on disposal of tangible capital assets	(5,742)	-
	<u>977,905</u>	<u>297,309</u>
Changes in non-cash working capital:		
Accounts receivable	169,261	(438,042)
Receivable from municipalities	57,520	53,739
Accounts payable and accrued liabilities	(76,227)	(34,932)
Deferred income	477,914	138,581
Prepaid expenses	22,747	(17,483)
	<u>651,215</u>	<u>(298,137)</u>
Cash flow from (used by) operating activities	<u>1,629,120</u>	<u>(828)</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(755,824)	(370,282)
Purchase of tangible capital assets under construction	(8,172)	-
Proceeds on disposal of tangible capital assets	6,500	-
	<u>(757,496)</u>	<u>(370,282)</u>
Cash flow used by capital activities	<u>(757,496)</u>	<u>(370,282)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>871,624</b>	<b>(371,110)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>2,835,543</b>	<b>3,206,597</b>
<b>CASH - END OF YEAR</b>	<b>\$ 3,707,167</b>	<b>\$ 2,835,543</b>

The accompanying notes are an integral part of these financial statements

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## SOUTH NATION RIVER CONSERVATION AUTHORITY

### Notes to Financial Statements

Year Ended December 31, 2021

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#### 1. DESCRIPTION OF BUSINESS

The South Nation River Conservation Authority (the "Authority") is established under the Conservation Authorities Act - Ontario. It acts as the agent for water and land conservation and management for its member municipalities.

The Authority is a registered charity and, as such, is exempt from income tax and may issue tax receipts to donors.

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Significant Accounting Policies

The financial statements of the Authority are the responsibility of and prepared by management in accordance with the Canadian public sector accounting standards.

Revenue and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable and an expenditure is recognized when incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

##### Cash and cash equivalents

Cash includes cash held in banks and cash on hand.

##### Financial instruments policy

The financial statements of the Authority are the representations of management prepared in accordance with the Chartered Professional Accountants of Canada Public Sector Handbook, that sets out generally accepted accounting principles for public sector organizations in Canada. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

##### Deferred income

The Authority receives certain amounts from other entities, the proceeds of which may only be used in the conduct of certain programs or completion of specific work. Further, certain user charges and fees are collected but for which the related services have yet to be performed. These amounts are recognized as revenue when the related expenditures are incurred or services performed.

##### Reserves

Reserves for future expenditures and contingencies are established as required at the discretion of the members of the Board of Directors of the Authority. Increases or decreases in these reserves are made by appropriations to or from reserves.

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**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Notes to Financial Statements**

**Year Ended December 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Buildings	10 to 40 years	straight-line method
Equipment	5 to 10 years	straight-line method
Furniture and fixtures	10 years	straight-line method
Vehicles	5 to 10 years	straight-line method
Computer and networking equipment	3 to 5 years	straight-line method
Computer software	3 to 5 years	straight-line method
Parking lot and other land improvements	10 to 20 years	straight-line method
Flood control structures	50 years	straight-line method

One half of the above rates are used in the year of acquisition.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Tangible capital assets received as unrestricted contributions are recorded at fair market value at the date of receipt and are also recorded as revenue. Tangible capital assets received as restricted contributions are recorded at fair market value at the date of receipt and are applied directly to accumulated surplus.

The organization regularly reviews its tangible capital assets to eliminate obsolete items

The organization has capitalization thresholds. For all additions of tangible capital assets, including pooled assets, the following capitalization thresholds apply: Land improvements, buildings, and flood control structures - \$10,000; all other tangible capital assets - \$5,000.

Revenue Recognition

The Authority follows the deferral method of accounting for contributions. Government assistance is recorded as revenue when eligible claims are determined and the expenditure incurred. Levies on member municipalities are recorded after Board of Directors' approval and recorded as revenue in the year levied. When revenue from special programs is received in advance of the related expenditure, such revenue is deferred until the year in which the expenditure is incurred.

Donated materials and services

Donated materials and services are recorded at fair market value if they would otherwise have been purchased.

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**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Notes to Financial Statements**

**Year Ended December 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Contributed services

Volunteers contribute a significant amount of their time each year. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Pension Plan

The Authority accounts for its participation in the Ontario Municipal Employees Retirement Systems (OMERS) as a defined benefit pension plan.

Use of Estimates

Since precise determination of many assets and liabilities is dependant upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and assumptions. These have been made using careful judgments. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known. Areas where estimations are used include accrued liabilities, deferred revenue, useful life of tangible capital assets and allowance for doubtful accounts.

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**3. FINANCIAL INSTRUMENTS**

The Authority is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Authority's risk exposure and concentration as of December 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Authority is exposed to credit risk from customers. In order to reduce its credit risk, the Authority reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Authority is exposed to a high concentration of credit risk as one entity represents 67% of accounts receivable and one entity represents 93% of receivable from municipalities (Note 4). The Authority has deemed all amounts receivable at year end to be collectible. There has been no change to the risk exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Authority is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

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**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Notes to Financial Statements**

**Year Ended December 31, 2021**

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**3. FINANCIAL INSTRUMENTS (continued)**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Authority is mainly exposed to XXX risk and XXX risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Authority manages exposure through its normal operating and financing activities. The Authority is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Authority is not exposed to significant other price risks arising from these financial instruments.

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**4. RECEIVABLE FROM MUNICIPALITIES**

	<u>2021</u>	<u>2020</u>
Due from various municipalities for their portion of the funds used to purchase and renovate the head office in Finch. Receivable in blended payments with interest charged at approximately prime less 1.00%, due in 2027.	<b><u>\$ 366,985</u></b>	<b><u>\$ 424,505</u></b>

Principal repayment terms are approximately:

2022	\$ 58,531
2023	59,560
2024	60,607
2025	61,672
2026	62,756
Thereafter	<u>63,859</u>
	<b><u>\$ 366,985</u></b>

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**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Notes to Financial Statements**

**Year Ended December 31, 2021**

**5. DEFERRED INCOME**

	Balance, beginning of year	Funds received	Funds earned	2021
<u>Resource Management</u>				
Partner programs	\$ 299,810	\$ 870,643	\$ (751,366)	\$ 419,087
Projects	166,616	81,236	(79,677)	168,175
	<u>466,426</u>	<u>951,879</u>	<u>(831,043)</u>	<u>587,262</u>
<u>Property &amp; Approvals</u>				
Buildings & infrastructures	7,894	4,214	(12,108)	-
Community lands	474,526	463,136	(428,229)	509,433
Development review	29,394	534,324	(546,230)	17,488
Sewage systems review	114,429	444,489	(410,373)	148,545
Source water protection	11,543	-	(11,543)	-
Projects	62,424	450,290	(373,966)	138,748
	<u>700,210</u>	<u>1,896,453</u>	<u>(1,782,449)</u>	<u>814,214</u>
<u>Corporate &amp; Community Services</u>				
Corporate services	-	239,074	-	239,074
Communications & outreach	72,513	4,000	-	76,513
	<u>72,513</u>	<u>243,074</u>	<u>-</u>	<u>315,587</u>
	<u>\$ 1,239,149</u>	<u>\$ 3,091,406</u>	<u>\$ (2,613,492)</u>	<u>\$ 1,717,063</u>

**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Notes to Financial Statements**

**Year Ended December 31, 2021**

**6. TANGIBLE CAPITAL ASSETS**

<u>Cost</u>	2020 Balance	Additions	Disposals	2021 Balance
Land	\$ 7,701,243	\$ 546,813	\$ -	\$ 8,248,056
Buildings	1,247,371	-	-	1,247,371
Equipment	877,563	124,648	27,818	974,393
Furniture and fixtures	236,462	-	-	236,462
Vehicles	362,699	61,617	34,153	390,163
Computer and networking equipment	600,381	31,146	-	631,527
Computer software	133,927	-	-	133,927
Parking lot and other land improvements	372,059	-	-	372,059
Flood control structures	4,814,000	-	-	4,814,000
	<b>\$ 16,345,705</b>	<b>\$ 764,224</b>	<b>\$ 61,971</b>	<b>\$ 17,047,958</b>

<u>Accumulated Amortization</u>	2020 Balance	Amortization	Accumulated Amortization on Disposals	2021 Balance
Buildings	\$ 376,232	\$ 33,294	\$ -	\$ 409,526
Equipment	419,441	74,817	27,818	466,440
Furniture and fixtures	218,126	3,356	-	221,482
Vehicles	257,302	36,010	33,395	259,917
Computer and networking equipment	515,852	48,306	-	564,158
Computer software	126,129	4,550	-	130,679
Parking lot and other land improvements	187,927	23,138	-	211,065
Flood control structures	3,850,941	84,240	-	3,935,181
	<b>\$ 5,951,950</b>	<b>\$ 307,711</b>	<b>\$ (61,213)</b>	<b>\$ 6,198,448</b>

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**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Notes to Financial Statements**

**Year Ended December 31, 2021**

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**6. TANGIBLE CAPITAL ASSETS (continued)**

<u>Net book value</u>	<u>2021</u>	<u>2020</u>
Land	\$ 8,248,056	\$ 7,701,243
Buildings	837,845	871,139
Equipment	507,953	458,122
Furniture and fixtures	14,980	18,336
Vehicles	130,246	105,397
Computer and networking equipment	67,369	84,529
Computer software	3,248	7,798
Parking lot and other land improvements	160,994	184,132
Flood control structures	878,819	963,059
	<u>\$ 10,849,510</u>	<u>\$ 10,393,755</u>

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**7. RESERVES**

a) Revenue Sharing

In accordance with the Ministry of Natural Resources and Forestry Revenue Sharing Policy, \$590 (2020 - \$2,430) interest received during the year has been transferred to the revenue sharing reserve.

b) School Programs and Memorial Fund

These reserves were established in 1998 to receive specified donations that are used to fund the School Programs and the Memorial Fund.

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**8. CONTINGENCIES**

Under the Forestry Act, the Authority may be liable to the Ministry of Natural Resources and Forestry for an amount not greater than 50% of the proceeds from sale of lands for which acquisition grants were received from the Ministry of Natural Resources and Forestry. As of December 31, 2021 management is not aware of any liability in this regard.

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**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Notes to Financial Statements**

**Year Ended December 31, 2021**

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**9. CREDIT FACILITIES - ROYAL BANK**

The Authority has an authorized \$1,000,000 revolving demand facility by way of Royal Bank Prime based loans bearing interest at prime less 0.50% and Bankers' Acceptance with an acceptance fee of 0.40%.

This facility is secured by:

- a) General security agreement signed by the borrower constituting a first ranking security interest in all personal property of the borrower; and
- b) Borrowing resolution.

At year end, \$1,000,000 (2020 - \$1,000,000) was available on this facility.

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**10. PENSION PLAN**

The Authority makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer retirement pension plan, on behalf of its eligible employees. The plan is a defined pension benefit plan, which specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute equally to the plan.

As OMERS is a multi-employer defined benefit pension plan, any pension plan surpluses or deficits are a joint responsibility of all eligible organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension funding deficit of \$3,131,000,000 (2020 - 3,211,000,000) as the Authority's portion of the amounts is not determinable. Contributions made by the Authority to OMERS for 2021 was \$219,755 (2020 - \$209,986).

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**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Notes to Financial Statements**

**Year Ended December 31, 2021**

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**11. ACCUMULATED SURPLUS**

	<u>2021</u>	<u>2020</u>
<b>Accumulated surplus consists of:</b>		
Tangible capital assets	<b>\$ 10,849,510</b>	\$ 10,393,755
Tangible capital assets under construction	<b>8,172</b>	-
Reserves	<b>3,106,681</b>	2,640,532
Surplus - operations	-	245,740
	<hr/> <b>\$ 13,964,363</b>	<hr/> \$ 13,280,027

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**12. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Resource Management(Schedule 1)**  
**Year Ended December 31, 2021**

	2021	2020
<b>RESOURCE MANAGEMENT</b>		
Salaries and employee benefits	\$ 643,005	\$ 736,764
Tree planting material and services	333,824	205,839
Grants	326,584	417,109
Contracted and technical service	98,605	67,314
Travel and training	13,805	11,130
Supplies	10,814	14,904
Consultants and legal fees	6,238	27,965
Advertising and promotion	5,385	9,877
Equipment repairs and maintenance	4,158	3,911
Vehicle	3,370	2,458
Leases	1,760	-
Program support	1,586	1,891
Committee meetings	1,194	2,369
Memberships	1,169	1,529
Bank charges and interest	24	24
	<b>\$ 1,451,521</b>	<b>\$ 1,503,084</b>

The accompanying notes are an integral part of these financial statements

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**SOUTH NATION RIVER CONSERVATION AUTHORITY**

**Property & Approvals (Schedule 2)**

**Year Ended December 31, 2021**

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	2021	2020
<b>PROPERTY &amp; APPROVALS</b>		
Salaries and employee benefits	\$ 2,463,458	\$ 2,143,822
Contracted and technical service	279,138	284,724
Supplies	82,163	105,994
Vehicle	78,210	77,664
Property taxes and drainage assessment	62,157	59,223
Consultants and legal fees	60,162	51,326
Equipment repairs and maintenance	44,682	20,348
Utilities	34,220	32,382
Leases	17,137	12,427
Travel and training	15,566	16,111
Insurance	11,063	7,525
Telephone	6,588	5,735
Advertising and promotion	5,139	2,410
Memberships	3,541	3,781
Bank charges and interest	327	261
Tree planting material	-	1,155
	<hr/>	<hr/>
	<b>\$ 3,163,551</b>	<b>\$ 2,824,888</b>

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The accompanying notes are an integral part of these financial statements

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Corporate & Community Services (Schedule 3)**  
**Year Ended December 31, 2021**

	2021	2020
<b>CORPORATE &amp; COMMUNITY SERVICES</b>		
Salaries and employee benefits	\$ 1,055,044	\$ 1,096,427
Insurance	103,408	82,816
Contracted and technical service	93,692	101,663
Consultants, legal and audit fees	61,270	46,256
Equipment, software, repairs and maintenance	41,730	40,006
Telephone and internet	41,181	37,507
Advertising and promotion	35,189	25,456
Conservation Ontario levy	35,182	35,509
Board and committee meetings	34,118	39,971
Supplies	29,108	40,700
Travel and training	22,736	21,648
Memberships	22,393	22,275
Bank charges and interest	16,742	11,639
Grants	11,394	11,981
Program support	5,508	2,232
	<b>\$ 1,608,695</b>	<b>\$ 1,616,086</b>

The accompanying notes are an integral part of these financial statements