

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Financial Statements**  
**Year Ended December 31, 2022**

Draft

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Index to Financial Statements**  
**Year Ended December 31, 2022**

---

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Changes in Net Financial Assets	5
Statement of Continuity of Reserves	6
Statement of Operations	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 17
Resource Management ( <i>Schedule 1</i> )	18
Property & Approvals ( <i>Schedule 2</i> )	19
Corporate & Community Services ( <i>Schedule 3</i> )	20

---

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

---

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.

---

Pierre Leroux, Chair

---

Johanna Barkley, Director of Finance

Finch, ON  
March 16, 2023

---

## INDEPENDENT AUDITOR'S REPORT

---

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, 2022, 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.

Winchester, Ontario  
March 16, 2023

Chartered Professional Accountants, Licensed Public Accountants

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Statement of Financial Position**  
**Year Ended December 31, 2022**

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash	\$ 5,287,390	\$ 3,707,167
Accounts receivable	1,635,465	1,351,224
Receivable from municipalities (Note 4)	308,453	366,985
	<u>7,231,308</u>	<u>5,425,376</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	930,928	652,167
Deferred income (Note 5)	2,763,985	1,717,063
	<u>3,694,913</u>	<u>2,369,230</u>
<b>NET FINANCIAL ASSETS</b>	<u>3,536,395</u>	<u>3,056,146</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	11,465,563	10,849,510
Tangible capital assets under construction	100,907	8,172
Prepaid expenses	76,065	50,535
	<u>11,642,535</u>	<u>10,908,217</u>
<b>ACCUMULATED SURPLUS (Note 11)</b>	<u>\$ 15,178,930</u>	<u>\$ 13,964,363</u>

ON BEHALF OF THE BOARD

\_\_\_\_\_ Chairman

\_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2022**

	Budget 2022	Actual 2022	Actual 2021
<b>Net surplus for the year</b>	<b>\$ 49,137</b>	<b>\$ 1,214,567</b>	<b>\$ 684,336</b>
Acquisition of tangible capital assets	(541,883)	(877,361)	(755,824)
Contributed tangible capital assets	-	(47,333)	(8,400)
Proceeds on disposal of tangible capital assets	-	1,950	6,500
Change in assets under construction	-	(92,735)	(8,172)
Gain on disposal of tangible capital assets	-	(1,950)	(5,742)
Depreciation	308,317	308,641	307,711
Change in prepaid expenses	-	(25,530)	22,747
Increase (decrease) in net financial assets in the year	(184,429)	480,249	243,156
Net financial assets, beginning of year	3,056,146	3,056,146	2,812,990
<b>Net financial assets, end of year</b>	<b>\$ 2,871,717</b>	<b>\$ 3,536,395</b>	<b>\$ 3,056,146</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, 2022**

	Balance, beginning of year	From operations	To operations	Balance, end of year
<b>RESERVES</b>				
Operating	\$ 1,036,039	\$ 68,468	\$ 478	\$ 1,104,028
Capital projects	1,110,698	26,565	10,000	1,127,263
Stabilization	188,685	4,513	-	193,198
Water Control Structure	139,301	8,332	-	147,633
Sewage systems inspections	198,739	28,696	-	227,435
Dr. Jackson - Forestry programs	10,779	258	-	11,037
Findlay Creek	272,818	6,525	24,393	254,950
Environmental Projects	29,475	705	-	30,180
MNR revenue sharing	12,950	310	-	13,260
School programs	2,341	56	-	2,397
Land acquisition - forestry	47,127	1,127	-	48,254
Memorial fund	57,730	1,381	250	58,860
<b>Year ended December 31, 2022</b>	<b>\$ 3,106,682</b>	<b>\$ 146,936</b>	<b>\$ 35,121</b>	<b>\$ 3,218,495</b>
<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>

The accompanying notes are an integral part of these financial statements



**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Statement of Operations**  
**Year Ended December 31, 2022**

	Budget 2022	Actual 2022	Actual 2021
<b>REVENUE</b>			
Ministry of Natural Resources and Forestry	\$ 91,070	\$ 91,070	\$ 91,070
Source water protection	102,810	129,614	101,875
Municipal levies	3,768,377	3,768,377	3,629,611
Special levies	842,651	535,745	767,978
Federal - other funding	643,504	443,647	352,505
Provincial - other funding	40,000	18,619	73,062
Municipal - other funding	464,229	501,049	510,846
Other sources	2,047,720	2,726,860	1,688,867
<b>TOTAL OPERATING REVENUE</b>	<b>8,000,361</b>	<b>8,214,981</b>	<b>7,215,814</b>
<b>RESOURCE MANAGEMENT</b> (Schedule 1)			
Water response programs	329,520	193,830	198,898
Partner programs	1,250,065	946,071	1,059,020
Projects	760,741	343,533	225,606
	2,340,326	1,483,434	1,483,524
<b>PROPERTY &amp; APPROVALS</b> (Schedule 2)			
Property	1,188,429	1,265,437	1,099,888
Approvals	1,507,676	1,592,686	1,368,177
Projects	808,567	831,785	663,483
	3,504,672	3,689,908	3,131,548
<b>CORPORATE &amp; COMMUNITY SERVICES</b> (Schedule 3)			
Corporate services	1,275,904	1,113,576	1,115,881
Information management and technology	176,420	104,716	119,555
Communications and outreach	345,585	300,139	373,259
	1,797,909	1,518,431	1,608,695
<b>TOTAL OPERATING EXPENSES</b>	<b>7,642,907</b>	<b>6,691,773</b>	<b>6,223,767</b>
<b>DEPRECIATION</b>	<b>308,317</b>	<b>308,641</b>	<b>307,711</b>
<b>TOTAL EXPENSES</b>	<b>7,951,224</b>	<b>7,000,414</b>	<b>6,531,478</b>
<b>NET SURPLUS</b>	<b>49,137</b>	<b>1,214,567</b>	<b>684,336</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>13,964,363</b>	<b>13,964,363</b>	<b>13,280,027</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 14,013,500</b>	<b>\$ 15,178,930</b>	<b>\$ 13,964,363</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, 2022**

---

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Net Surplus	\$ 1,214,567	\$ 684,336
Items not affecting cash:		
Depreciation	308,641	307,711
Contributed tangible capital assets	(47,333)	(8,400)
Gain on disposal of tangible capital assets	(1,950)	(5,742)
	<u>1,473,925</u>	<u>977,905</u>
Changes in non-cash working capital:		
Accounts receivable	(284,241)	169,261
Receivable from municipalities	58,532	57,520
Accounts payable and accrued liabilities	278,761	(76,227)
Deferred income	1,046,922	477,914
Prepaid expenses	(25,530)	22,747
	<u>1,074,444</u>	<u>651,215</u>
Cash flow from operating activities	<u>2,548,369</u>	<u>1,629,120</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(877,361)	(755,824)
Purchase of tangible capital assets under construction	(92,735)	(8,172)
Proceeds on disposal of tangible capital assets	1,950	6,500
Cash flow used by investing activities	<u>(968,146)</u>	<u>(757,496)</u>
<b>INCREASE IN CASH FLOW</b>	<b>1,580,223</b>	<b>871,624</b>
<b>CASH - BEGINNING OF YEAR</b>	<u><b>3,707,167</b></u>	<u><b>2,835,543</b></u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 5,287,390</b></u>	<u><b>\$ 3,707,167</b></u>

The accompanying notes are an integral part of these financial statements

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

---

**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.

---

**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.

*(continues)*

---

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

---

**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 at the following rates and methods:

Buildings	10 to 40 years	straight-line method
Equipment	5 to 25 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.

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.

*(continues)*

---

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

---

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

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.

---

**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, 2022.

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 44% 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.

*(continues)*

---

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

---

**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.

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.

---

**4. RECEIVABLE FROM MUNICIPALITIES**

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.

<u>2022</u>	<u>2021</u>
<b>\$ 308,453</b>	<b>\$ 366,985</b>
<b>\$ 308,453</b>	<b>\$ 366,985</b>

Principal repayment terms are approximately:

2023	\$ 59,560
2024	60,607
2025	61,672
2026	62,756
2027	63,858
	<u>308,453</u>
	<b>\$ 308,453</b>

---

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

---

**5. DEFERRED INCOME**

	Balance, beginning of year	Funds received	Funds earned	2022
<u>Resource Management</u>				
Partner programs	\$ 419,087	\$ 839,146	\$ (741,848)	\$ 516,385
Projects	168,175	390,330	(245,964)	312,541
	587,262	1,229,476	(987,812)	828,926
<u>Property &amp; Approvals</u>				
Buildings & infrastructures	-	22,500	(5,312)	17,188
Community lands	509,433	1,734,168	(917,978)	1,325,623
Development review	17,488	493,922	(504,869)	6,541
Sewage systems review	148,545	493,373	(468,664)	173,254
Projects	138,748	605,372	(658,182)	85,938
Buildings and infrastructures	814,214	3,349,335	(2,555,005)	1,608,544
<u>Corporate &amp; Community Services</u>				
Corporate services	239,074	246,805	(239,074)	246,805
Communications & outreach	76,513	21,946	(18,749)	79,710
	315,587	268,751	(257,823)	326,515
	<u>\$ 1,717,063</u>	<u>\$ 4,847,562</u>	<u>\$ (3,800,640)</u>	<u>\$ 2,763,985</u>

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**6. TANGIBLE CAPITAL ASSETS**

<u>Cost</u>	2021 Balance	Additions	Disposals	2022 Balance
Land	\$ 8,248,056	\$ 785,608	\$ -	\$ 9,033,664
Buildings	1,247,371	17,095	-	1,264,466
Equipment	974,393	38,785	5,778	1,007,400
Furniture and fixtures	236,462	-	-	236,462
Vehicles	390,163	59,067	24,291	424,939
Computer and networking equipment	631,527	24,139	-	655,666
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>\$ 17,047,958</b>	<b>\$ 924,694</b>	<b>\$ 30,069</b>	<b>\$ 17,942,583</b>

  

<u>Accumulated Amortization</u>	2021 Balance	Amortization	Accumulated Amortization on Disposals	2022 Balance
Buildings	\$ 409,526	\$ 34,148	\$ -	\$ 443,674
Equipment	466,440	81,857	5,778	542,519
Furniture and fixtures	221,482	3,123	-	224,605
Vehicles	259,917	42,738	24,291	278,364
Computer and networking equipment	564,158	36,922	-	601,080
Computer software	130,679	2,761	-	133,440
Parking lot and other land improvements	211,065	22,852	-	233,917
Flood control structures	3,935,181	84,240	-	4,019,420
	<b>\$ 6,198,448</b>	<b>\$ 308,641</b>	<b>\$ 30,069</b>	<b>\$ 6,477,019</b>

(continues)



---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

---

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

<u>Net book value</u>	<u>2022</u>	<u>2021</u>
Land	\$ 9,033,664	\$ 8,248,056
Buildings	820,792	837,845
Equipment	464,880	507,953
Furniture and fixtures	11,857	14,980
Vehicles	146,575	130,246
Computer and networking equipment	54,586	67,369
Computer software	487	3,248
Parking lot and other land improvements	138,142	160,994
Flood control structures	794,580	878,819
	<u>\$ 11,465,563</u>	<u>\$ 10,849,510</u>

---

**7. RESERVES**

a) Revenue Sharing

In accordance with the Ministry of Natural Resources and Forestry Revenue Sharing Policy, \$310 (2021 - \$590) 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.

---

**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, 2022 management is not aware of any liability in this regard.

---

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

---

**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 (2021 - \$1,000,000) was available on this facility.

---

**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 \$6,678,000 (2021 - \$3,131,000,000) as the Authority's portion of the amounts is not determinable. Contributions made by the Authority to OMERS for 2022 was \$255,425 (2021 - \$219,755).

---

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

---

**11. ACCUMULATED SURPLUS**

	<u>2022</u>	<u>2021</u>
<b>Accumulated surplus consists of:</b>		
Tangible capital assets	\$ 11,465,563	\$ 10,849,510
Tangible capital assets under construction	100,907	8,172
Reserves	3,218,495	3,106,681
Surplus - operations	393,965	-
	<u>\$ 15,178,930</u>	<u>\$ 13,964,363</u>

---

**12. COMPARATIVE FIGURES**

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

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Resource Management**  
**Year Ended December 31, 2022**

	2022	2021
<b>RESOURCE MANAGEMENT</b>		
Salaries and employee benefits	\$ 587,290	\$ 675,008
Grants	338,806	326,584
Tree planting material and services	296,115	333,824
Contracted and technical service	121,964	98,605
Supplies	74,434	10,814
Consultants and legal fees	32,236	6,238
Equipment repairs and maintenance	13,162	4,158
Travel and training	11,236	13,805
Advertising and promotion	3,269	5,385
Vehicle	2,884	3,370
Memberships	1,535	1,169
Committee meetings	450	1,194
Bank charges and interest	53	24
Leases	-	1,760
Program support	-	1,586
	<b>\$ 1,483,434</b>	<b>\$ 1,483,524</b>

The accompanying notes are an integral part of these financial statements

---

**SOUTH NATION RIVER CONSERVATION AUTHORITY****Property & Approvals****Year Ended December 31, 2022**

---

	2022	2021
<b>PROPERTY &amp; APPROVALS</b>		
Salaries and employee benefits	\$ 2,765,631	\$ 2,431,455
Contracted and technical service	432,318	279,138
Vehicle	103,661	78,210
Supplies	98,397	82,163
Consultants and legal fees	72,610	60,162
Property taxes and drainage assessment	71,319	62,157
Equipment repairs and maintenance	41,863	44,682
Utilities	40,570	34,220
Insurance	19,594	11,063
Travel and training	15,611	15,566
Leases	13,980	17,137
Memberships	5,544	3,541
Telephone	4,637	6,588
Tree planting material	3,742	-
Bank charges and interest	431	327
Advertising and promotion	-	5,139
	<hr/>	<hr/>
	\$ 3,689,908	\$ 3,131,548

---

The accompanying notes are an integral part of these financial statements

**SOUTH NATION RIVER CONSERVATION AUTHORITY**  
**Corporate & Community Services**  
**Year Ended December 31, 2022**

	2022	2021
<b>CORPORATE &amp; COMMUNITY SERVICES</b>		
Salaries and employee benefits	\$ 914,995	\$ 1,055,044
Insurance	139,842	103,408
Contracted and technical service	102,684	93,692
Consultants, legal and audit fees	96,616	61,270
Equipment, software, repairs and maintenance	45,784	41,730
Conservation Ontario levy	34,482	35,182
Advertising and promotion	34,165	35,189
Board and committee meetings	34,135	34,118
Telephone and internet	31,762	41,181
Travel and training	23,099	22,736
Memberships	21,037	22,393
Bank charges and interest	16,900	16,742
Supplies	10,684	29,108
Grants	6,500	11,394
Program support	5,746	5,508
	<b>\$ 1,518,431</b>	<b>\$ 1,608,695</b>

The accompanying notes are an integral part of these financial statements