

THE LOWER TRENT REGION CONSERVATION AUTHORITY

FINANCIAL STATEMENTS

December 31, 2021



LOWER TRENT CONSERVATION

714 Murray Street, R.R. 1, Trenton, Ontario K8V 5P4

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Registered Charitable Organization No. 107646598RR0001

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements of The Lower Trent Region Conservation Authority are the responsibility of management and have been approved by the Board.

The financial statements have been prepared in compliance with Canadian public sector accounting standards, as issued by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The 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 financial statements have been audited by Welch 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.

Rhonda Bateman
Chief Administrative Officer

Kelly Vandette
Manager, Corporate Services

February 10, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
THE LOWER TRENT REGION CONSERVATION AUTHORITY

Opinion

We have audited the financial statements of **THE LOWER TRENT REGION CONSERVATION AUTHORITY**, which comprise the statement of financial position as at December 31, 2021, and the statements of surplus, changes in net financial assets, operations and 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing 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.

INDEPENDENT AUDITOR'S REPORT (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.

Trenton, Ontario
February 10, 2022

Welch LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

THE LOWER TRENT REGION CONSERVATION AUTHORITY

(Established under the Conservation Authorities Act of Ontario)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash	\$ 2,026,174	\$ 1,601,148
Short term investment - <i>note 3</i>	63,858	63,799
Accounts receivable:		
Municipalities	20,180	15,460
Other	26,474	63,626
	<u>2,136,686</u>	<u>1,744,033</u>
 LIABILITIES		
Accounts payable and accrued liabilities	97,031	104,846
Unearned revenue	39,721	50,149
Due to partnership programs - <i>note 5</i>	343,493	124,940
Deferred contributions - <i>note 4</i>	207,745	258,650
	<u>687,990</u>	<u>538,585</u>
 NET FINANCIAL ASSETS	<u>1,448,696</u>	<u>1,205,448</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets - <i>schedule 4</i>	2,944,036	2,935,433
Prepaid expenditures	21,468	16,512
	<u>2,965,504</u>	<u>2,951,945</u>
 ACCUMULATED SURPLUS	<u>\$ 4,414,200</u>	<u>\$ 4,157,393</u>
 Represented by:		
Operating fund - <i>note 6</i>	\$ 822,652	\$ 607,890
Reserve funds - <i>note 7</i>	647,512	614,070
Equity in tangible capital assets	2,944,036	2,935,433
	<u>\$ 4,414,200</u>	<u>\$ 4,157,393</u>

Approved on behalf of the Board



Director



Director

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
ACCUMULATED SURPLUS , beginning of year	\$ 4,157,393	\$ 3,767,580
Annual surplus	<u>256,807</u>	<u>389,813</u>
ACCUMULATED SURPLUS , end of year	<u>\$ 4,414,200</u>	<u>\$ 4,157,393</u>

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
NET FINANCIAL ASSETS, beginning of year	<u>\$ 1,205,448</u>	<u>\$ 801,103</u>
Annual surplus	256,807	389,813
Acquisition of tangible capital assets	(56,315)	(65,985)
Proceeds on disposition of tangible capital assets	-	225,245
Gain (loss) on disposal of tangible capital assets	746	(186,241)
Amortization of tangible capital assets	46,966	43,163
Change in prepaid expenditures	<u>(4,956)</u>	<u>(1,650)</u>
	<u>243,248</u>	<u>404,345</u>
NET FINANCIAL ASSETS, end of year	<u>\$ 1,448,696</u>	<u>\$ 1,205,448</u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2021

	2021 Budget (Note 11)	2021 Actual	2020 Actual
REVENUE			
Government grants - provincial	\$ 68,831	\$ 68,831	\$ 68,831
Municipal levies - operating	1,003,994	1,003,994	1,003,994
Recoveries - property taxes	24,420	24,253	24,839
Municipal levies - capital	49,053	49,053	-
Legal enquiries, fill permits and plan review	171,000	337,172	242,586
Sundry - note 8	102,500	137,658	64,591
Property rental	29,636	27,386	28,223
Donations - unrestricted	86,023	3,634	2,238
Deferred contributions recognized - note 4	-	56,647	30,261
Source Protection RMO/RMI and E&O programs	122,120	128,999	131,099
Recovered from partnership programs - note 10	257,250	277,870	267,889
Government grants - summer students	16,000	17,400	4,480
Government assistance	-	-	25,000
	<u>1,930,827</u>	<u>2,132,897</u>	<u>1,894,031</u>
EXPENDITURES			
Corporate Services, Schedule 1	662,673	600,308	560,282
Watershed Science and Services, Schedule 2	932,314	908,003	812,605
Conservation Lands, Schedule 3	346,363	320,067	295,409
	<u>1,941,350</u>	<u>1,828,378</u>	<u>1,668,296</u>
Annual Surplus before capital items	<u>(10,523)</u>	<u>304,519</u>	<u>225,735</u>
CAPITAL ITEMS			
Amortization	-	(46,966)	(43,163)
Gain (loss) on disposal of tangible capital assets	-	(746)	186,241
Land donations	-	-	21,000
	<u>-</u>	<u>(47,712)</u>	<u>164,078</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (10,523)</u>	<u>\$ 256,807</u>	<u>\$ 389,813</u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
SCHEDULES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF CORPORATE SERVICES

Schedule 1

	2021 Budget (Note 11)	2021 Actual	2020 Actual
Wages and benefits	\$ 510,923	\$ 517,421	\$ 457,686
Travel and allowances	15,000	9,720	9,026
Equipment purchases and rental	2,500	-	855
Materials and supplies	12,250	7,138	12,237
Building occupancy costs	25,000	20,295	17,773
General	97,000	69,109	88,113
Less: internal charge for supervision and overhead	<u>-</u>	<u>(23,375)</u>	<u>(25,408)</u>
	<u><u>\$ 662,673</u></u>	<u><u>\$ 600,308</u></u>	<u><u>\$ 560,282</u></u>

SCHEDULE OF WATERSHED SCIENCE AND SERVICES

Schedule 2

	2021 Budget (Note 11)	2021 Actual	2020 Actual
Wages and benefits	\$ 655,794	\$ 601,045	\$ 564,819
Travel and allowances	5,000	3,880	2,596
Materials, equipment and supplies	5,000	3,534	3,285
Office	8,000	13,473	4,242
Vehicle and equipment - operations and maintenance	8,000	3,922	4,693
Oak Ridges Moraine Coalition	2,500	1,250	2,500
Groundwater monitoring network	-	-	5
Benthic/flow monitoring	39,000	9,946	740
Flood forecasting and control structures	37,300	23,946	48,571
Events and publications	7,500	-	418
Education and outreach programs	19,600	55,107	29,129
Stewardship programs	22,500	62,837	20,870
Source Protection RMO/RMI and E&O programs	<u>122,120</u>	<u>129,063</u>	<u>130,737</u>
	<u><u>\$ 932,314</u></u>	<u><u>\$ 908,003</u></u>	<u><u>\$ 812,605</u></u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
SCHEDULES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF CONSERVATION LANDS

Schedule 3

	2021 Budget (Note 11)	2021 Actual	2020 Actual
Wages and benefits	\$ 231,837	\$ 205,283	\$ 187,991
Travel and allowances	1,600	1,966	421
General maintenance	18,500	16,802	14,297
Property taxes	46,526	43,257	44,470
Insurance	15,900	16,669	14,424
Workshop costs	10,000	9,538	7,754
Goodrich-Loomis Conservation Centre operations	7,000	6,971	7,747
Vehicle and equipment operations and maintenance	15,000	19,581	17,802
Vehicle and equipment lease/purchase	-	-	503
	<u>\$ 346,363</u>	<u>\$ 320,067</u>	<u>\$ 295,409</u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2021

Schedule 4

	Land \$	Buildings, structures and bridges \$	Flood and Erosion Control Infrastructure \$	Roads, parking lots and trails \$	Furniture and fixtures \$	Equipment \$	Office equipment \$	Vehicles \$	Computer Equipment \$	2021 Total \$	2020 Total \$
Historical Costs:											
Opening Balance	2,117,404	832,062	273,132	134,797	39,578	70,924	39,021	200,667	77,548	3,785,133	3,758,152
Additions	-	12,335	40,704	-	-	-	-	-	3,276	56,315	65,985
Disposals	(746)	-	-	-	-	-	-	-	-	(746)	(39,004)
Closing Balance	<u>2,116,658</u>	<u>844,397</u>	<u>313,836</u>	<u>134,797</u>	<u>39,578</u>	<u>70,924</u>	<u>39,021</u>	<u>200,667</u>	<u>80,824</u>	<u>3,840,702</u>	<u>3,785,133</u>
Accumulated Amortization:											
Opening Balance	-	304,210	166,857	41,297	37,005	57,552	36,592	140,802	65,385	849,700	806,537
Amortization	-	13,273	3,420	2,338	514	2,675	728	17,960	6,058	46,966	43,163
Closing Balance	<u>-</u>	<u>317,483</u>	<u>170,277</u>	<u>43,635</u>	<u>37,519</u>	<u>60,227</u>	<u>37,320</u>	<u>158,762</u>	<u>71,443</u>	<u>896,666</u>	<u>849,700</u>
Net book value for year ended December 31, 2021	<u><u>2,116,658</u></u>	<u><u>526,914</u></u>	<u><u>143,559</u></u>	<u><u>91,162</u></u>	<u><u>2,059</u></u>	<u><u>10,697</u></u>	<u><u>1,701</u></u>	<u><u>41,905</u></u>	<u><u>9,381</u></u>	<u><u>2,944,036</u></u>	<u><u>2,935,433</u></u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus	\$ 256,807	\$ 389,813
Adjustments for:		
Amortization	46,966	43,163
Loss (gain) on disposal of tangible capital assets	746	(186,241)
Land donation	<u>-</u>	<u>(21,000)</u>
	304,519	225,735
Change in non-cash operating balances:		
Accounts receivable	32,432	(42,693)
Prepaid expenditures	(4,956)	(1,650)
Accounts payable and accrued liabilities	(7,815)	20,765
Unearned revenue	(10,428)	25,500
Due to partnership programs	218,553	(206,267)
Deferred contributions	<u>(50,905)</u>	<u>126,702</u>
	<u>481,400</u>	<u>148,092</u>
CASH FLOWS FROM CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(56,315)	(44,985)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>225,245</u>
	<u>(56,315)</u>	<u>180,260</u>
CASH FLOWS FROM INVESTING TRANSACTIONS		
Purchase of short-term investment	<u>(59)</u>	<u>(289)</u>
INCREASE IN CASH	425,026	328,063
CASH, beginning of year	<u>1,601,148</u>	<u>1,273,085</u>
CASH, end of year	<u><u>\$ 2,026,174</u></u>	<u><u>\$ 1,601,148</u></u>

(See accompanying notes)

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

1. NATURE OF OPERATIONS

The Lower Trent Region Conservation Authority ("the Authority") is established under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals, for the watersheds within its area of jurisdiction. The watersheds include areas in the Municipalities of Centre Hastings, Trent Hills and Brighton, the Townships of Alnwick/Haldimand, Cramahe and Stirling-Rawdon, and the City of Quinte West.

The Authority is a registered charity and is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Authority follows Canadian Public Sector Accounting Standards as issued by the Public Sector Accounting Board (PSAB) in preparing its financial statements. The significant accounting policies used are as follows:

Basis of accounting

Revenue and expenditures are recorded on the accrual basis, whereby they are reflected in the accounts in the year in which they have been earned and incurred, respectively, whether or not such transactions have been settled by the receipt or payment of money.

Appropriations to reserves

Authorities may establish reserves by appropriating amounts to earmark them for specific purposes. Appropriations to or from reserves are disclosed in note 6 and note 7 as appropriations from or to the operating fund.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a declining balance basis commencing in the year the asset is put into service. Donated tangible capital assets are reported at fair value at the time of donation. Amortization rates are as follows:

Buildings, structures and bridges	2.5%
Flood and erosion control infrastructure	2.5%
Roads, parking lots and trails	2.5%
Furniture and fixtures	20%
Equipment	20%
Office equipment	30%
Vehicles	30%
Computer equipment	30 to 45%

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Authority recognizes revenue as follows:

Municipal levies - general are recognized in the fiscal year in which they are levied.

The Provincial government annual operating grant is recognized in the fiscal year to which the grant relates to the extent that eligible expenditures have been incurred.

User fees and sales are recognized when the service has been performed or the goods have been transferred.

Other grants and specified donations are recognized when the related net expenditures have been incurred.

Property rental income is recognized over the lease term.

General donations are recognized when received.

Any funding received for which the related services have not been performed and/or the related expenditures have not been incurred at the end of the fiscal year are recorded as unearned revenue.

Investment income, which includes interest on bank accounts and distributions from mutual funds, is recognized when earned.

Investments

Investments, which consist of mutual funds, are measured at acquisition cost.

Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Items requiring the use of significant estimates include determining the estimated useful lives of tangible capital assets. Actual results could differ from those estimates.

Pension expense and obligation

The cost of employer contributions to the multi-employer defined benefit pension plan are charged to operations in the same year as the related employee salaries and wages to which the contributions relate. No provision is made for any funding liability or surplus related to this plan.

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 sites if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the 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. These statements do not include any liability for contaminated sites.

3. SHORT TERM INVESTMENT

The short term investment consists of a T-Bill mutual fund and includes \$15,884 (2020 - \$15,870) which is restricted in use for the Shell Canada project described in Note 4. The market value of the investment is equivalent to its cost.

4. DEFERRED CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 258,650	\$ 131,948
Contributions received in year	5,727	156,891
Interest earned	15	72
Expended in year	<u>(56,647)</u>	<u>(30,261)</u>
Balance, end of year	<u>\$ 207,745</u>	<u>\$ 258,650</u>

Deferred contribution balance includes the following items:

	<u>2021</u>	<u>2020</u>
Shell Canada	\$ 15,884	\$ 15,870
Youth Education Programs and Fundraising Initiative	<u>191,861</u>	<u>242,780</u>
	<u>\$ 207,745</u>	<u>\$ 258,650</u>

The Authority received contributions in a prior year from Shell Canada that are restricted in their use towards capital improvements at the Goodrich-Loomis Conservation Centre.

The Authority received contributions during the year from various donors that are restricted in their use towards Youth Education Programs and Fundraising Initiative.

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

5. DUE TO PARTNERSHIP PROGRAMS

The Authority has been engaged to manage and administer various non-authority programs on behalf of partners. This includes hiring and supervising the employees of these programs as well as providing technical and administrative support. The Authority is advanced funds to cover the expenditures of these programs. Separate bank accounts are not maintained for these programs. At December 31, 2021 the Authority had the following amounts payable to these programs and funds received and expended for these programs.

	Amount payable (recoverable) beginning of year	Funds received in year	Expenditures	Amount payable (recoverable) end of year
Bay of Quinte Governance	\$ (19,629)	\$ 370,250	\$ 228,476	\$ 122,145
Bay of Quinte Natural Heritage	<u>109,852</u>	<u>249,679</u>	<u>233,509</u>	<u>126,022</u>
Bay of Quinte Remedial Action Plan - total	90,223	619,929	461,985	248,167
Source Water Protection	<u>34,717</u>	<u>764,779</u>	<u>704,170</u>	<u>95,326</u>
	<u>\$ 124,940</u>	<u>\$ 1,384,708</u>	<u>\$ 1,166,155</u>	<u>\$ 343,493</u>

The Authority is the signatory to funding contracts with the Federal and Ontario governments for the above noted programs. Under these contracts, there are periodic submissions of financial reports and reconciliation of expenditures incurred to the funding provided for the contract period. Funding received in excess of eligible expenditures may have to be returned to the funding government.

6. OPERATING FUND

The activity during the year in the operating fund is as follows:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 607,890	\$ 493,140
Increase in net financial assets	243,248	404,345
Increase (decrease) in prepaid expenditures	4,956	1,650
Appropriations to reserves	(49,053)	(291,245)
Appropriations from reserves	<u>15,611</u>	<u>-</u>
Balance, end of year	<u>\$ 822,652</u>	<u>\$ 607,890</u>

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

7. RESERVE FUNDS

Appropriations to or from the reserve for administration facility, reserve for equipment, reserve for special projects, reserve for workshop facility, reserve for conservation lands, reserve for legal fees and reserve for youth education are specific decisions of the Authority's Board of Directors. The Provincial land reserve consists of funds received from sales of lands that are restricted in purpose to the purchase of provincially significant conservation lands, flood operations, flood control structures or hazard land mapping and require provincial approval. The activity in the various reserve funds during the year are as follows:

	Balance beginning of year	Appropriation from Operations	Appropriation to Operations	Balance end of year
Reserve for buildings, structures, and bridges	\$ 80,481	\$ 16,000	\$ 12,335	\$ 84,146
Reserve for vehicles and equipment	103,556	15,275	-	118,831
Reserve for special projects	62,675	1,840	-	64,515
Reserve for conservation lands	15,000	-	-	15,000
Reserve for legal fees	60,000	-	-	60,000
Reserve for youth education	43,113	-	-	43,113
Provincial land reserve	225,245	-	-	225,245
Reserve for IT infrastructure	24,000	6,000	3,276	26,724
Reserve for land infrastructure	-	9,938	-	9,938
	<u>\$ 614,070</u>	<u>\$ 49,053</u>	<u>\$ 15,611</u>	<u>\$ 647,512</u>

During the year, the Authority consolidated the reserve for administration facility and workshop facility into the reserve for buildings, structures and bridges and created the reserve for IT infrastructure allocating \$24,000 from the reserve for vehicles and equipment. Opening balances above reflect these changes.

Appropriations from operations represent the capital levy approved in the year and appropriations to operations relate to actual spending on items approved in the capital asset management plan.

THE LOWER TRENT REGION CONSERVATION AUTHORITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

8. SUNDRY

Sundry revenue consists of the following:

	2021 Budget (Note 11)	2021 Actual	2020 Actual
Tree seedling and native potted plant program	\$ 22,500	\$ 28,580	\$ 27,179
Shoreline Management Plan staff secondment	-	9,000	-
Stewardship programs and other projects	20,000	47,665	26,262
Interest	10,000	8,890	11,150
Warkworth Dam capital improvements	50,000	39,948	-
Rebates and recoveries	-	3,575	-
	<u>\$ 102,500</u>	<u>\$ 137,658</u>	<u>\$ 64,591</u>

Sundry revenue includes \$19,974 (2020 - \$12,704) related to special projects that were recognized from special levies to the benefitting municipalities.

9. DONATIONS

During the year, the Authority received donations totalling \$6,861 of which \$3,223 were restricted in use and have been included in deferred contributions (see note 4) and \$3,638 is included as donations - unrestricted on the statement of operations.

10. RECOVERIES FROM PARTNERSHIP PROGRAMS

Recoveries from partnership programs are amounts recovered from the programs described in note 5 and include recovery of wages and benefits of general Authority employees, office space and automotive equipment rental and overhead costs. The amounts charged to the programs are as follows:

	2021	2020
Bay of Quinte Remedial Action Plan	\$ 130,136	\$ 122,743
Source Water Protection	<u>147,734</u>	<u>145,146</u>
	<u>\$ 277,870</u>	<u>\$ 267,889</u>

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11. BUDGET AMOUNTS

The budget amounts presented are as approved by the Board of Directors on December 10, 2020. This includes both the operating budget and the capital budget. The operating budget included \$1,831,774 of revenue and \$1,941,350 of expenditures for a deficit of \$109,576. The capital budget included \$99,053 of revenue with projected capital expenditures of \$142,500 for the current year. The Authority does not budget for amortization.

12. FINANCIAL INSTRUMENTS

The Authority's financial instruments consist of cash, short term investment, accounts receivable, accounts payable and accrued liabilities and due to partnership programs. Unless otherwise noted, it is management's opinion that the Authority is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

The fair value of the financial instruments, excluding short term investment, approximate their carrying values because of their expected short-term maturities and treatments on normal trade terms. The fair value of the short term investment approximates its carrying value as the investment is in a T-bill fund for which the quoted price does not vary.

13. EXPENDITURES BY OBJECT

	<u>2021</u>	<u>2020</u>
Salaries and benefits	\$ 1,385,000	\$ 1,366,617
Operating goods and services	<u>443,378</u>	<u>301,679</u>
	<u>\$ 1,828,378</u>	<u>\$ 1,668,296</u>

14. PENSION AGREEMENTS

The Authority makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of the members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Contributions are split equally between the employees and the Authority.

The Authority's share of contributions to OMERS for 2021 was \$125,447 (2020 - \$126,548) for current service costs, of which \$16,186 (2020 - \$16,491) related to Partnership Programs and \$109,261 (2020 - \$110,057) relates to Authority programs that are included in the statement of operations.

The OMERS plan has a reported \$3.2 billion actuarial deficit at the end of 2020 (2019 - \$3.4 billion), and \$113.1 billion of actuarial liabilities at the end of 2020 (2019 - \$107.7 billion). Amounts for 2021 are not yet available.

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**15. UNCERTAINTY DUE TO THE ECONOMIC CONSEQUENCES OF THE
CORONAVIRUS DISEASE (COVID-19) OUTBREAK**

In mid-March of 2020, the province of Ontario declared a state of emergency in response to the public health concern originating from the spread of the coronavirus disease.

A high degree of uncertainty persists surrounding the full economic impact of the situation. The unpredictable nature of the spread of the disease makes it difficult to determine any long-term impact on the Authority's financial position and operations.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2021 financial statements.