Financial Statements of

CATARAQUI REGION CONSERVATION AUTHORITY

Year ended December 31, 2022

CATARAQUI REGION CONSERVATION AUTHORITY

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Year ended December 31, 2022

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Cataraqui Region Conservation Authority (the "Conservation Authority") are the responsibility of the Conservation Authority's management and have been prepared in accordance with Canadian public sector accounting standards. The significant accounting policies are described in summary in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The Board of Directors meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements. The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Conservation Authority's financial statements.

Katrina Furlanetto, MEnv.Sc.
General Manager

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

To the Board of Cataraqui Region Conservation Authority

Opinion

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

- the statement of financial position as at December 31, 2022
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, 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 auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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 the financial statements.

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

We also:

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

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

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

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

March 22, 2023

CATARAQUI REGION CONSERVATION AUTHORITY

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Financial assets:		
Cash	$ 4,589,673	$ 4,021,538
Cash held for Source Water Protection	17,860	45,670
Accounts receivable	243,252	195,446
Harmonized sales tax receivable	25,049	29,357
	4,875,834	4,292,011
Financial liabilities:		
Accounts payable and accrued liabilities	196,986	204,872
Deferred revenue - other	14,048	48,055
Deferred revenue (note 11)	983,849	932,046
Termination and vacation pay	62,945	61,015
Total liabilities	1,257,828	1,245,988
	3,618,006	3,046,023
Non-financial assets:		
Prepaid expenses	7,720	6,149
Tangible capital assets (note 2)	10,874,842	10,989,597
	10,882,562	10,995,746
Commitments (note 13)		
Accumulated surplus (note 10)	$ 14,500,568	$ 14,041,769

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

On behalf of the Board:

_______________ Chairperson

_______________ Chairperson

CATARAQUI REGION CONSERVATION AUTHORITY

Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	Budget 2022 (unaudited - note 8)	Actual 2022	Actual 2021
Revenue:			
Municipal grants	$ 2,780,092	$ 2,788,752	$ 2,671,744
Authority generated (note 3)	2,373,119	1,828,594	1,642,966
Government transfers:			
Federal	–	226,113	11,295
Provincial (note 12)	217,361	227,353	224,837
	5,370,572	5,070,812	4,550,842
Expenses (note 4):			
Corporate services	1,474,183	937,644	857,583
Watershed planning and engineering	951,775	952,532	699,550
Conservation lands	923,301	644,267	593,602
Conservation areas	565,760	438,820	451,254
Facilities	344,973	138,715	120,866
General manager’s office	335,800	286,872	272,512
Watershed science	307,425	297,695	266,245
Corporate financing	201,950	227,852	269,311
Fleet	160,100	107,837	68,351
Water control structures	92,310	42,989	42,290
Full authority board and executive	12,995	9,241	8,244
Amortization	–	510,614	498,670
Projects	–	118,982	95,578
Change in termination and vacation pay	–	1,930	(15,921)
	5,370,572	4,715,990	4,228,135
Annual operating surplus	–	354,822	322,707
Revenue related to capital:			
Government transfers – Federal	–	91,977	100,000
Donations	–	12,000	110,000
		103,977	210,000
Annual surplus	–	458,799	532,707
Accumulated surplus, beginning of year	–	14,041,769	13,509,062
Accumulated surplus, end of year (note 10)	$ –	$ 14,500,568	$ 14,041,769

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

CATARAQUI REGION CONSERVATION AUTHORITY

Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021
(In thousands of dollars)

	Budget 2022 (unaudited - note 8)	Actual 2022	Actual 2021
Annual surplus	$ –	$ 458,799	$ 532,707
Purchase of tangible capital assets	–	(395,859)	(470,345)
Amortization of tangible capital assets	–	510,614	498,670
Change in prepaid expenses	–	(1,571)	(3,445)
	–	113,184	24,880
Increase in net financial assets	–	571,983	557,587
Net financial assets, beginning of year	–	3,046,023	2,488,436
Net financial assets, end of year	$ –	$ 3,618,006	$ 3,046,023

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

CATARAQUI REGION CONSERVATION AUTHORITY

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used for):		
Operating activities:		
Annual surplus	$ 458,799	$ 532,707
Items not involving cash:		
Amortization of tangible capital assets	510,614	498,670
Changes to financial assets and liabilities:		
Accounts receivable	(47,806)	(123,312)
Harmonized sales tax receivable	4,308	(14,971)
Prepaid expenses	(1,571)	(3,445)
Accounts payable and accrued liabilities	(7,886)	124,544
Deferred revenue – other	(34,007)	18,391
Deferred revenue	51,803	(9,368)
Termination and vacation pay	1,930	(15,921)
	936,184	1,007,295
Capital activities:		
Purchase of tangible capital assets	(395,859)	(470,345)
Increase in cash during the year	540,325	536,950
Cash, beginning of year	4,067,208	3,530,258
Cash, end of year	$ 4,607,533	$ 4,067,208
Represented by:		
General	$ 4,589,673	$ 4,021,538
Source Water Protection	17,860	45,670
	$ 4,607,533	$ 4,067,208

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

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

1. Significant accounting policies:

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

(a) Basis of accounting:

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

(b) Non-financial assets:

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

(i) Tangible capital assets:

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

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

1. Significant accounting policies (continued):

(b) Non-financial assets (continued):

(i) Tangible capital assets (continued):

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

(ii) Contributions of tangible capital assets:

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

(iii) Impairment:

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

(c) Revenue recognition:

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

(d) Deferred revenue:

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

(e) Reserves:

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

1. Significant accounting policies (continued):

(f) Vacation pay and termination benefits:

The unfunded liability for vacation pay and termination benefits amounting to $62,945 (2021 - $61,015) has been reported as a liability and the offsetting unfunded amount as an amount to be funded in future years, a component of accumulated surplus.

(g) Retirement benefits and other employee benefit plans:

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

(h) Liability for contaminated sites:

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

(i) Government transfers:

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

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

2. Tangible capital assets:

Cost		Balance at December 31, 2021		Transfers and additions		Transfers, disposals and adjustments		Balance at December 31, 2022
Land	$	7,266,144	$	–	$	–	$	7,266,144
Land improvements		11,636,301		116,464		–		11,752,765
Buildings		1,501,518		17,515		7,613		1,511,420
Bridges, dams and docks		2,362,245		–		–		2,362,245
Vehicles and machinery		657,726		61,666		–		719,392
Monitoring and recreational equipment		244,230		592		–		244,822
Furniture and fixtures		649,986		59,888		–		709,874
Information technology		317,163		45,524		–		362,687
Work-in-progress		44,798		94,210		–		139,008
Total	$	24,680,111	$	395,859	$	7,613	$	25,068,357

Accumulated amortization		Balance at December 31, 2021		Amortization expense		Transfers, disposals and adjustments		Balance at December 31, 2022
Land improvements	$	9,132,364	$	340,089	$	–	$	9,472,453
Buildings		1,071,944		28,423		7,613		1,092,754
Bridges, dams and docks		2,112,752		25,481		–		2,138,233
Vehicles and machinery		356,151		48,745		–		404,896
Monitoring and recreational equipment		205,931		11,681		–		217,612
Furniture and fixtures		514,428		38,011		–		552,439
Information technology		296,944		18,184		–		315,128
Total	$	13,690,514	$	510,614	$	7,613	$	14,193,515

		Net book value December 31, 2021		Net book value December 31, 2022
Land	$	7,266,144	$	7,266,144
Land improvements		2,503,937		2,280,312
Buildings		429,574		418,666
Bridges, dams and docks		249,493		224,012
Vehicles and machinery		301,575		314,496
Monitoring and recreational equipment		38,299		27,210
Furniture and fixtures		135,558		157,435
Information technology		20,219		47,559
Work-in-progress		44,798		139,008
Total	$	10,989,597	$	10,874,842

3. Authority generated revenues:

A breakdown of authority generated revenues is as follows:

	2022	2021
Planning and development review	$ 453,778	$ 424,870
Equipment and vehicle rental recoveries	163,746	147,104
Information technology recoveries	151,174	129,218
Office cleaning and maintenance recoveries	11,652	12,324
Outdoor centre	205,850	97,411
Trees program	150,521	348,380
Other	41,332	152,192
Interest revenue	101,217	15,250
Conservation area revenue	183,239	170,245
Streamlining development revenue	103,281	–
Lidar revenue	59,590	–
Student program fees	55,275	37,392
Insurance	134,084	94,725
Property rental	13,855	13,855
	$ 1,828,594	$ 1,642,966

4. Expenses by object:

A breakdown of expenses by object is as follows:

	2022	2021
Wages and benefits	$ 2,462,231	$ 2,204,957
Materials and supplies	786,473	669,350
Amortization	510,614	498,670
Purchased services	385,588	413,947
Insurance, heat and utilities	309,958	227,429
Travel and vehicle	135,414	133,158
Computer supplies and IT support	56,110	51,350
Property taxes	39,142	38,331
Other	28,530	6,864
Change in termination and vacation pay	1,930	(15,921)
	$ 4,715,990	$ 4,228,135

5. Pension agreement:

The Conservation Authority 's employees are members of the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer pension plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employee based on length of service and rates of pay. Because OMERS is a multi-employer pension plan, the Conservation Authority does not recognize any share of the pension plan deficit of $6.7 billion as at December 31, 2022 (2021 - $3.1 billion) based on the fair market value of the plan's assets, as this is a joint responsibility of Ontario Municipal organizations and their employees. Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding measurements. The amount contributed to OMERS for 2022 was $144,688 (2021 - $155,737) for current service and is included as an expense in the Statement of Operations and Accumulated Surplus.

6. Cataraqui Conservation Foundation:

Contributions were received during the year from the Cataraqui Conservation Foundation in the amount of $30,000 (2021 - $20,000) of which $Nil has been spent and $30,000 has been moved to a reserve for future educational expenses.

7. Bank credit facility:

The Conservation Authority has an approved bank credit facility with its lender in the amount of $750,000 of which none had been drawn as at December 31, 2022 (2021 – undrawn).

8. Budget figures:

The budget data presented in these financial statements is based upon the 2022 operating and projects budgets approved by the Board. These amounts are unaudited. The Conservation Authority only prepares a budget for the Statement of Operations, the budget figures in the Statement of Change in Net Financial Assets has not been provided.

9. Segmented information:

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

	Revenue	Expenses	2022 Net	2021 Net
Watershed	$ 1,480,878	$ 1,314,216	$ 166,662	$ 398,678
Conservation lands	1,318,034	1,676,582	(358,548)	52,281
Fleet	163,815	107,837	55,978	78,753
General manager's office & FA Board	302,345	296,113	6,232	(41,111)
Corporate services	1,180,750	974,407	206,343	121,632
Corporate financing	650,802	227,853	422,949	18,052
Projects	78,165	118,982	(40,817)	(95,578)
	$ 5,174,789	$ 4,715,989	$ 458,799	$ 532,707

10. Accumulated surplus:

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

	2022	2021
Equity in tangible capital assets	$ 10,874,842	$ 10,989,597
Less: Unfunded termination and vacation pay	(62,945)	(61,015)
	10,811,897	10,928,582
Corporate Reserves:		
Corporate Financing Reserve	197,310	195,689
Fleet (Equipment) Reserve	51,015	24,432
Fleet (Vehicles) Reserve	68,101	88,058
General Reserve	119,546	142,269
Data Acquisition Reserve	103,029	83,401
Information Technology Reserve	75,342	83,805
Stabilization Reserve	396,651	139,504
Trust Reserve	349,773	342,859
Trust Reserve Mac Johnson Wildlife Area Nature Centre Reserve	42,759	41,871
	1,403,526	1,141,888
Conservation Lands Reserves:		
Boat Ramp and Water Access Point Reserve	8,445	7,945
Cataraqui Trail Reserve	49,034	64,642
Friends of the Cataraqui Trail	31,136	16,416
Conservation Areas Reserve	154,978	88,953
Facilities Reserve	1,602,740	1,358,282
Real Property Reserve	270,762	264,931
	2,117,095	1,801,169
Watershed Management Reserves:		
Forestry Reserve	82,785	105,918
Watershed Management Reserve	85,265	64,212
	168,050	170,130
Total reserves	3,688,671	3,113,187
Total accumulated surplus	$ 14,500,568	$ 14,041,769

11. Deferred revenue:

	Balance, December 31, 2021	Additions	Transferred to income	Interest earned	Balance December 31, 2022
Externally restricted:					
Conservation Lands Reserves:					
Development Review Legal Funds	$ 36,658	$ –	$ –	$ 739	$ 37,397
Boat Ramp and Water Access Point - Reserve Leeds and the Thousand Islands	7,630	2,530	–	205	10,365
Cataraqui Trail Reserve -Crabtree & Rideau Lakes Donation	54,605	–	11,338	1,065	44,332
Lemoine Point Conservation Area Reserve	308,181	22,429	66,106	6,315	270,819
Lemoine Point Native Plant Nursery Reserve	48,492	1,887	–	985	51,364
Lemoine Point Workshop Reserve	18,557	7,894	910	472	26,013
Parrott's Bay Conservation Area Reserve	157,439	22,948	305	3,521	183,603
Owl Woods Reserve	8,872				9,416
	640,434	58,399	79,015	13,491	633,309
Water Control Structure Reserves:					
Sydenham Lake Dam Reserve	53,947	3,510	782	1,156	57,831
Wilton Road Dam Reserve	14,325	31,832	17,628	615	29,144
Highgate Creek Channelization Reserve	44,029 711	1,570 356	638 189	918	45,879
Little Cataraqui Creek Dam Reserve	38,704	8,214	–	917	47,835
Temperance Lake Dam Reserve	28,205	6,688	–	658	35,551
Marsh Bridge Dam Reserve	15,134	4,907	–	389	20,430
Fred Grant Dam Reserve	27,533	6,016	–	639	34,188
Broome-Runciman Dam Reserve	48,901	8,641	–	1,110	58,652
Buells Creek Detention Basin Reserve	9,714	5,125	7,213	233	7,859
Booths Falls Diversion Reserve	11,120	1,791	–	260	13,171
	291,612	78,294	26,261	6,895	350,540
Total	$ 932,046	$ 136,693	$ 105,276	$ 20,386	$ 983,849

12. Provincial government transfers:

The following is a breakdown of provincial government transfers:

	2022	2021
Section 39 – flood control	$ 56,701	$ 56,701
Source water protections	143,082	156,481
Dam maintenance and other	27,570	11,655
	$ 227,353	$ 224,837

13. Commitments:

(a) The Conservation Authority entered into a shared services agreement with the Corporation of the County of Frontenac (the “County”) for the provision of information services. Under the arrangement, the Conservation Authority will become a full participant in the Frontenac Municipal Information System (“F.M.I.S”) with the four organizations already party to the system. The F.M.I.S provides strategic planning, project management, help desk support, network administration and procurement services to the participating organizations. The Conservation Authority will be responsible for annual contributions to F.M.I.S equal to $109,000 for the first year of participation, declining to a contribution of $90,000 in the fifth year of participation. These costs are in consideration of salaries, training and mileage for staff resources. In addition to this contribution, the Conservation Authority will be responsible for one third of the cost of hardware and software required to support one staff position at F.M.I.S. Amounts owing under the agreement will be billed to the Conservation Authority quarterly, with an annual reconciliation of costs incurred and amounts paid by January 31 of the following calendar year. The arrangement may be terminated by the Conservation Authority with eighteen months’ notice.

(b) The Conservation Authority has entered into a memorandum of understanding (MOU) with County for the development of joint administrative building. The design of the building, drafting of construction/tender documents, cost estimates and the development of a long term lease document are complete. The County is responsible for the costs of the construction with the Conservation Authority contributing 31.8% of the total costs, anticipated to be approx. $1,418,280. This payment will be made as part of the monthly lease payment.. The Conservation Authority has signed a lease of the Administration building with the County that will be updated with finalized costs when the construction and project is complete (anticipated December 2023).

14. Comparative Information:

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