

Credit Valley Conservation Authority  
Financial Statements  
For the year ended December 31, 2021

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Financial Statements  
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	Contents
Management's Responsibility	2
Independent Auditor's Report	3 - 4
Financial Statements	
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Change in Net Financial Assets (Debt)	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 22
Schedules	23 - 32

MANAGEMENT'S RESPONSIBILITY FOR THE  
FINANCIAL STATEMENTS

The accompanying financial statements of Credit Valley Conservation Authority (the "Authority") are the responsibility of the Authority's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described 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 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.

Members meet 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 BDO Canada LLP, independent external auditors appointed by the Authority. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.

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Chair  
Tom Adams  
April 8, 2022

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Vice Chair  
Johanna Downey  
April 8, 2022



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## Independent Auditor's Report

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To the Members of Credit Valley Conservation Authority

### Opinion

We have audited the financial statements of Credit Valley Conservation Authority, (the "Authority") which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, change in net financial assets (debt) 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 the results of its operations, changes in net financial assets (debt), and 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.

### Other Matters

The financial statements of Credit Valley Conservation Authority for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on April 9, 2021.

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

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

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



### 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 Authorities 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 Authorities 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 Authorities 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario  
April 8, 2022

Credit Valley Conservation Authority  
Statement of Financial Position

December 31	2021	2020
Financial assets		
Cash and cash equivalents (Note 3)	\$13,014,438	\$ 14,655,222
Accounts receivable (Note 4)	5,943,160	1,934,308
	18,957,598	16,589,530
Financial liabilities		
Accounts payable and accrued liabilities	3,282,402	1,994,745
Deferred revenue (Note 5)	9,681,486	8,802,623
Capital lease liabilities	-	155,630
Mortgage payable (Note 8)	5,404,600	5,553,592
	18,368,488	16,506,590
Net financial assets	589,110	82,940
Non-financial assets		
Tangible capital assets (Note 6)	54,588,569	49,262,112
Prepaid expenses	209,432	193,674
Inventory	146,964	158,502
	54,944,965	49,614,288
Accumulated surplus (Note 10)	\$ 55,534,075	\$ 49,697,228

Commitments (Note 11)  
Contractual Rights (Note 14)  
Contingent Liability (Note 15)  
Uncertainty due to COVID-19 (Note 16)

Approved by Board

\_\_\_\_\_ Chair

\_\_\_\_\_ Vice Chair

Credit Valley Conservation Authority  
Statement of Operations and Accumulated Surplus

For the year ended December 31	Budget 2021	2021	2020
	(Note 2)		
Revenue			
Government grants:			
Transfer payments	\$ 95,606	\$ 95,606	\$ 95,606
Federal and provincial	1,087,505	5,898,067	1,161,038
	1,183,111	5,993,673	1,256,644
Municipal levies:			
General (Schedule A)	9,929,464	9,929,464	9,675,559
Special benefiting (Schedule A)	16,423,190	16,291,337	15,761,929
	26,352,654	26,220,801	25,437,488
Other contributions	549,524	1,541,554	1,954,723
Authority-generated (Schedule B)	2,822,496	3,590,608	3,633,061
	30,907,785	37,346,636	32,281,916
Expenses			
Water resources management and restoration (Schedule C)	7,753,422	8,024,030	7,643,533
Watershed stewardship and natural heritage (Schedule D)	10,880,040	10,847,673	9,939,999
Conservation lands management (Schedule E)	4,152,902	3,767,806	3,223,705
Conservation areas programming (Schedule F)	2,267,686	2,328,069	2,057,798
Corporate communications and education (Schedule G)	2,189,521	2,284,620	1,976,171
Environmental advisory services (Schedule H)	3,438,682	3,302,018	3,295,837
Corporate services (Schedule I)	(494,960)	955,573	953,155
	30,187,293	31,509,789	29,090,198
Annual surplus	720,492	5,836,847	3,191,718
Accumulated surplus, beginning of year	49,697,228	49,697,228	46,505,510
Accumulated surplus, end of year	\$ 50,417,720	\$ 55,534,075	\$ 49,697,228

Credit Valley Conservation Authority  
Statement of Change in Net Financial Assets (Debt)

For the year ended December 31	Budget 2021	2021	2020
Annual surplus	\$ 720,492	\$ 5,836,847	\$ 3,191,718
Acquisition of tangible capital asset	(411,500)	(6,724,147)	(3,632,697)
Amortization of tangible capital assets	-	1,397,690	1,434,741
Proceeds on disposal of tangible capital assets	-	1,323	76,308
Gain on disposal of tangible capital assets	-	(1,323)	(62,247)
	308,992	(5,326,457)	(2,183,895)
Change in prepaid expenses	-	(15,758)	176,316
Change in inventory	-	11,538	(8,613)
	-	(4,220)	167,703
Change in net financial assets	308,992	506,170	1,175,526
Net financial assets (debt), beginning of year	82,940	82,940	(1,092,586)
Net financial assets, end of year	\$ 391,932	\$ 589,110	\$ 82,940



Credit Valley Conservation Authority  
Statement of Cash Flows

For the year ended December 31	2021	2020
Operating transactions		
Annual surplus	\$ 5,836,847	\$ 3,191,718
Non-cash changes to operations:		
Amortization	1,397,690	1,434,741
Gain on disposal of tangible capital assets	(1,323)	(62,247)
Changes in non-cash operating items:		
Accounts receivable	(4,008,852)	(469,655)
Prepaid expenses	(15,758)	176,316
Inventory	11,538	(8,613)
Accounts payable and accrued liabilities	1,287,657	233,637
Deferred revenue	878,863	205,954
Total Operating Transactions	<u>5,386,662</u>	<u>4,701,851</u>
Capital transactions		
Proceeds on disposal of tangible capital assets	1,323	76,308
Acquisition of tangible capital assets	<u>(6,724,147)</u>	<u>(3,632,697)</u>
Total Capital Transactions	<u>(6,722,824)</u>	<u>(3,556,389)</u>
Financing transactions		
Capital lease repayment	(155,630)	(161,760)
Repayment of mortgage principal	<u>(148,992)</u>	<u>(141,464)</u>
Total Financing Transactions	<u>(304,622)</u>	<u>(303,224)</u>
Increase (decrease) in cash and cash equivalents	(1,640,784)	842,238
Cash and cash equivalents, beginning of year	<u>14,655,222</u>	<u>13,812,984</u>
Cash and cash equivalents, end of year	<u>\$13,014,438</u>	<u>\$ 14,655,222</u>
Supplemental cash flow information:		
Interest received	\$ 66,760	\$ 117,471
Interest paid	285,050	292,576

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Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

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1. Summary of Significant Accounting Policies

Nature of the Authority

Credit Valley Conservation Authority (the "Authority") was established on May 13, 1954 by Order-in-Council No. 1324/54, in accordance with Section 3(1) of the Conservation Authorities Act of Ontario. The Authority is classified as a registered charity under the Income Tax Act (Canada) and as such, is not subject to income taxes provided certain disbursement requirements are met. The objective of the Authority, as stated by the Conservation Authorities Act R.S.O. 1990 is "to provide for the organization and delivery of programs and services that further the conservation, restoration, development and management of natural resources in watersheds in Ontario".

Management's Responsibility

The financial statements of the Authority are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of The Chartered Professional Accountants of Canada.

Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting 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.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term cashable investments. Short-term investments are highly liquid, subject to insignificant risk of changes in value.

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Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

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1. Summary of Significant Accounting Policies (continued)

Non-Financial Assets, Tangible Capital 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, less accumulated amortization. Cost includes all amounts directly attributable to acquisition, construction, development or betterment of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset using the following rates:

Land improvements	10 - 25 years
Structures	10 - 75 years
Machinery and equipment	1 - 25 years
Vehicles	4 - 9 years
Equipment under capital lease	Over the term of the lease

Assets under construction are not amortized until the asset is available for productive use, at which time, they are capitalized.

(ii) Contributed Tangible Capital Assets

Tangible capital assets received as contributions are recorded at the fair value at the date of receipt.

Vehicles and Equipment

The Authority maintains a reserve for replacement of vehicles and equipment. Internal charges for the use of the vehicles and equipment are made to the various projects and programs of the Authority. The internal charges are designed to recover the costs of operating equipment, including replacement. Additions and replacements to vehicles and equipment are financed by transfers from this reserve.

Vacation pay and lieu time liabilities

Vacation credits earned but not taken and lieu time entitlements are accrued as earned.

Reserves

Reserves are established under approval of the Credit Valley Conservation (CVC) Authority Board of Directors. The management of reserves falls under the authority of the CAO and the Director of Corporate Services. Increases or decreases in these reserves are made by appropriations to or from operations. Any use of funds from a reserve shall be authorized by designated program staff and Finance staff as outlined in procedure.

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Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

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1. Summary of Significant Accounting Policies (continued)

Government transfers

Government transfers and municipal levies are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Government transfers and municipal levies are recognized as deferred revenue when transfer stipulations give rise to a liability. Government transfers and municipal levies are recognized in the statement of operations as the stipulation liabilities are settled.

Restricted Revenue

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the purpose specified.

Other grants, donations and contributions, amounts received from Credit Valley Conservation Foundation and authority-generated revenue are recognized when the related services are performed.

Pension Plan

The 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 the assets and administration of the benefits. The Authority has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Authority records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

Use of Estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards 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 revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements include accounts receivable, estimated provisions for accrued liabilities, the estimated useful lives of tangible capital assets and valuation of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

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Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

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1. Summary of Significant Accounting Policies (continued)

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

The Authority's financial assets comprise of cash and cash equivalents including investments which are recorded at fair value; and accounts receivable which are recorded at amortized cost. The Authority's financial liabilities comprise of accounts payable and accrued liabilities and mortgage payable which are recorded at amortized cost.

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Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

2. Budget Figures

The Budget for 2021 was adopted by the Board of Directors on February 19, 2021. The budget was prepared on a cash basis (based on expected cash inflows and outflows), while Canadian public sector accounting standards now require the reporting of actual results on the financial statements to be prepared on a full accrual basis. Accordingly, the budget expensed tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the 2021 budget adopted by Council with adjustments as follows:

	Revenue	Expense	Net
Total Board approved budget	\$ 30,907,785	\$ 30,907,785	\$ -
Less: Budgeted capital expenses	-	411,500	411,500
2021 Budgeted principal repayments on long-term debt	-	148,992	148,992
Budgeted contribution to reserve	-	160,000	160,000
Adjusted budget per the statement of operations	\$ 30,907,785	\$ 30,187,293	\$ 720,492

The budgeted numbers are unaudited.

3. Cash and Cash Equivalents

Cash equivalents is comprised of funds held with the ONE Investment Program. Portfolio investments are recorded at fair value.

As at year end, the Authority held \$7,382,734 (2020 - \$10,037,588) of cash in the ONE Investment High Interest Savings account with a fair value of \$7,382,734 (2020 - \$10,037,588).

4. Accounts Receivable

	2021	2020
Government Grants	\$ 4,959,933	\$ 784,588
Municipal Levies	20,812	42,171
Other	962,415	1,107,549
	\$ 5,943,160	\$ 1,934,308

Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

5. Deferred Revenue

Revenue received but not earned at year end is as follows:

	2021	2020
MNR Transfer Payment	\$ 17,449	\$ 17,449
Water Management Technical Assessment and Guidance	409,963	422,343
LID Developer Funded Monitoring Program	343,074	133,025
Water Management Transfer Tools and Training	364,853	222,292
CTC Source Protection Program	172,204	-
Blocks 1 to 5 EIR & FSR	25,539	25,410
Flood Forecast & Warning	7,114	56,018
Climate Change Vulnerability Assessment	62,959	66,747
Real Time Water Quality Response	133,882	134,231
SWM Infrastructure Performance Risk Assess	505,168	456,260
Floodline Mapping Program - Peel	129,741	230,047
Leaders for Clean Water - Peel	632,787	422,900
Watershed Plan	264,582	-
Leaders for Clean Water - Headwaters	36,648	230,160
S. 39 Transfer Payment	6,453	6,453
Peel Predevelopment Support	126,057	69,330
Peel Planting Program	668,926	328,252
50 Million Trees Program - Future Obligation	16,258	16,258
Future Replanting - CVC Partners	15,019	15,019
Invasive Species Control Program	211,909	173,995
Grassland Projects	1,000	17,165
Peel Rural Water Quality	149,643	116,878
Peel Rural Non-Farm Environment Program	144,476	158,919
Peel Rural Farm Environment Program	120,342	37,016
Peel Ecological Goods and Services	84,159	91,993
Watershed Ecological Goods & Services	196,681	119,457
Conservation Youth Corp	133,885	82,671
Nursery Infrastructure & Restoration	136,803	47,309
Wetland & Aquatic Habitat Restoration	30,000	-
Aquatic & Wetland Restoration - Peel	247,998	862,694
Credit Valley Trail	25,000	25,000
Regional Community Outreach	284,742	6,316
Headwaters Outreach	67,233	81,467
Urban Outreach & Restoration	6,672	57,212
Jim Tovey Lakeview Conservation Area: Phase II	8,327	13,309
Landscape Science	187,375	84,471
Urban Natural Heritage	85,510	118,342
Natural Areas Inventory	195,146	162,643
Wildlife Habitat Assessment	52,609	113,906
Effectiveness Monitoring Strategy	38,968	42,740
Brampton Cause and Effect Monitoring	266,162	264,822
Infrastructure Major Maintenance	691,437	504,971
Dods & McNair Memorial Forest	-	3,547
Capital Projects - Peel	1,663,573	1,841,695
Enforcement Program - Peel	9,710	24,458
Conservation Authorities Workshop	17,731	13,231
Public Relations	84,509	159,835
Corporate Support Initiatives	483,161	402,792
Environmental Education	44,905	227,023
Conservation Authorities University	73,144	94,276
Green Infrastructure Ontario Coalition Administration	-	276
	\$ 9,681,486	\$ 8,802,623

These amounts are recognized as revenue as directly related expenses are incurred.

Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

6. Tangible Capital Assets

	2021						
	Land	Land Improvements	Structures	Machinery and Equipment	Vehicles	Capital Work in Progress	Total
Cost							
Balance, beginning of year	\$ 33,347,745	\$ 4,317,971	\$ 18,414,614	\$ 4,079,137	\$ 943,054	\$ 201,415	\$ 61,303,936
Add: Additions during the year	320,193	-	-	234,396	77,866	6,091,692	6,724,147
Add: Transfers	-	-	214,680	71,472	-	(286,152)	-
Less: Disposals during the year	-	(2,493)	-	(276,552)	-	-	(279,045)
Balance, end of year	<u>33,667,938</u>	<u>4,315,478</u>	<u>18,629,294</u>	<u>4,108,453</u>	<u>1,020,920</u>	<u>6,006,955</u>	<u>67,749,038</u>
Accumulated amortization							
Balance, beginning of year	-	2,290,700	7,201,775	2,132,814	416,535	-	12,041,824
Add: Amortization during the year	-	165,287	542,117	551,066	139,220	-	1,397,690
Less: Amortization on disposals	-	(2,493)	-	(276,552)	-	-	(279,045)
Balance, end of year	<u>-</u>	<u>2,453,494</u>	<u>7,743,892</u>	<u>2,407,328</u>	<u>555,755</u>	<u>-</u>	<u>13,160,469</u>
Net book value of tangible capital assets	<u>\$ 33,667,938</u>	<u>\$ 1,861,984</u>	<u>\$ 10,885,402</u>	<u>\$ 1,701,125</u>	<u>\$ 465,165</u>	<u>\$ 6,006,955</u>	<u>\$ 54,588,569</u>



Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

6. Tangible Capital Assets (continued)

	2020						
	Land	Land Improvement	Structures	Machinery and Equipment	Vehicles	Capital Work in Progress	Total
<b>Cost</b>							
Balance, beginning of year	\$ 32,050,548	\$ 3,869,285	\$ 17,110,884	\$ 4,089,239	\$ 764,472	\$ 276,684	\$ 58,161,112
Add: Additions during the year	1,297,197	38,305	19,640	341,753	260,187	1,675,615	3,632,697
Add: Transfers	-	466,794	1,284,090	-	-	(1,750,884)	-
Less: Disposals during the year	-	(56,413)	-	(351,855)	(81,605)	-	(489,873)
Balance, end of year	<u>33,347,745</u>	<u>4,317,971</u>	<u>18,414,614</u>	<u>4,079,137</u>	<u>943,054</u>	<u>201,415</u>	<u>61,303,936</u>
<b>Accumulated amortization</b>							
Balance, beginning of year	-	2,166,025	6,681,164	1,972,385	263,321	-	11,082,895
Add: Amortization during the year	-	181,088	520,611	510,772	222,270	-	1,434,741
Less: Amortization on disposals	-	(56,413)	-	(350,343)	(69,056)	-	(475,812)
Balance, end of year	<u>-</u>	<u>2,290,700</u>	<u>7,201,775</u>	<u>2,132,814</u>	<u>416,535</u>	<u>-</u>	<u>12,041,824</u>
Net book value of tangible capital assets	<u>\$ 33,347,745</u>	<u>\$ 2,027,271</u>	<u>\$ 11,212,839</u>	<u>\$ 1,946,323</u>	<u>\$ 526,519</u>	<u>\$ 201,415</u>	<u>\$ 49,262,112</u>

Tangible capital assets under construction have a value of \$6,006,955 (2020 - \$201,415) and have not been amortized. Amortization of these assets will commence when the assets are put into service.

Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

7. Credit Facility

The Authority has a standby line of credit held with TD Canada Trust at prime plus 0% interest. As at December 31, 2021, no amount has been drawn (2020 - \$Nil).

8. Mortgage Payable

In 2010, the Authority entered into a long-term financing agreement with the Regional Municipality of Peel for a maximum of \$6,590,000 to use for the development of the Authority's headquarters building expansion. During 2011, the promissory note was converted to a mortgage payable and bears interest at a rate of 5.196% and is repayable over 30 years. The current portion of the principal is \$156,920 (2020 - \$148,992).

Expected principal payments over the next five years and thereafter is as follows:

2022	\$	156,920
2023		165,271
2024		174,066
2025		183,329
2026		193,085
Thereafter		<u>4,531,929</u>
	\$	<u>5,404,600</u>

9. Related Party Transactions

During the year, the Authority received \$1,639,175 (2020 - \$764,934) from the Credit Valley Conservation Foundation, of which \$746,069 (2020 - \$325,324) was recognized as revenue in the current year. Funds received of \$831,315 (2020 - \$439,610) have been deferred until the appropriate recognition criteria have been met.

10. Accumulated Surplus

Accumulated surplus consists of the following:

	<u>2021</u>	<u>2020</u>
Surpluses		
Invested in tangible capital assets	\$54,588,569	\$ 49,262,112
Operating (Deficits)	(14,763,783)	(13,264,446)
Reserves	<u>15,709,289</u>	<u>13,699,562</u>
Accumulated surplus	<u>\$55,534,075</u>	<u>\$ 49,697,228</u>

Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

11. Lease Commitments

Future minimum lease payments for the next four years for equipment are as follows:

2022	\$ 16,160
2023	15,664
2024	15,664
2025	<u>1,305</u>
	<u>\$ 48,793</u>

12. Expenses by Object

	<u>2021</u>	<u>2020</u>
Administration overhead chargeback	\$ 3,431	\$ -
Amortization	1,397,690	1,434,741
Consulting and other professional fees	2,722,426	2,445,475
Loss on foreign exchange	963	2,186
Gain on disposal of capital assets	(1,323)	(62,247)
Insurance	249,027	199,516
Interest on long-term debt	287,228	296,536
Office	145,485	270,922
Program related expenses	750,331	609,381
Repairs and maintenance	61,469	82,755
Training	25,890	30,194
Utilities and property taxes	372,299	329,712
Vehicle expenses	672,307	627,789
Wages and benefits	<u>24,822,566</u>	<u>22,823,238</u>
	<u>\$31,509,789</u>	<u>\$ 29,090,198</u>

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Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

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13. Pension Plan

The Authority makes contributions to the Ontario Municipal Employees' Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all full-time members of its staff. The plan is a defined benefit plan, which specifies that amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including the investment of assets and administration of benefits. OMERS provides pension services to more than 500,000 active and retired members and approximately 1,000 employees.

Each year an independent actuary determines the status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2021. The results of this valuation disclosed total actuarial liabilities of \$120.8 billion in respect of benefits accrued for service with actuarial assets at that date of \$117.7 billion indicating an actuarial deficit of \$3.1 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Authority to OMERS for 2021 were \$1,769,844 (2020 - \$1,664,957).

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14. Contractual Rights

The Authority is involved in various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future. Future revenues from third party contracts to provide services and shared services with cost recoveries are estimated to be approximately \$8,389,000 (2020 - \$5,619,000) over the course of 2022 to 2028.

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15. Contingent Liabilities

Certain unresolved legal claims are outstanding against the Authority as at December 31, 2021. No amounts have been accrued in the financial statements for any potential losses arising from these claims as the Authority anticipates any individual settlements will not exceed the limits of insurance coverage or the outcomes are not determined at this time.

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Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

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16. Financial Instruments Risks

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority is exposed to credit risk resulting from the possibility that a counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Authority's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Authority's receivables are from government resources.

Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Authority will not have sufficient funds to settle a transaction on the due date. The Authority is exposed to this risk mainly in respect of its accounts payable, and mortgage payable. The Authority mitigates this risk by ensuring that it always has sufficient cash to allow it to meet its liabilities when they become due.

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17. Uncertainty due to COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The Authority has mandated work-from-home supported by technology and infrastructure to access servers from remote locations, for those who were able to do so. Management continues to closely monitor and manage the impact of COVID-19 to the operations of the Authority by managing expenditures accordingly.

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18. Comparative Figures

Certain comparative figures have been reclassified to conform with current year presentation.

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Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

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19. Program Information

Certain allocation methodologies are employed in the preparation of program financial information. Government grants, user charges, transfers from other funds, and other revenue are allocated to the specific program or service they relate to. Expense allocations are both internal and external. Activity based costing is used to allocate internal support costs to departments. These costs include the net expenditures for departments, such as human resources, information systems, finance and others, commonly referred to as overhead. The Authority allocated its activities into seven main program areas which are reported in the accompanying supplementary schedules to the financial statements.

Water Resources Management and Restoration

Services provided by the Authority include those required to develop the framework and management strategy to provide a rational approach to natural systems protection, restoration and use. The Authority also maintains and updates an extensive database of information on the watershed. The Authority undertakes studies of specific areas, such as subwatersheds, or features, such as groundwater to improve the watershed knowledge and determine methods to improve management techniques. The information gathered is also used to assess the health of the watershed, to anticipate impacts of future changes, to determine method of maintaining and restoring a healthy river system, and to monitor the effectiveness of actions.

Watershed Stewardship and Natural Heritage

The Authority coordinates stewardship information and provides service, technical advice and assistance to private, public and corporate landowners, community groups and individual residents on sound environmental practices that will enhance, restore or protect lands and natural features. This program includes activities such as forest management, naturalization, stream, pond and wetland management, wildlife management, water quality problems, flooding and erosion problems and agricultural matters. The Authority undertakes this role in partnership with our municipalities, provincial agencies, interest groups and academic institutes. The Natural Heritage activity includes the inventory, research and analysis and monitoring of natural vegetation communities at both the landscape level and the community level. Plant, animal and fish species are also recorded to manage significant species and habitats as per Provincial Policy Statements, Subwatershed Studies and the Authority's Planning policies. Technical advise is provided to internal activities as well as other agencies and stakeholders.

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Credit Valley Conservation Authority  
Notes to the Financial Statements

December 31, 2021

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16. Program Information (continued)

Conservation Lands Management

Services include facilitating the development and ongoing management of a conservation land strategy for public lands. Conservation lands form an interconnected network of natural areas and natural corridors that help protect the long term health of the watershed. Activities include comprehensive inventories of all public conservation lands, identification of key gaps in public ownership and opportunities for closing these gaps and the development of routes for trails. It also includes management, planning, monitoring, general maintenance and general upkeep of land, improvements, structures, machinery and equipment owned or managed by the Authority.

Conservation Areas Programming

Services include recreational program delivery at Belfountain, Island Lake, Ken Whillans and Terra Cotta Conservation Areas. The programs are designed to offer sustainable natural heritage appreciation and recreational benefits for the general public. The programs include trails for walking, picnicking, boating, fishing, cross country skiing and special events.

Corporate Communications and Education

Services include corporate communications, marketing, information technology services and the operation of the Credit Valley Conservation Foundation. It also includes the development and implementation of a corporate education strategy that focuses on watershed priorities.

Environmental Advisory Services

The Authority provides environmental review of land use proposals submitted by municipalities, developers and the general public. This includes official plan review, secondary plan review, general planning studies, review of plans of subdivision and condominiums, office plan amendments, land division review, site plans and zoning bylaws and variances. The Authority also administers approvals for construction and filling in flood plains and valleys and for altering the course of rivers and streams. The Authority's objective in providing these services is to ensure protection of water quantity and quality, natural heritage, protection of people from natural hazards such as flooding and erosion and to ensure the interests and rights of those downstream are not compromised as stipulated by the Planning Act, the Conservation Authorities Act and the Environmental Assessment Act.

Corporate Services

Services include both management and non program specific activities. These include internal support services such as senior management costs, board costs, office support services, financial services and human resources and are charged to other programs on a pro rata basis.

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Credit Valley Conservation Authority  
Municipal Levies  
Schedule A

For the year ended December 31, 2021, with comparative information for 2020

Member municipality	2021		2020	
	General levy	Special levy	General levy	Special levy
Region of Halton	\$ 510,827	\$ 145,902	\$ 489,831	\$ 319,652
Town of Halton Hills				
Town of Oakville				
Region of Peel	9,102,958	16,081,030	8,875,580	15,352,220
City of Brampton				
City of Mississauga				
Town of Caledon				
Town of Orangeville	236,852	48,322	232,968	67,647
Township of:				
Amaranth	1,112	227	1,070	311
East Garafraxa	5,834	1,190	5,463	1,586
Town of Moro	11,177	2,280	10,895	3,163
Town of Erin	60,704	12,386	59,752	17,350
	\$ 9,929,464	\$ 16,291,337	\$ 9,675,559	\$ 15,761,929



Credit Valley Conservation Authority  
 Authority Generated Revenue  
 Schedule B

For the year ended December 31, 2021 with comparative information for 2020

Programs	2021 Budget (Note 2)	2021 Actual	2020 Actual
<b>Water Resource Management and Restoration:</b>			
Donations	\$ -	\$ 96,371	\$ 104,008
Other income	8,852	132,926	62,258
	8,852	229,297	166,266
<b>Watershed Stewardship &amp; Natural Heritage:</b>			
Erosion Control Fees	293,206	285,380	259,615
Donations	40,000	275,179	237,504
Other Income	92,320	197,301	122,361
	425,526	757,860	619,480
<b>Conservation Lands Management:</b>			
Donations	-	27,679	551,741
In-Kind Donations	-	5,000	-
Other Income	15,930	79,055	7,371
	15,930	111,734	559,112
<b>Conservation Areas Programming:</b>			
Conservation Area Program Fees	990,398	1,322,022	902,199
Donations	-	-	1,300
Merchandise and Other Income	177,313	97,477	85,464
	1,167,711	1,419,499	988,963
<b>Corporate Communications and Education:</b>			
Donations	265,300	56,277	124,516
Other Income	11,250	56,872	8,387
	276,550	113,149	132,903
<b>Environmental Advisory Services:</b>			
GD Inquiry Fees	47,427	62,398	34,779
Map Sales	500	-	-
Regulation Fees	110,000	199,147	206,561
Plan Review Fees	640,000	516,013	664,547
	797,927	777,558	905,887
<b>Corporate Services:</b>			
Interest and Other Income	130,000	66,760	184,542
Miscellaneous	-	114,751	75,908
	130,000	181,511	260,450
	\$ 2,822,496	\$ 3,590,608	\$ 3,633,061

Credit Valley Conservation Authority  
Water Resources Management and Restoration Expenses  
Schedule C

For the year ended December 31, 2021 with comparative information for 2020

	2021 Budget (Note 2)	2021 Actual	2020 Actual
Watershed Management	\$ 234,797	\$ 239,952	\$ 194,357
G.I.S	772,759	943,484	960,710
Professional Services	30,500	6,698	7,488
Flood Warning	227,217	219,900	200,404
Water Quality Strategy	121,785	122,673	119,950
Flood Line Mapping	107,398	107,853	185,376
Groundwater Management	224,572	187,180	193,605
Watershed and Subwatershed Planning	168,907	132,632	185,223
River Infrastructure Management	424,300	413,036	354,720
	2,312,235	2,373,408	2,401,833
Watershed Studies and Projects:			
Water Management Technical Assessment and Guidance	772,004	812,011	994,401
LID Developer Funded Monitoring Program	8,852	10,760	5,669
Water Management Knowledge Transfer Tools and Training	349,546	312,636	347,360
CTC Source Protection Program	500,000	356,291	110,352
Flood Forecasting & Warning	438,559	487,464	479,489
Climate Change Vulnerability Assessment	237,372	241,159	202,330
Real Time Water Quality Response	355,161	361,030	401,072
SWM Infrastructure Perf. Risk Assessment	1,109,028	1,017,292	985,613
Floodline Mapping Program - Peel	659,653	766,429	616,379
Leaders for Clean Water - Peel	852,688	1,053,296	954,518
Leaders for Clean Water - Headwaters	158,324	151,836	144,517
Watershed Plan - Peel	-	80,418	-
	5,441,187	5,650,622	5,241,700
	\$ 7,753,422	\$ 8,024,030	\$ 7,643,533

Credit Valley Conservation Authority  
Watershed Stewardship and Natural Heritage Expenses  
Schedule D

For the year ended December 31, 2021 with comparative information for 2020

	2021 Budget (Note 2)	2021 Actual	2020 Actual
<b>Watershed Stewardship:</b>			
Stewardship Administration	\$ 287,846	\$ 118,274	\$ 205,978
Aquatic & Wetland Restoration-Watershed	45,693	27,008	106,821
Planting Program	415,967	394,097	326,013
Peel Planting Program	741,428	627,281	408,261
Nursery Operations	320,928	263,270	187,817
Invasive Species Control Program	314,821	324,384	615,288
Emerald Ash Borer-Halton	50,536	41,684	177,420
Stewardship Outreach	429,494	463,371	299,166
Grassland Projects	-	11,431	3,206
Peel Rural Water Quality Program	181,089	113,324	144,965
Peel Rural Stewardship	718,137	682,681	584,044
Sustainable Neighbourhoods	280,587	539,588	92,448
Peel Ecological Goods and Services	162,757	145,892	267,241
Watershed Ecological Goods and Services	141,126	96,501	91,230
Conservation Youth Corp	445,616	403,293	355,290
Nursery Infrastructure & Restoration	22,568	23,074	31,604
Aquatic & Wetland Restoration-Peel	982,006	1,067,801	786,552
Credit Valley Trail	125,535	109,458	101,885
Regional Community Outreach	229,622	253,021	320,122
Headwaters Outreach	131,625	183,737	120,914
Urban Outreach & Restoration	638,574	650,016	613,127
Jim Tovey Lakeview Conservation	2,514	416,725	627,918
Area: Phase II			
	6,668,469	6,955,911	6,467,310
<b>Natural Heritage:</b>			
Ecosystem Science	919,928	825,488	736,977
Integrated Water Monitoring	1,081,580	972,581	821,211
Landscape Science	591,029	523,325	567,294
Urban Natural Heritage	273,061	295,894	199,741
Natural Areas Inventory	472,990	440,486	408,215
Wildlife Habitat Assessment	417,060	393,578	324,209
Effectiveness Monitoring	188,217	181,988	166,983
Natural Heritage Administration	267,706	258,422	248,059
	4,211,571	3,891,762	3,472,689
	\$ 10,880,040	\$ 10,847,673	\$ 9,939,999

Credit Valley Conservation Authority  
Conservation Lands Management Expenses  
Schedule E

For the year ended December 31, 2021 with comparative information for 2020

	2021 Budget (Note 2)	2021 Actual	2020 Actual
Land Management Administration	\$ 761,243	\$ 835,864	\$ 698,005
Land Securement - Peel	-	24,934	31,640
Enforcement Program	34,037	33,105	30,261
Property Management	548,059	601,922	459,893
Corporate Offices Support	682,584	737,906	712,727
Dam Maintenance	25,397	26,364	28,268
Fleet Operations	(30,000)	(329,068)	(326,292)
	2,021,320	1,931,027	1,634,502
Capital/Development Projects:			
Infrastructure Major Maintenance CA's	470,707	615,903	440,803
Infrastructure/Major Maintenance - Dams	242,073	185,628	56,968
Dods & McNair Memorial Forest	-	5,945	5,479
Capital Projects - Peel	1,284,919	905,130	977,420
Enforcement Project - Peel	133,883	124,173	108,533
	2,131,582	1,836,779	1,589,203
	\$ 4,152,902	\$ 3,767,806	\$ 3,223,705

Credit Valley Conservation Authority  
 Conservation Areas Programming Expenses  
 Schedule F

For the year ended December 31, 2021 with comparative information for 2020

	2021 Budget (Note 2)	2021 Actual	2020 Actual
Belfountain	\$ 26,762	\$ 27,758	\$ 206,101
Island Lake	974,500	1,024,411	880,157
Ken Whillans RMA	269,567	256,177	259,126
Terra Cotta	879,192	841,999	652,753
Badlands	108,393	166,551	51,779
Conservation Areas - Memberships	9,272	11,173	7,882
	\$ 2,267,686	\$ 2,328,069	\$ 2,057,798

Credit Valley Conservation Authority  
Corporate Communications & Education Expenses  
Schedule G

For the year ended December 31, 2021 with comparative information for 2020

	2021 Budget (Note 2)	2021 Actual	2020 Actual
Information Technology	\$ (643,054)	\$ (287,022)	\$ (577,636)
Corporate Communications	514,846	498,544	498,287
Foundation Administration	427,654	169,591	292,875
Public Relations	486,632	516,959	468,930
Corporate Support Initiatives	631,182	577,363	522,433
Community Education	226,313	170,496	177,692
Environmental Education	545,948	608,807	592,683
Conservation Authorities University	-	29,882	907
	\$ 2,189,521	\$ 2,284,620	\$ 1,976,171

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Credit Valley Conservation Authority  
Environmental Advisory Services Expenses  
Schedule H

For the year ended December 31, 2021 with comparative information for 2020

	2021 Budget (Note 2)	2021 Actual	2020 Actual
Plan Input	\$ 847,561	\$ 773,621	\$ 776,274
Plan Review	1,344,442	1,294,302	1,349,216
Environmental Approvals	289,432	311,377	302,116
Peel Predevelopment Support	536,656	479,929	473,360
EA Review	420,591	442,789	394,871
	<u>\$ 3,438,682</u>	<u>\$ 3,302,018</u>	<u>\$ 3,295,837</u>

Credit Valley Conservation Authority  
Corporate Services Expenses  
Schedule I

For the year ended December 31, 2021 with comparative information for 2020

	2021 Budget (Note 2)	2021 Actual	2020 Actual
Corporate Management	\$ 1,058,704	\$ 995,453	\$ 1,153,775
Staff Allocations to Special Projects	(238,438)	(56,916)	(84,384)
Overhead Allocations to Special Projects	(3,281,064)	(3,263,707)	(3,349,989)
(Gain)/Loss on Disposal of TCA	-	(1,323)	(62,247)
(Gain)/Loss on Foreign Exchange	-	964	2,186
Interest Expense	285,049	287,228	296,536
Amortization Expense	-	1,397,690	1,434,740
Office Support Services	153,695	32,663	62,423
Financial Services	711,285	705,770	723,972
Human Resources	815,809	748,231	671,427
Green Infrastructure Ontario Coalition Administration	-	109,520	104,716
	\$ (494,960)	\$ 955,573	\$ 953,155



Credit Valley Conservation Authority  
Continuity of Reserves  
Schedule J

For the year ended December 31, 2021 with comparative information for 2020

2021	Balance, December 31, 2020	Appropriation (to) from Operations	Balance, December 31, 2021
Gauge Reserve	\$ 440,532	\$ 125,000	\$ 565,532
Facility Reserve	124,800	10,000	134,800
Parks Revenue Reserve	41,600	6,600	48,200
Conservation Areas Reserve	109,241	13,400	122,641
Credit Valley Trail	142,736	-	142,736
Capital Assets Reserve	10,997,952	1,397,690	12,395,642
Jacquith Property	8,060	-	8,060
Vehicle Reserve	606,031	157,721	763,752
Equipment Reserve	646,814	(24,514)	622,300
Land Acquisition/Management MNR	-	-	-
Computer (IT/IM) Reserve	181,796	40,000	221,796
Peel Restoration Reserve	100,000	102,780	202,780
Administrative Reserve	300,000	14,898	314,898
Watershed Restoration Reserve	-	136,152	136,152
ILCA Management Plan	-	30,000	30,000
	13,699,562	2,009,727	15,709,289
Operating Fund	(13,264,446)	(1,499,337)	(14,763,783)
Invested in Tangible Capital Assets Prior 2009 PSAB 3150	31,348,572	-	31,348,572
Invested in Tangible Capital Assets Post 2008 PSAB 3150	17,913,540	5,326,457	23,239,997
	\$ 49,697,228	\$ 5,836,847	\$ 55,534,075

  

2020	Balance, December 31, 2019	Appropriation (to) from Operations	Balance, December 31, 2020
Gauge Reserve	\$ 417,500	\$ 23,032	\$ 440,532
Facility Reserve	160,000	(35,200)	124,800
Parks Revenue Reserve	35,000	6,600	41,600
Conservation Areas Reserve	95,841	13,400	109,241
Credit Valley Trail	2,736	140,000	142,736
Capital Assets Reserve	9,563,211	1,434,741	10,997,952
Jacquith Property	8,060	-	8,060
Vehicle Reserve	630,245	(24,214)	606,031
Equipment Reserve	611,100	35,714	646,814
Land Acquisition/Management MNR	37,409	(37,409)	-
Computer (IT/IM) Reserve	46,828	134,968	181,796
Peel Restoration Reserve	-	100,000	100,000
Administrative Reserve	-	300,000	300,000
	11,607,930	2,091,632	13,699,562
Operating Fund	(12,180,637)	(1,083,809)	(13,264,446)
Invested in Tangible Capital Assets- Prior 2009 PSAB 3150	31,348,572	-	31,348,572
Invested in Tangible Capital Assets- Post 2008 PSAB 3150	15,729,645	2,183,895	17,913,540
	\$ 46,505,510	\$ 3,191,718	\$ 49,697,228