

Financial Statements of

**NIAGARA PENINSULA
CONSERVATION AUTHORITY**

And Independent Auditors' Report thereon

Year ended December 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Board of Niagara Peninsula Conservation Authority

Opinion

We have audited the financial statements of Niagara Peninsula Conservation Authority (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- 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 financial 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, 2020, and its results of operations, its changes in net financial assets 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 “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our 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 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 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.

Auditors' 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 auditors' 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.



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- 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.
- 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 auditors' 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 auditors' 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 represents 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

St. Catharines, Canada
April 22, 2022

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Financial Position

As at December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets		
Cash and cash equivalents	\$ 2,278,107	\$ 4,079,157
Investments	4,509,668	4,467,229
Accounts receivable	1,407,215	732,551
	<u>8,194,990</u>	<u>9,278,937</u>
Liabilities		
Accounts payable and accrued liabilities	1,224,615	1,655,408
Employee future benefits (note 2)	95,500	74,200
Deferred revenue (note 3)	1,906,117	1,966,299
	<u>3,226,232</u>	<u>3,695,907</u>
Net financial assets	4,968,758	5,583,030
Non-financial assets		
Prepaid expenses	49,131	37,163
Tangible capital assets (note 4)	24,212,871	21,329,536
	<u>24,262,002</u>	<u>21,366,699</u>
Accumulated surplus (note 5)	<u>\$ 29,230,760</u>	<u>\$ 26,949,729</u>

See accompanying notes to financial statements



Robert Foster, Chair



Chandra Sharma, CAO/Secretary-Treasurer

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 8)	2021 Actual	2020 Actual
Revenues:			
Government transfers			
Province of Ontario – Ministry of Natural Resources and Forestry (“MNR”)	\$ 90,000	\$ 90,083	\$ 90,083
Province of Ontario - Other	293,594	262,686	264,520
Government of Canada	70,000	173,531	54,195
Municipal levies:			
General	6,213,480	6,213,470	6,092,753
Special	1,465,215	2,427,557	1,453,445
Authority generated:			
User fees, sales and admissions	2,183,045	2,562,681	1,421,260
Administration fees	498,000	539,310	439,317
Interest	119,000	57,904	108,624
Other	398,000	381,777	601,723
OPG - Welland river watershed	–	162,698	45,916
	11,330,334	12,871,697	10,571,836
Expenses:			
CAO and Administration	1,714,887	1,475,920	1,709,181
Watershed	2,637,295	2,380,689	2,080,522
Corporate Resources	6,464,923	6,734,057	6,185,436
	10,817,105	10,590,666	9,975,139
Annual surplus	513,229	2,281,031	596,697
Accumulated surplus, beginning of year	26,949,729	26,949,729	26,353,032
Accumulated surplus, end of year	\$ 27,462,958	\$29,230,760	\$26,949,729

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Change in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Annual surplus	\$ 2,281,031	\$ 596,697
Acquisition of tangible capital assets	(3,912,290)	(1,407,844)
Fair value of tangible capital assets assumed	-	(650)
Amortization of tangible capital assets	951,986	897,530
Proceeds on disposal of tangible capital assets	114,424	45,900
(Gain) loss on disposal of tangible capital assets	(37,455)	143,673
Increase in prepaid expenses	(11,968)	(366)
	(614,272)	274,940
Net financial assets, beginning of year	5,583,030	5,308,090
Net financial assets, end of year	\$ 4,968,758	\$ 5,583,030

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Changes in Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 2,281,031	\$ 596,697
Item not involving cash:		
Amortization of tangible capital assets	951,986	897,530
Fair value of tangible capital assets assumed	–	(650)
(Gain) loss on disposal of tangible capital assets, net	(37,455)	143,673
Employee future benefits	21,300	7,900
Accrued interest on investments	1,860	2,452
Change in non-cash operating working capital:		
Accounts receivable	(674,664)	(66,337)
Prepaid expenses	(11,968)	(366)
Accounts payable and accrued liabilities	(430,793)	265,410
Deferred revenue	(60,182)	445,252
Net change in cash and cash equivalents from operations	2,041,115	2,291,561
Capital activities:		
Purchases of tangible capital assets	(3,912,672)	(1,407,844)
Proceeds from disposal of tangible capital assets	114,806	45,900
Net change in cash and cash equivalents from capital activities	(3,797,866)	(1,361,944)
Investing activities:		
Proceeds from sale of investments	4,465,369	4,377,200
Purchases of investments	(4,509,668)	(4,465,369)
Net change in cash and cash equivalents from investing activities	(44,299)	(88,169)
Financing activities:		
Repayment of long-term debt	–	(216,325)
Net change in cash and cash equivalents	(1,801,050)	625,123
Cash and cash equivalents, beginning of year	4,079,157	3,454,034
Cash and cash equivalents, end of year	\$ 2,278,107	\$ 4,079,157

See accompanying notes to financial statement.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements

Year ended December 31, 2021

The Niagara Peninsula Conservation Authority (“the Authority”) is established under The Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources within the watershed boundary established for the Authority.

1. Significant accounting policies:

The financial statements of Niagara Peninsula Conservation Authority (the “Authority”) are prepared by management in accordance with Public Sector Accounting Standards (“PSAS”). Significant accounting policies adopted by the Authority are as follows:

(a) Basis of accounting:

Revenues and expenses are reported on the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks and guaranteed investment certificates that mature within three months.

(c) Investments:

Investments consist of term deposits and are recorded at amortized cost. Investments held by the Authority have a market value that approximates cost given their fixed interest rate nature and maturity date within one year. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss. Investment income earned on investments are reported as revenue in the period earned.

(d) Deferred revenue:

Deferred revenues represent government transfers and user fees which have been collected but for which related expenses or related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(e) Non-financial assets:

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

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(e) Non-financial assets (continued):

(i) Tangible capital assets:

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenses in the acquisition, construction, development and/or betterment of the asset. The Authority does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

Cost, less residual value of tangible capital assets are amortized on a straight line basis over their estimated useful life. Land is considered to have an infinite life without amortization. Full year amortization is charged in the year of acquisition. Work-in-progress assets are not amortized until the asset is available for productive use.

Amortization is based on the following classifications and useful lives:

Asset	Useful Life - Years
Land Improvements	20 years
Buildings	30 years
Dams	15 to 100 years
Gauge stations	15 to 30 years
Equipment	10 years
Vehicles	5 years
Office equipment	5 years

Contributed tangible capital assets are capitalized at their estimated fair value upon acquisition and recognized as revenue in the year of contribution.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Revenue recognition:

i) Government transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except when, and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

ii) Municipal levies

Municipal levies are recognized as revenue in the year in which they meet the definition of an asset, the levy is authorized and the levy event has occurred.

iii) Authority generated

User fees, sales and admissions and other income is reported as revenue in the period earned.

(g) Employee future benefits:

The Authority provides certain employee benefits which will require funding in future periods. These benefits include extended health and dental benefits for early retirees to age 65. The employee future benefits represent management's best estimates of the cost of premiums on benefits up to the date of retirement.

(h) Use of estimates:

The preparation of 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from management's best estimates as additional information becomes available in future. Significant estimates include assumptions used in the estimation of employee future benefits.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Employee future benefits:

The Authority provides extended life, health and dental benefits to a closed group of early retirees to age 65 which will require funding in future periods. The Authority recognizes these retirement benefit costs in the period in which the service is rendered. The accrued benefit liability at December 31, 2021 was estimated by management to be \$95,500 (2020 - \$74,200). Information about the Authority's benefit plan is as follows:

	2021	2020
Accrued benefit obligation:		
Balance, beginning of year	\$ 74,200	\$ 66,300
Current benefit cost	28,672	20,913
Benefits paid	(7,372)	(13,013)
Accrued benefit obligation, end of year	\$ 95,500	\$ 74,200

3. Deferred revenue:

Deferred revenues consist of the following:

	Balance at December 31, 2020	Externally restricted inflows	Revenue earned	Balance at December 31, 2021
User fees and other	\$ 223,535	\$ 98,065	\$ (46,815)	\$ 274,785
Government grants	223,265	66,844	(11,438)	278,671
Canada Emergency Wage Subsidy	494,365	-	-	494,365
Welland river watershed-				
Ontario Power Generation ("OPG")	1,020,994	-	(162,698)	858,296
Other	4,140	-	(4,140)	-
Total	\$ 1,966,299	\$ 164,909	\$ (255,091)	\$ 1,906,117

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Tangible capital assets:

Cost	Balance at December 31, 2020	Additions	Transfers/ Disposals	Balance at December 31, 2021
Land	\$ 9,184,038	\$ 798,871	\$ —	\$ 9,982,909
Land improvements	5,320,796	320,922	—	5,641,718
Buildings	5,986,759	970,170	—	6,956,929
Dams	5,164,330	—	—	5,164,330
Gauge stations	403,351	—	—	403,351
Equipment	2,484,608	671,213	(208,041)	2,947,780
Vehicles	182,818	—	(104,078)	78,740
Office equipment	708,364	9,679	—	718,043
Work-in-progress	531,044	3,912,672	(2,770,855)	1,672,861
Total	\$ 29,966,108	\$ 6,683,527	\$(3,082,974)	\$ 33,566,661

Accumulated Amortization	Balance at December 31, 2020	Additions	Transfers/ Disposals	Balance at December 31, 2021
Land	\$ —	\$ —	\$ —	\$ —
Land improvements	2,362,545	277,848	—	2,640,393
Buildings	2,421,244	230,939	—	2,652,183
Dams	1,846,017	73,891	—	1,919,908
Gauge stations	245,172	19,009	—	264,181
Equipment	1,005,188	294,831	(151,663)	1,148,356
Vehicles	162,004	—	(83,264)	78,740
Office equipment	594,402	55,627	—	650,029
Total	\$ 8,636,572	\$ 952,145	\$(234,927)	\$ 9,353,790

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Tangible capital assets (continued):-

	Net Book Value December 31, 2020	Net Book Value December 31, 2021
Land	\$ 9,184,038	\$ 9,982,909
Land improvements	2,958,251	3,001,325
Buildings	3,565,515	4,304,746
Dams	3,318,313	3,244,422
Gauge stations	158,179	139,170
Equipment	1,479,420	1,799,424
Vehicles	20,814	-
Office equipment	113,962	68,014
Work-in-progress	531,044	1,672,861
Total	\$ 21,329,536	\$ 24,212,871

Work-in-process, having a value of \$1,672,861 (2020 - \$531,044) has not been amortized. Amortization of these assets will commence when the asset is put into service.

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The fair value of contributed assets received during the year is \$nil (2020 - \$650) comprised of land) and has been recognized as revenue in the Statement of Operations. Tangible capital assets recognized at nominal value include land used in the operations and conservation management. There were no amounts recognized at nominal value during the year or 2020.

During the year, the Authority disposed of assets in the normal course of operations, recognizing a gain on disposal of \$37,455 (2020 - \$22,334).

5. Accumulated surplus:

Accumulated surplus consists of the following:

	2021	2020
Invested in tangible capital assets	\$ 24,212,871	\$ 21,329,536
Reserves set aside by the Board of the Authority for specific purpose	5,113,389	5,694,393
Unfunded employee future benefits liability	(95,500)	(74,200)
	\$ 29,230,760	\$ 26,949,729

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Accumulated surplus (continued):

Reserves set aside by the Board of the Authority for specific purpose consists of the following:

	2021	2020
General capital	\$ 715,886	\$ 557,530
Operating reserve	1,536,894	1,426,539
Flood protection	253,268	307,705
Levy differential	32,361	32,126
Land acquisitions	2,195,865	2,972,934
Restoration	299,766	318,809
Tree by-law	79,349	78,750
	<hr/> \$ 5,113,389	<hr/> \$ 5,694,393

6. Credit facility:

The Authority's credit facility includes an overdraft lending account of \$765,000 bearing interest at prime. As at December 31, 2021, \$nil (2020 - \$nil) was drawn on this facility. As at December 31, 2021, \$23,333 (2020 - \$23,333) was issued by way of a letter of credit to a municipality for which the Authority receives levies in exchange for construction work on-going within the municipal boundaries.

7. Pension plan:

The Authority makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of the 61 (2020 - 55) members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, the Authority does not recognize any share of the pension plan deficit of \$3.1 billion (2020 - \$3.2 billion) based on the fair market value of the Plan's assets, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2021 calendar year at rates ranging from 9.0% to 15.8% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the Statement of Operations. Employer contributions to OMERS for 2021 current and past service was \$487,552 (2020 - \$442,787) and were matched by employee contributions.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. Budget data:

The budget data presented in these financial statements is based upon the 2021 operating budget approved by the Board of the Authority on May 21, 2021 and capital budget approved May 21, 2021. Amortization was not incorporated in the development of the budget and, as such, were not provided on the statement of changes in net financial assets. The chart below reconciles the approved budget to the budget figures reported in these financial statements:

	Budget Amount
Revenues	
Operating	
Approved budget	\$ 9,865,119
Capital	1,815,086
Less:	
Transfers from reserves	(349,871)
Total revenues	\$ 11,330,334
Expenses:	
Operating	
Approved budget	\$ 9,865,119
Capital	
Approved budget	1,815,086
Add:	
Amortization	951,986
Less:	
Tangible capital assets included in operating expense	(1,815,086)
Debt principal payments	-
Total expenses	10,817,105
Annual surplus	\$ 513,229

9. Contingencies:

The Authority is involved from time to time in litigation, which arises in the normal course of business. The exact outcome of these actions is not determinable as at the date of reporting. In respect of certain outstanding claims, the Authority believes that insurance coverage is adequate and that no material exposure exists on the eventual settlement of such litigation, therefore no provision has been made in the accompanying financial statements.

10. Related party transactions:

During the year, the Authority incurred \$28,110 (2020 - \$36,273) in expenditures for per diems, honorariums, and mileage which was paid to and on behalf of members of the Board of Directors for the Authority.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

11. Contractual rights:

The Authority has contractual rights under contract with various Ministry agencies to receive funds in exchange for services to be provided under those contracts. The Authority is expecting up to \$145,492 in future revenues based on anticipated services to be performed.

12. Contractual obligations and commitments:

The Authority has entered into a contract for provision of reservation and park system services until December 2025 with an annual financial requirement of \$30,000. This will be financed by the Authority's operating reserves.

13. Segmented information:

The Authority provides a wide range of services which are categorized by department. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

CAO and Administration

CAO and administration services is comprised of the administration services of the Authority.

Watershed

The watershed department is the umbrella for three divisions dedicated to monitoring, regulating, protecting and improving the health and safety of our watersheds.

Corporate Resources

The corporate resources department is the umbrella for three divisions dedicated to conservation land management, conservation land programming and development and managing the Authority's vehicles and equipment. Conservation land management is the administration department for the conservation areas. Conservation land programming and development is responsible for maintenance and improvements to the conservation areas. The vehicles and equipment department accounts for the cost of maintaining the vehicles and equipment.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Municipal levies have been allocated to the segments based upon budgeted levies for the segment. Interest earned on investments has been allocated to the corporate resources segment.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

13. Segmented information (continued):

2021				
	CAO and Administration	Watershed	Corporate Resources	Total
Revenues:				
MNRF transfers	\$ 15,200	\$ 74,883	\$ -	\$ 90,083
Government transfers	22,291	74,568	339,358	436,217
Municipal levies	1,576,671	1,757,131	5,307,225	8,641,027
User fees, sales and administration	-	-	2,562,681	2,562,681
Administration fees	-	539,310	-	539,310
Interest	-	-	57,904	57,904
Other	11,749	198,955	133,618	344,322
Gain on disposal	-	-	37,455	37,455
OPG – Welland River Watershed	-	162,698	-	162,698
Total revenues	1,625,911	2,807,545	8,438,241	12,871,697
Expenses:				
Salaries and benefits	1,105,978	1,950,717	3,575,811	6,632,506
Materials and supplies	136,230	97,251	1,475,020	1,708,501
Contracted services	-	35,349	103,258	138,607
Professional fees	36,104	114,705	235,514	386,323
Rent and financial expenses	-	-	562,536	562,536
Debt service	-	-	-	-
Marketing and promotion	91,769	-	118,438	210,207
Loss on disposal	-	-	-	-
Amortization	105,839	182,667	663,480	951,986
Total expenses	1,475,920	2,380,689	6,734,057	10,590,666
Annual surplus	\$ 149,991	\$ 426,856	\$ 1,704,184	\$ 2,281,031
2020				
	CAO and Administration	Watershed	Corporate Resources	Total
Revenues:				
MNRF transfers	\$ 15,200	\$ 74,883	\$ -	\$ 90,083
Government transfers	8,513	119,260	190,942	318,715
Municipal levies	1,698,820	1,618,657	4,228,721	7,546,198
User fees, sales and administration	-	-	1,421,260	1,421,260
Administration fees	-	439,317	-	439,317
Interest	-	-	108,624	108,624
Other	19,579	290,133	269,027	578,739
Land acquisition (note 5)	-	650	-	650
Gain on disposal	-	-	22,334	22,334
OPG – Welland River Watershed	-	45,916	-	45,916
Total revenues	1,742,112	2,588,816	6,240,908	10,571,836
Expenses:				
Salaries and benefits	1,171,905	1,672,549	3,035,204	5,879,658
Materials and supplies	120,934	58,831	1,273,650	1,453,415
Contracted services	-	28,107	274,057	302,164
Professional fees	144,835	170,058	249,093	563,987
Rent and financial expenses	-	-	538,365	538,365
Debt service	-	-	5,030	5,030
Marketing and promotion	110,498	-	58,486	168,983
Loss on disposal	-	-	166,007	166,007
Amortization	161,009	150,977	585,544	897,530
Total expenses	1,709,181	2,080,522	6,185,436	9,975,139
Annual surplus	\$ 32,931	\$ 508,294	\$ 55,472	\$ 596,697