

Financial Statements of

**NIAGARA PENINSULA  
CONSERVATION AUTHORITY**

Year ended December 31, 2018

## INDEPENDENT AUDITORS' REPORT

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.



- 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

St. Catharines, Canada  
April 17, 2019

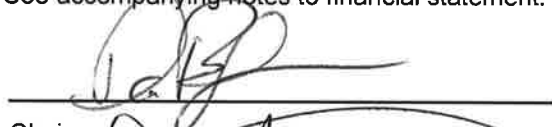
**NIAGARA PENINSULA CONSERVATION AUTHORITY**

## Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 6,138,740	\$ 4,985,889
Investments	4,256,273	4,076,320
Accounts receivable	278,986	576,404
	<u>10,673,999</u>	<u>9,638,613</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	759,075	1,415,417
Employee future benefits (note 3)	73,200	109,500
Deferred revenue (note 5)	1,776,979	2,117,978
Long-term debt (note 4)	700,030	1,460,459
	<u>3,309,284</u>	<u>5,103,354</u>
Net financial assets	7,364,715	4,535,259
<b>Non-financial assets:</b>		
Prepaid expenses	33,109	25,636
Tangible capital assets (note 6)	20,145,167	19,904,908
	<u>20,178,276</u>	<u>19,930,544</u>
Accumulated surplus (note 7)	\$ 27,542,991	\$ 24,465,803

See accompanying notes to financial statement.



Chair



Interim Chief Administrative Officer/Secretary

Treasurer

# NIAGARA PENINSULA CONSERVATION AUTHORITY

## Statement of Operations

Year ended December 31, 2018, with comparative information for 2017

	Budget (note 10)	2018 Actual	2017 Actual
<b>Revenues:</b>			
Government transfers			
Province of Ontario – Ministry of Natural Resources and Forestry ("MNR")	\$ 174,496	\$ 174,496	\$ 174,496
Province of Ontario - Other	299,499	267,038	204,956
Government of Canada	155,000	132,705	231,425
Municipal levies			
General	6,246,119	6,246,119	6,070,715
Special	2,252,166	2,252,166	2,820,257
Authority generated			
User fees, sales and admissions	1,625,350	1,936,971	1,724,747
Niagara Peninsula Conservation Foundation	-	-	68,750
Administration fees	367,500	417,690	533,178
Interest	85,000	155,013	111,391
Other	546,000	701,053	587,132
	11,751,130	12,283,251	12,527,047
<b>Expenses:</b>			
CAO and Administration	1,938,305	2,019,334	1,502,007
Watershed	2,658,203	1,943,791	2,983,489
Corporate Resources	5,097,145	5,242,938	5,881,695
	9,693,653	9,206,063	10,367,191
Annual surplus	2,057,477	3,077,188	2,159,856
Accumulated surplus, beginning of year	24,465,803	24,465,803	22,305,947
Accumulated surplus, end of year	\$ 26,523,280	\$ 27,542,991	\$ 24,465,803

See accompanying notes to financial statement.

**NIAGARA PENINSULA CONSERVATION AUTHORITY**

## Statement of Change in Net Financial Assets

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Annual surplus	\$ 3,077,188	\$ 2,159,856
Acquisition of tangible capital assets	(1,063,320)	(1,135,509)
Amortization of tangible capital assets	823,061	793,886
Proceeds on disposal of tangible capital assets	-	133,704
Gain on disposal of tangible capital assets	-	(133,703)
(Increase) decrease in prepaid expenses	(7,473)	17,994
	2,829,456	1,836,228
Net financial assets, beginning of year	4,535,259	2,699,031
Net financial assets, end of year	\$ 7,364,715	\$ 4,535,259

See accompanying notes to financial statement.

**NIAGARA PENINSULA CONSERVATION AUTHORITY**

## Statement of Changes in Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 3,077,188	\$ 2,159,856
Item not involving cash:		
Amortization of tangible capital assets	823,061	793,886
Contributions of tangible capital assets	(145,000)	-
Gain on disposal of tangible capital assets	-	(133,703)
Employee future benefits	(36,300)	(36,500)
Change in non-cash operating working capital:		
Accounts receivable	297,418	(86,472)
Accrued interest on investments	(2,203)	(507)
Prepaid expenses	(7,473)	17,994
Accounts payable and accrued liabilities	(656,342)	140,133
Deferred revenue	(340,999)	(221,244)
Net change in cash and cash equivalents from operations	3,009,350	2,633,443
Capital activities:		
Purchases of tangible capital assets	(918,320)	(1,135,509)
Proceeds from disposal of tangible capital assets	-	133,704
Net change in cash and cash equivalents from capital activities	(918,320)	(1,001,805)
Investing activities:		
Proceeds from sale of investments	4,072,250	4,000,000
Purchases of investments	(4,250,000)	(4,072,250)
Net change in cash and cash equivalents from investing activities	(177,750)	(72,250)
Financing activities:		
Payments on long-term debt	(760,429)	(982,671)
Net change in cash and cash equivalents	1,152,851	576,717
Cash and cash equivalents, beginning of year	4,985,889	4,409,172
Cash and cash equivalents, end of year	\$ 6,138,740	\$ 4,985,889

See accompanying notes to financial statement.



# NIAGARA PENINSULA CONSERVATION AUTHORITY

## Notes to Financial Statements

Year ended December 31, 2018

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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. It is exempt from income taxes under section 149(1)(c) of the Income Tax Act.

### 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 expenditures 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. 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, 2018

## 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. Assets under construction 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, 2018

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## 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, 2018

## 2. Adoption of new accounting standards:

On January 1, 2018, the Authority adopted the following Canadian public sector accounting standards:

- PS 2200 Related party disclosures
- PS 3420 Inter-entity transactions
- PS 3210 Assets
- PS 3320 Contingent assets
- PS 3380 Contractual rights

The adoption of these standards did not result in any adjustments to the financial statements. Requirements for note disclosure where applicable have been included in the notes to the financial statements.

## 3. Employee future benefit:

The Authority provides extended life, health and dental benefits for 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, 2018 was estimated by management to be \$73,200 (2017 - \$109,500).

Information about the Authority's benefit plan is as follows:

	2018	2017
Accrued benefit obligation:		
Balance, beginning of year	\$ 109,500	\$ 146,000
Current benefit cost	(9,152)	(9,086)
Benefits paid	(27,148)	(27,414)
Accrued benefit obligation, end of year	\$ 73,200	\$ 109,500

**NIAGARA PENINSULA CONSERVATION AUTHORITY**

Notes to Financial Statements (continued)

Year ended December 31, 2018

**4. Long-term debt:**

	2018	2017
The Authority has assumed responsibility for the payment of principal and interest charges on long-term debt issued by the Region of Niagara	\$ 700,030	\$ 1,460,459
	\$ 700,030	\$ 1,460,459

Long-term debt bears interest at rates ranging from 4.5% - 4.8%. Total principal payments to be made on the outstanding long-term debt is as follows:

2019	483,705
2020	216,325
	700,030

The Authority paid \$63,691 (2017 - \$109,591) in interest on long-term debt during the year.

**5. Deferred revenue:**

Deferred revenues consist of the following:

	Balance at December 31, 2017	Externally restricted inflows	Revenue earned	Balance at December 31, 2018
User fees and other	\$ 236,184	\$ 132,609	\$ (151,116)	\$ 217,677
Government grants	334,209	27,286	(64,535)	296,960
Welland river restoration - Ontario Power Generation	1,547,585	-	(285,243)	1,262,342
<b>Total</b>	<b>\$ 2,117,978</b>	<b>\$ 159,895</b>	<b>\$ (500,894)</b>	<b>\$ 1,776,979</b>

# NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 6. Tangible capital assets:

Cost	Balance at December 31, 2017	Additions	Transfers/ Disposals	Balance at December 31, 2018
Land	\$ 8,504,864	\$ 150,643	\$ -	\$ 8,655,507
Land improvements	5,616,276	421,377	-	6,037,653
Buildings	5,697,728	51,629	-	5,749,357
Dams	4,986,642	-	-	4,986,642
Gauge stations	403,351	-	-	403,351
Equipment	1,881,280	286,401	-	2,167,681
Vehicles	314,254	-	-	314,254
Office equipment	809,088	49,428	-	858,516
Work-in-progress	133,074	236,917	133,075	236,916
Total	\$ 28,346,557	\$ 1,196,395	\$ 133,075	\$ 29,409,877

Accumulated Amortization	Balance at December 31, 2017	Amortization	Disposals	Balance at December 31, 2018
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	2,738,173	248,249	-	2,986,422
Buildings	2,122,995	182,460	-	2,305,455
Dams	1,653,957	59,084	-	1,713,041
Gauge stations	183,703	20,626	-	204,329
Equipment	983,767	172,514	-	1,156,281
Vehicles	230,992	20,816	-	251,808
Office equipment	528,062	119,312	-	647,374
Work-in-progress	-	-	-	-
Total	\$ 8,441,649	\$ 823,061	\$ -	\$ 9,264,710

	Net book value December 31, 2017	Net book value December 31, 2018
Land	\$ 8,504,864	\$ 8,655,507
Land improvements	2,878,103	3,051,231
Buildings	3,574,733	3,443,902
Dams	3,332,685	3,273,601
Gauge stations	219,648	199,022
Equipment	897,513	1,011,400
Vehicles	83,262	62,446
Office equipment	281,026	211,142
Work-in-progress	133,074	236,916
Total	\$ 19,904,908	\$ 20,145,167

# NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 6. Tangible capital assets (continued):

Work-in-process, having a value of \$236,916 (\$133,074) 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 value of contributed assets received during the year is \$145,000 (2017 - \$nil) and was comprised of land.

Tangible capital assets recognized at nominal value include land used in the operations and conservation management.

The Authority has not recorded a write-down of tangible capital assets during the year or 2017.

## 7. Accumulated surplus:

Accumulated surplus consists of the following:

	2018	2017
Invested in tangible capital assets	\$ 19,445,137	\$ 18,444,449
Reserves set aside by the Board of the Authority for specific purpose	8,171,054	6,130,854
Unfunded employee future benefits liability	(73,200)	(109,500)
	<u>\$ 27,542,991</u>	<u>\$ 24,465,803</u>

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

	2018	2017
General capital	\$ 1,373,806	\$ 1,058,385
Operating reserve	1,360,743	713,420
Equipment	107,257	279,319
Flood protection	318,406	359,266
Levy differential	1,646,591	1,206,213
Land acquisitions	3,031,880	2,431,880
Restoration	250,000	-
Tree by-law	82,371	82,371
	<u>\$ 8,171,054</u>	<u>\$ 6,130,854</u>

## 8. Credit facility:

The Authority's credit facility includes an overdraft lending account of \$800,000 bearing interest at prime. No amount was outstanding as at the year end. The facility is secured by a general security agreement.

# NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2018

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## 9. Pension plan:

The Authority makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of the 54 (2017 – 58) 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 \$4.2 billion (2017 - \$5.4 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 2018 calendar year at rates ranging from 9.0% to 14.6% 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 2018 current and past service was \$378,347 (2017 - \$414,821) and were matched by employee contributions.



# NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 10. Budget data:

The budget data presented in these financial statements is based upon the 2018 operating budget approved by the Board of the Authority on September 20, 2017 and capital budget approved October 25, 2017. 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	\$ 9,631,021
Capital	1,258,731
Special levy - reserves	1,040,378
Less:	
Transfers from reserves	(179,000)
Total revenues	11,751,130
Expenses:	
Operating	
Approved budget	10,671,399
Capital	
Approved budget	1,258,731
Add:	
Amortization	823,061
Less:	
Tangible capital assets included in operating expense	(1,258,731)
Transfers to reserves	(1,040,378)
Debt principal payments	(760,429)
Total expenses	9,693,653
Annual surplus	\$ 2,057,477

## 11. 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.

## 12. Commitments:

The Authority has approved disbursement of the levy differential reserve to the contributing municipalities in the watershed of the Authority. This disbursement is dependent upon the outcome of any litigation with respect to the municipal levies.

# NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2018

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## 13. Related party transactions:

During the year, the Authority incurred \$75,568 (2017 - \$91,531) 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.

## 14. 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 \$189,898 in future revenues based on anticipated services to be performed.

## 15. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for the current year. There is no impact to accumulated surplus as a result of the reclassification.

## 16. 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 (2017 – Corporate Services)

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 (2017 – Operations)

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, 2018, with comparative figures for 2017

## 16. Segmented information (continued)

2018				
	CAO and Administration	Watershed	Corporate Resources	Total
<b>Revenues:</b>				
MNRF transfers	\$ 29,496	\$ 145,000	\$ -	\$ 174,496
Government transfers	32,765	334,213	32,765	399,743
Municipal levies	2,143,418	1,542,992	4,811,875	8,498,285
User fees, sales and administration	-	-	1,936,971	1,936,971
Administration fees	-	417,690	-	417,690
Interest	-	-	155,013	155,013
Other	4,945	210,082	486,026	701,053
<b>Total revenues</b>	<b>2,210,624</b>	<b>2,649,977</b>	<b>7,422,650</b>	<b>12,283,251</b>
<b>Expenses:</b>				
Salaries and benefits	1,153,483	1,459,290	2,655,482	5,268,255
Materials and supplies	451,406	179,425	1,277,141	1,907,972
Contracted services	63,416	40,640	212,337	316,393
Professional fees	172,140	184,725	155,360	512,225
Rent and financial expenses	15,619	-	298,847	314,466
Debt service	-	-	63,691	63,691
Amortization	163,270	79,711	580,080	823,061
<b>Total expenses</b>	<b>2,019,334</b>	<b>1,943,791</b>	<b>5,242,938</b>	<b>9,206,063</b>
<b>Annual surplus</b>	<b>\$ 191,290</b>	<b>\$ 706,186</b>	<b>\$ 2,179,712</b>	<b>\$ 3,077,188</b>
2017				
	CAO and Administration	Watershed	Corporate Resources	Total
<b>Revenues:</b>				
MNRF transfers	\$ 75,796	\$ 98,700	\$ -	\$ 174,496
Government transfers	50,639	286,451	99,291	436,381
Municipal levies	3,072,522	2,190,679	3,627,771	8,890,972
User fees, sales and administration	-	-	1,724,747	1,724,747
Niagara Peninsula Conservation Foundation	-	-	68,750	68,750
Administration fees	-	533,178	-	533,178
Interest	-	-	111,391	111,391
Other	8,283	152,027	426,822	587,132
<b>Total revenues</b>	<b>3,207,240</b>	<b>3,261,035</b>	<b>6,058,772</b>	<b>12,527,047</b>
<b>Expenses:</b>				
Salaries and benefits	420,213	2,267,986	3,186,967	5,875,166
Materials and supplies	465,682	220,367	1,342,720	2,028,769
Contracted services	6,351	195,742	196,328	398,421
Professional fees	448,238	219,481	208,081	875,800
Rent and financial expenses	13,169	-	272,389	285,558
Debt service	-	-	109,591	109,591
Amortization	148,354	79,913	565,619	793,886
<b>Total expenses</b>	<b>1,502,007</b>	<b>2,983,489</b>	<b>5,881,695</b>	<b>10,367,191</b>
<b>Annual surplus</b>	<b>\$ 1,705,233</b>	<b>\$ 277,546</b>	<b>\$ 177,077</b>	<b>\$ 2,159,856</b>