

RIDEAU VALLEY CONSERVATION AUTHORITY

FINANCIAL STATEMENTS

December 31, 2021

RIDEAU VALLEY CONSERVATION AUTHORITY

December 31, 2021

CONTENTS

	Page
MANAGEMENT RESPONSIBILITY	
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Operations	2
Statement of Change in Net Financial Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 17
Reserves - Schedule 1	18
Program Revenues - Schedule 2	19
Program Expenditures - Schedule 3	20 - 21

RIDEAU VALLEY CONSERVATION AUTHORITY

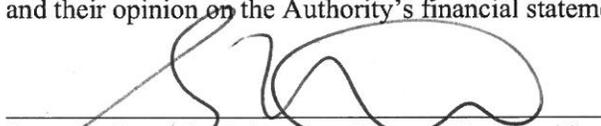
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the Rideau Valley Conservation Authority are the responsibility of the Authority's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involved the use of estimates based on management's judgement, 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 financial statements. These systems are monitored and evaluated by management.

The Audit Committee and management meet with the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters. The Board of Directors meets with management subsequently to review these same matters prior to the Board's approval of the financial statements.

The financial statements have been audited by MNP LLP, independent external auditors appointed by the Authority. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.



Sommer Casgrain-Robertson, General Manager / Secretary-Treasurer

Independent Auditor's Report

To the members of Rideau Valley Conservation Authority:

Opinion

We have audited the financial statements of Rideau Valley Conservation Authority (the "Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial assets 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 Organization as at December 31, 2021, and the results of its operations, changes in its 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Cornwall, Ontario

March 30, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

RIDEAU VALLEY CONSERVATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	2021	2020
NET FINANCIAL ASSETS		
Assets		
Cash	\$ 7,982,094	\$ 4,779,834
Short-term investments (Note 3)	400,000	300,007
Accounts receivable (Note 4)	809,015	2,358,179
Long-term investments (Note 3)	1,350,920	1,450,913
	10,542,029	8,888,933
Liabilities		
Accounts payable and accrued liabilities	1,999,088	1,922,319
Vacation pay and other leave entitlements	237,001	226,099
Deferred revenue (Note 6)	1,998,431	1,665,577
Non pension post-retirement benefits obligation (Note 7)	454,361	446,677
Obligation under capital lease (Note 9)	2,107,727	2,310,431
	6,796,608	6,571,103
Net Financial Assets	3,745,421	2,317,830
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	10,645,014	10,860,453
Prepaid expenses	77,665	60,027
Non-Financial Assets	10,722,679	10,920,480
Contingent Liabilities (Note 11)		
ACCUMULATED SURPLUS		
Accumulated Surplus	\$ 14,468,100	\$ 13,238,310

See Accompanying Notes

RIDEAU VALLEY CONSERVATION AUTHORITY

STATEMENT OF OPERATIONS

For the year ended December 31, 2021

	(Note 17) BUDGET 2021	ACTUAL 2021	ACTUAL 2020
REVENUE			
Municipal levies	\$ 6,248,836	\$ 6,248,836	\$ 6,037,522
Special municipal levies			
Rideau River Ice Management	1,038,292	1,005,837	912,334
Water Control infrastructure			
Reserve	10,000	10,000	10,000
Operation and maintenance	40,000	40,000	40,000
Water Quality Monitoring	158,696	158,696	110,974
Britannia Water Control Structure	21,500	21,500	21,500
Provincial Funding			
Ministry of Natural Resources			
Operating grant	107,422	125,286	125,286
Drinking Water Source Protection (Note 14)	209,746	199,083	180,745
Program revenues (Schedule 2)			
Watershed Sciences and Engineering Services	321,781	280,704	157,267
Planning Advisory and Regulatory Services	1,270,650	1,527,702	1,342,349
Stewardship Services	962,230	832,524	820,103
Conservation Land Management Services	1,256,035	348,805	321,418
Corporation Services	191,000	123,679	121,791
Other Income			
Capital projects	50,000	78,808	449,538
Total Revenues	11,886,188	11,001,460	10,650,827
EXPENDITURES			
Program expenditures (Schedule 3)			
Watershed Sciences and Engineering Services	3,316,388	3,091,837	3,325,347
Planning Advisory and Regulatory Services	2,314,201	2,393,688	2,270,895
Stewardship Services	1,632,313	1,381,300	1,359,268
Conservation Land Management Services	1,327,078	1,244,483	1,120,294
Corporate Services	1,585,831	1,629,188	1,647,592
Non Pension Post Retirement Benefit Obligation	30,380	31,174	37,733
Total Expenditures	10,206,191	9,771,670	9,761,129
NET SURPLUS FOR THE YEAR	1,679,997	1,229,790	889,698
ACCUMULATED SURPLUS, beginning of year	13,238,310	13,238,310	12,348,612
ACCUMULATED SURPLUS, end of year	\$ 14,918,307	\$ 14,468,100	\$ 13,238,310

See Accompanying Notes

RIDEAU VALLEY CONSERVATION AUTHORITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2021

	(Note 17) BUDGET 2021	ACTUAL 2021	ACTUAL 2020
Net surplus for the year	\$ 1,679,997	\$ 1,229,790	\$ 889,698
Amortization of tangible capital assets	273,877	295,164	289,476
Amortization of buildings under capital lease	146,313	146,313	146,313
Acquisition of tangible capital assets	(45,000)	(232,791)	(399,011)
Change in prepaid expenses	-	(17,638)	(2,841)
Gain on disposal of tangible capital assets	-	(6,511)	(5,644)
Proceeds on disposal of tangible capital assets	-	13,264	38,903
Increase in net financial assets	2,055,187	1,427,591	956,894
Net financial assets, beginning of year	2,317,830	2,317,830	1,360,936
Net financial assets, end of year	4,373,017	\$ 3,745,421	\$ 2,317,830

See Accompanying Notes

RIDEAU VALLEY CONSERVATION AUTHORITY

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021

	2021	2020
CASH FROM (USED IN) OPERATING ACTIVITIES		
Net surplus for the year	\$ 1,229,790	\$ 889,698
Items not affecting cash or equivalent		
Amortization of tangible capital assets	295,164	289,476
Amortization of buildings under capital lease	146,313	146,313
Gain on disposal of tangible capital assets	(6,511)	(5,644)
Changes in non-cash working capital balances		
Accounts receivable	1,549,164	(769,435)
Accounts payable and accrued liabilities	76,769	694,757
Vacation pay and other leave entitlements	10,902	(3,483)
Deferred revenue	332,854	64,027
Non pension post retirement benefit obligation	7,684	11,271
Prepaid expenses	(17,638)	(2,841)
	3,624,491	1,314,139
CASH USED IN CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	13,264	38,903
Acquisition of tangible capital assets	(232,791)	(399,011)
	(219,527)	(360,108)
CASH FROM (USED IN) INVESTING ACTIVITIES		
(Purchase) redemption of short-term investments	(99,993)	50,461
Redemption (purchase) of long-term investments	99,993	(50,913)
	-	(452)
CASH FROM FINANCING ACTIVITIES		
Capital lease payments	(202,704)	(255,568)
INCREASE IN CASH	3,202,260	698,011
CASH, beginning of year	4,779,834	4,081,823
CASH, end of year	\$ 7,982,094	\$ 4,779,834

See Accompanying Notes

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

1. STATUS OF THE AUTHORITY

The Rideau Valley Conservation Authority (the 'Authority') is established under the Conservation Authorities Act of Ontario to maintain and improve the quality of the valley environment through watershed planning, cooperative resource management and conservation awareness. The Authority is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rideau Valley Conservation Authority are the representations of management and have been prepared in accordance with Canadian Public Sector Accounting Standards. The financial statements include the following significant accounting policies:

Basis of Accounting

The financial statements reflect financial assets, liabilities, operating revenues and expenditures, reserves, reserve funds and changes in investment in tangible capital assets of the Authority.

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

Revenue Recognition

Municipal levies are recognized in the financial statements as revenues in the period in which they are levied.

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

The Authority defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

Cash and Cash Equivalents

The Authority considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

Investments

Short-term and long-term investments are recorded at cost plus accrued interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible Capital Assets

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

	Estimated Useful Life
Buildings	20 - 50 years
Building under Capital Lease	50 years
Infrastructure < Dams / Berms / Dykes	20 - 25 years
< Bridges / Boardwalks	20 - 30 years
< Vehicles	7 years
< Machinery and Equipment	5 - 15 years
< Computer and IT Equipment	5 - 20 years
< Office and Audio Equipment	5 - 20 years

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

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

The Authority has a capitalization threshold of \$5,000 so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operating reasons.

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

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension and Employee Benefits

The Authority participates in the Ontario Municipal Employees Benefit Retirement System ('OMERS'), a multi-employer public sector pension fund, which is a defined benefit plan. As sufficient information is not available to apply defined benefit plan accounting, the Authority accounts for the plan as a defined contribution plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement which are accrued as entitlements are they are earned in accordance with the Authority's policy.

The Authority provides Post-Retirement Benefits in the form of employer paid group insurance premiums commencing on retirement and payable until the attainment of age 65. The annual cost of the benefit obligation will be charged as a program expenditure.

Deferred Revenues

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

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

Reserves

Reserves for future expenditures and contingencies are established as required at the discretion of the Board members of the Authority. Increases or decreases in these reserves are made by appropriations to or from operations.

Financial Instruments

The Authority recognizes its financial instruments when the authority becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

All financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

All financial assets are tested annually for impairment. Management considers recent collection experience for the financial assets, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment which is not considered temporary is recorded in the statement of operations. Write-downs of financial assets at amortized costs to reflect losses in value are not reversed for subsequent increases in value.

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known. Significant estimates include estimated useful life of tangible capital assets, the valuation of allowances for doubtful accounts receivable, and future employment benefits.

Contributed services

Volunteers contribute significant time to the delivery of the Authority's programs. Due to the difficulty in determining the fair value of these contributions, contributed services are not recognized in the financial statements

Corporate Services Program Revenues and Expenditures

Internal charges are made to allocate common overhead expenses, payroll burden and vehicle charges to all program areas. Actual expenditures are applied to these recovery revenues at year end which results in a net surplus or expenditure each year. These net amounts are included in Corporate Services - Administration and Finance - Program Expenditures.

Contaminated Sites

Contaminated sites are the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceed an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met: a) an environmental standard exists; b) contamination exceeds the environmental standard; c) the organization is directly responsible or accepts responsibility for the liability; d) future economic benefits will be given up; and e) a reasonable estimate of the liability can be made.

3. INVESTMENTS

Short-term investments consist of GIC's with interest rates between 1.80% - 2.15% (2020 - 1.6%) maturing in July 2022. Long-term investments consist of GIC's with interest rates between 1.11% - 3.2% (2020 - 1.6% - 3.2%) maturing between June 2023 and July 2026.

4. ACCOUNTS RECEIVABLE

	2021	2020
Trade and other	\$ 440,710	\$ 460,689
Rideau Valley Conservation Foundation (Note 15)	136,476	310,241
City of Ottawa	231,829	1,587,249
	\$ 809,015	\$ 2,358,179

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

5. CREDIT FACILITY

The Authority maintains an operating line facility with the Bank of Montreal of \$750,000 which bears interest at prime + 0.25% and is due on demand. As of December 31, 2021, no balance (2020 \$Nil) was payable under the facility.

6. DEFERRED REVENUES

	2021	2020
Conservation Land Management Services	\$ 4,500	\$ 6,000
Watershed Sciences and Engineering Services	70,370	131,569
Planning Advisory & Regulatory Services	206,846	173,056
Stewardship Services	1,273,454	1,354,952
Municipal levies - City of Ottawa	443,261	-
	\$ 1,998,431	\$ 1,665,577

7. NON PENSION POST RETIREMENT BENEFIT OBLIGATION

The Authority's employee benefits plan consists of employer-paid group insurance premiums for extended health care and dental care, as well as life insurance coverage. Benefits commence on retirement and are payable for five years, or until the employee reaches the age of sixty-five, if earlier.

The valuation was based on a number of assumptions about future events such as inflation rates, interest rates, medical and dental inflation rates, wage and salary increases, and employee turnover and mortality.

An actuarial valuation was performed for accounting purposes on February 11, 2020.

The accrued benefit obligation as at December 31, 2021 consists of the following components:

	2021	2020
Accrued benefit obligation, beginning of year	\$ 446,677	\$ 435,406
Current service cost	22,696	21,771
Benefits paid during the year	(30,000)	(25,000)
Interest accrued	17,241	16,753
Unamortized Gain/(Loss)	(2,253)	(2,253)
Expected accrued benefit obligation, end of year	\$ 454,361	\$ 446,677

8. PENSION CONTRIBUTIONS

The Authority is a member of the Ontario Municipal Employees Retirement System ('OMERS'), which is a multi-employer plan. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Authority does not recognize any share of the OMERS pension surplus or deficit in these financial statements.

The amount contributed to OMERS was \$383,692 (2020 - \$391,864) for current services and is included as an expenditure on the Statement of Operations classified under the appropriate functional expenditure.

RIDEAU VALLEY CONSERVATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

9. OBLIGATION UNDER CAPITAL LEASE

The Rideau Valley Conservation Authority is committed to total annual payments including interest under capital lease as follows:

2022	\$ 322,793
2023	322,793
2024	322,793
2025	322,793
2026	322,793
and thereafter	\$ 1,534,535

The Authority has entered into a twenty year lease agreement with the City of Ottawa for the new office building located in Beryl Gaffney Park which expires August 2030. Minimum annual payments are based on the annual debt charges that the City will incur on a twenty year debenture of \$4,735,000. The effective interest rate as of December 31, 2021 was 5.69% (2020 - 5.16%). In addition, an annual park development fee of \$32,000 will be paid to the City for the term of the lease. Rent and park development fees (excluding HST) in the amount of \$354,793 were paid for 2021 (2020 - \$415,835). Interest on the obligation was paid in the amount of \$120,089 (2020 - \$128,267).

In accordance with Article 2.04 of the building lease, monthly payments are based on estimated debt charges and will be amended to reflect actual debt charges.

The present value of the obligation at December 31, 2021, under the terms of the capital lease, is \$2,107,727 (2020 \$2,310,431).

At the end of the term, the Authority shall have the option to purchase the building for \$1. In no event shall acquisition of the building include the demised lands.

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

10. TANGIBLE CAPITAL ASSETS

Cost	Opening	Additions	Transfers	Disposals	Closing
Land	\$ 1,977,823	\$ -	\$ -	\$ -	\$ 1,977,823
Buildings	1,876,142	-	-	-	1,876,142
Building Under Capital Lease	7,315,669	-	-	-	7,315,669
Infrastructure					
Dams/Berms/Dykes	9,399,096	-	-	-	9,399,096
Bridges/Boardwalks	538,212	-	-	-	538,212
Vehicles	791,716	-	-	-	791,716
Machinery and Equipment	504,662	199,031	-	(38,045)	665,648
Computers and IT equipment	435,260	21,872	-	-	457,132
Office and Audio Visual					
Equipment	154,246	5,493	-	-	159,739
Assets Under Construction	25,760	6,395	-	-	32,155
	\$ 23,018,586	\$ 232,791	\$ -	\$ (38,045)	\$ 23,213,332

Accumulated Amortization	Opening	Additions	Disposals	Closing
Buildings	\$ 1,184,087	\$ 34,834	\$ -	\$ 1,218,921
Building Under Capital Lease	1,914,266	146,313	-	2,060,579
Infrastructure				
Dams/Berms/Dykes	7,452,732	104,977	-	7,557,709
Bridges/Boardwalks	355,040	19,165	-	374,205
Vehicles	565,534	59,075	-	624,609
Machinery and Equipment	308,949	34,684	(31,292)	312,341
Computers and IT equipment	307,309	31,013	-	338,322
Office and Audio Visual				
Equipment	70,216	11,416	-	81,632
	\$ 12,158,133	\$ 441,477	\$ (31,292)	\$ 12,568,318

Net Book Value	2021	2020
Land	\$ 1,977,823	\$ 1,977,823
Buildings	657,221	692,055
Buildings Under Capital Lease	5,255,090	5,401,403
Infrastructure		
Dams/Berms/Dykes	1,841,387	1,946,364
Bridges/Boardwalks	164,007	183,172
Vehicles	167,107	226,182
Machinery and Equipment	353,307	195,713
Computers and IT equipment	118,810	127,951
Office and Audio Visual		
Equipment	78,107	84,030
Assets Under Construction	32,155	25,760
	\$ 10,645,014	\$ 10,860,453

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

11. CONTINGENT LIABILITIES

The nature of conservation authority activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2021 management believes that the Authority has valid defenses and appropriate insurance coverages in place. In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the financial statements.

12. ACCUMULATED SURPLUS

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

	2021	2020
Unrestricted Surplus	245,619	191,835
Invested in Tangible Capital Assets		
Tangible capital assets	\$ 10,645,014	\$ 10,860,453
Obligation under capital lease	(2,107,727)	(2,310,431)
	8,537,287	8,550,022
Reserves		
Capital Reserves	1,709,469	1,101,952
Building Life Cycle Reserve	783,550	713,550
Working Fund Reserve	1,212,616	1,103,104
Program Reserves		
Stewardship	147,011	93,065
Part VIII Program	553,659	420,284
LRC Production Centre	100,800	100,800
ORWC	198,016	180,724
Conservation Lands	91,443	91,443
Planning and Regulations	540,992	483,016
Watershed Science and Engineering	256,623	117,500
Corporate Communications	90,491	90,491
Part IV	524	524
Total reserves	5,685,194	4,496,453
Accumulated Surplus	\$ 14,468,100	\$ 13,238,310

13. SPECIAL LEVY ON MEMBER MUNICIPALITIES

The Authority's share of the cost of the Rideau River Ice Management - City of Ottawa was funded by a special levy on the benefiting municipality for 2021 of \$1,005,837 (2020 - \$912,334). Other special levies in 2021 from the City of Ottawa include Water Control Infrastructure \$10,000 (2020 - \$10,000), Water Control Infrastructure Operation and Maintenance \$40,000 (2020 - \$40,000), Water Quality Monitoring \$158,696 (2020 - \$110,974), and Britannia Water Control Structure Reserve \$21,500 (2020 - \$21,500).

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

14. SOURCE WATER PROTECTIONS

The Authority is receiving funding support for the Drinking Water Source Protection Program. Funds are to be used to lead and deliver the local source protection program for the Mississippi-Rideau Source Protection Region. This project will be delivered with the collaboration of the Mississippi Valley Conservation Authority. Any unspent funds are repayable to the Province.

15. RELATED PARTY

The Authority has an economic interest in the Rideau Valley Conservation Foundation. During the year, the Rideau Valley Conservation Foundation transferred donations of \$44,131 (2020 - \$17,579), grant revenue of \$nil (2020 - \$40,346), Species at Risk program revenue of \$17,074 (2020 - \$100,805) and Shoreline program revenue of \$71,852 (2020 - \$138,378) in addition, expense reimbursements of \$3,418 (2020 - \$13,133) to the Authority. Of these transfers, \$136,475 (2019 \$310,241) is outstanding at year end. Amounts owing are due on demand, non-interest-bearing and have no specific terms of repayment but are expected to be paid after the Foundation's Annual General Meeting, held annually in June.

The Foundation funds are used to support the conservation programs of the Authority to protect and conserve the lands and waters of the valley of the Rideau River in Eastern Ontario. All transactions between the Authority and the Foundation are recorded at fair market value.

16. LIABILITIES FOR CONTAMINATED SITES

The Authority reports environmental liabilities related to the management and remediation of contaminated sites where the Authority is obligated or likely obligated to incur such costs. A contaminated site liability of \$Nil (2020 - \$Nil) has been recorded based on environmental assessments or estimations for those sites where an assessment has not been conducted. The Authority's ongoing efforts to assess contaminated sites may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the Authority's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

17. BUDGET AMOUNTS

The 2021 budget amounts that were approved on February 25, 2021 were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as program expenses, but the actual expenses have been removed in the Statement of Operations. The revenues attributable to these items continue to be included in the Statement of Operations, resulting in a significant positive variance.

The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited financial statements:

	Approved Budget	Actual
Surplus for the year per Statement of Operations	\$ 1,679,997	\$ 1,229,790
Assets capitalized as tangible capital assets	(2,126,000)	(232,791)
Gain on disposal of tangible capital assets	-	(6,511)
Amortization	-	441,467
Proceeds on disposal of tangible capital assets	-	13,264
Repayment of obligation under capital lease	(202,704)	(202,704)
Transfers from reserves	788,000	192,670
Transfers to reserves	(139,293)	(1,381,411)
Adjusted surplus for the year	\$ -	\$ 53,774

18. SEGMENTED INFORMATION

Certain allocation methodologies are employed in the preparation of segmented financial information. Government grants, user charges, transfers from other funds, and other revenues are allocated to the specific program or service they relate to. Expense allocations are both internal and external. The basis of accounting for inter-segment transfers is at cost using activity based costing for the allocation of 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.

Rideau Valley Conservation Authority segments its activities into five main program areas which are reported in the accompanying supplementary schedules to the financial statements.

Watershed Sciences and Engineering Services

Watershed management and health monitoring program costs and revenues are those required to develop the framework and management strategy to provide a rational approach to natural systems protection, restoration and use. The main activities included in this segment are watershed and sub watershed plans, resource inventory and environmental monitoring, flood protection services and source water protection.

Planning Advisory and Regulatory Services

Planning advisory and regulatory services include costs and revenues associated with the approval of development applications or rendering of opinions on the impact of development applications on natural hazards, natural heritage resources and water resources as provided under provincial legislation which includes the Planning Act, Conservation Authorities Act and the Environmental Assessment Act.

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

18. SEGMENTED INFORMATION (Continued)

Stewardship Services

The stewardship services costs and revenues are those associated with providing service and assistance to private and public landowners on sound environmental practices that will enhance, restore or protect lands and natural features. This category includes activities such as fisheries rehabilitation, tree planting and reforestation, wildlife habitat improvements, management plans, agricultural best practices and erosion control services.

Conservation Land Management Services

The conservation land management services includes all expenses and revenues associated with lands, improvements, buildings and structures owned by Rideau Valley Conservation Authority. It also includes active programming on some Authority lands.

Corporate Services

Corporate services includes management and non-program specific costs and revenues. These include internal support service costs such as senior management costs, board costs, office services, financial services, human resources, information technology and corporate communications.

19. SIGNIFICANT EVENT

In the prior year, the outbreak of the novel strain of the coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. The current year impact of this outbreak has caused staff shortages, reduced demand on programming offered by the Authority, increased government regulations or interventions and decrease in government funding. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

20. SEGMENTED DISCLOSURES

	Watershed Sciences & Engineering Services	Planning Advisory & Regulatory Services	Stewardship Services	Conservation Land Management Services	Corporate Services & Internal Recoveries	2021	2020
Revenues							
Levies	\$ 2,885,484	\$ 1,032,551	\$ 670,083	\$ 1,039,043	\$ 1,857,708	7,484,868	7,132,330
User fees, program revenues & other	669,459	1,542,124	760,671	336,836	53,374	3,362,464	3,222,100
Interest revenue	-	-	-	-	70,305	70,305	79,401
Donations	-	-	71,853	11,970	-	83,823	216,996
	3,554,943	2,574,675	1,502,607	1,387,849	1,981,387	11,001,460	10,650,827
Expenses							
Amortization	116,633	2,736	2,667	48,489	270,952	441,477	435,790
Charge - common cost	193,586	287,205	95,577	102,154	201,833	880,355	841,115
Charge - vehicle & equipment	4,900	45,847	25,904	64,739	12,195	153,585	145,376
Operating expenses	1,521,231	212,242	649,628	352,244	770,194	3,505,539	3,745,487
Interest on capital lease	-	-	-	-	157,771	157,771	167,023
Recovery - common costs	-	-	-	-	(874,457)	(874,457)	(831,539)
Recovery - LRC	-	-	-	-	(25,956)	(25,956)	(17,540)
Recovery - vehicle & equipment	-	-	-	-	(185,975)	(185,975)	(176,839)
Salaries, wages & benefits	1,254,567	1,845,659	607,525	676,857	1,303,549	5,688,157	5,414,522
	3,090,917	2,393,689	1,381,301	1,244,483	1,630,106	9,740,496	9,723,395
Non Pension Retirement Benefits	-	-	-	-	31,174	31,174	37,733
Net Surplus	\$ 464,026	\$ 180,986	\$ 121,306	\$ 143,366	\$ 320,107	1,229,790	889,699

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

21. RISK MANAGEMENT

In the normal course of operations, the Authority is exposed to a variety of financial risks which are actively managed by the Authority.

The Authority's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrual liability, accrued vacation and other leave entitlements.

The Authority's exposure to and management of risk has not changed materially from December 31, 2020.

Credit Risk

Credit Risk arises from the possibility that the entities to which the Authority provides services to may experience difficulty and be unable to fulfil their obligations. The Authority is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Authority has a large outstanding receivable from the City of Ottawa that totals to 27% (2020 - 67%) of the Authority's entire receivable balance. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

Interest Rate Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Authority is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash, investments and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Authority's operating results.

Liquidity Risk

Liquidity risk is the risk that the Authority will not be able to meet its obligations as they fall due. The Authority requires working capital to meet day-to-day operating activities. Management expects that the Authority's cash flows from operating activities will be sufficient to meet these requirements.

RIDEAU VALLEY CONSERVATION AUTHORITY

RESERVES

Schedule 1

For the year ended December 31, 2021

CONTINUITY OF RESERVES

	2021	2020
Reserves and reserve fund balances, beginning of year	\$ 4,496,453	\$ 3,921,655
Net transfers from operations approved by board	1,188,741	574,798
Reserves and reserves fund balances, end of year	\$ 5,685,194	\$ 4,496,453

COMPOSITION OF RESERVES

	2021	2020
Capital Reserves	\$ 1,709,469	\$ 1,101,952
Building Life Cycle Reserve	783,550	713,550
Working Fund Reserve	1,212,616	1,103,104
Program Reserves	147,011	93,065
Stewardship	553,659	420,284
Part VIII Program	100,800	100,800
LRC Production Centre	198,016	180,724
ORWC	91,443	91,443
Conservation Lands	540,992	483,016
Planning and Regulations	256,623	117,500
Watershed Science and Engineering	90,491	90,491
Corporate Communications	524	524
Part IV	524	524
Total	\$ 5,685,194	\$ 4,496,453

RIDEAU VALLEY CONSERVATION AUTHORITY

PROGRAM REVENUES

Schedule 2

For the year ended December 31, 2021

	(Note 17) Budget	2021	2020
Watershed Sciences and Engineering Services			
Surface Water Quality Monitoring	\$ -	\$ 5,652	\$ 9,783
Hydrometric Monitoring and Forecasting	230,000	2,492	5,552
Flood Erosion and Drought Studies	53,781	163,635	134,058
Ground Water Monitoring	-	-	-
Aquatic and Terrestrial Habitat Monitoring	38,000	67,762	7,874
Water Control Operations	-	41,163	-
	321,781	280,704	157,267
Planning Advisory and Regulatory Services			
Plan Review	353,736	435,155	371,595
Section 28 Conservation Authorities Act	290,496	308,546	294,994
Septic Re-Inspection Program	61,547	45,027	24,055
Part VIII Building Code Act	550,254	733,700	651,705
Part IV Clean Water Act	14,617	5,274	-
	1,270,650	1,527,702	1,342,349
Stewardship Services			
Private Land Forestry	605,932	630,628	540,434
Clean Water Program	206,000	52,643	124,437
Other	150,298	149,253	155,232
	962,230	832,524	820,103
Conservation Land Management Services			
Program Management and Land Donations	20,000	-	4,170
Baxter	1,086,325	138,727	90,749
Foley Mountain	79,710	96,233	75,804
Other Developed Conservation Areas	30,000	55,645	110,037
Other Conservation Areas	8,000	26,200	9,903
Lease and Management Agreements	32,000	32,000	30,755
	1,256,035	348,805	321,418
Corporate Services			
Administration and Finance	50,000	91,210	119,596
Communications	1,000	24,334	2,195
Watershed Information Management System	140,000	8,135	-
	191,000	123,679	121,791
Total Program Revenues	\$ 4,001,696	\$ 3,113,414	\$ 2,762,928

RIDEAU VALLEY CONSERVATION AUTHORITY

PROGRAM EXPENDITURES

Schedule 3

For the year ended December 31, 2021

	(Note 17) Budget	2021	2020
Watershed Sciences and Engineering Services			
Program Management	\$ 101,261	\$ 97,361	\$ 105,241
Watershed Report Cards	160,659	161,252	94,592
Drinking Water Source Protection (Note 13)	209,746	199,083	183,459
Surface Water Quality Monitoring	445,690	391,142	424,288
Hydrometric Monitoring and Forecasting	271,388	282,742	259,224
Flood, Erosion and Drought Studies	401,159	524,033	333,607
Ground Water Monitoring	113,575	61,747	47,693
Aquatic and Terrestrial Habitat Monitoring	391,776	143,293	208,726
Water Control Infrastructure			
Operations	132,842	(12,229)	104,583
Capital Maintenance	50,000	70,953	486,140
Rideau River Ice Management	1,038,292	1,055,837	962,334
Amortization	-	116,623	115,460
	3,316,388	3,091,837	3,325,347
Planning Advisory and Regulatory Services			
Program Management	132,418	121,425	144,473
Plan Review	840,881	869,566	687,250
Section 28 Conservation Authorities Act	714,484	741,697	862,273
Part IV Clean Water Act	14,617	4,504	750
Part VIII Building Code Act	550,254	600,325	538,947
Septic Re-Inspection Program	61,547	53,435	34,466
Amortization	-	2,736	2,736
	2,314,201	2,393,688	2,270,895
Stewardship Services			
Program Management	157,257	155,598	160,702
Private Land Forestry	723,740	646,281	582,378
Clean Water Program	449,854	296,496	370,322
Shoreline Stewardship Program	226,954	230,813	204,828
Other	74,508	49,445	38,371
Amortization	-	2,667	2,667
	1,632,313	1,381,300	1,359,268
Conservation Land Management Services			
Program Management and Land Donations	99,381	85,105	43,732
Baxter Conservation Area	326,506	338,745	253,746
Foley Mountain Conservation Area	304,618	254,489	218,981
Other Developed Conservation Areas	330,036	282,351	353,739
Other Conservation Areas	234,537	203,304	188,332
Lease and Management Agreements	32,000	32,000	15,530
Amortization	-	48,489	46,234
	1,327,078	1,244,483	1,120,294

RIDEAU VALLEY CONSERVATION AUTHORITY

PROGRAM EXPENDITURES

Schedule 3 continued

For the year ended December 31, 2021

	(Note 17) Budget	2021	2020
Corporate Services			
Management and Members	\$ 326,755	\$ 304,744	\$ 279,513
Finance and Administration	526,127	433,036	465,213
Communications	283,933	247,701	212,659
Foundation	95,697	95,457	82,114
Headquarter Lease and Maintenance	157,771	157,771	167,518
Watershed Information Management System	218,244	226,310	213,045
	1,608,527	1,465,019	1,420,062
Internal Cost - Expenditures (Recoveries)			
Gain on Disposal	-	(6,511)	(5,644)
Common Cost	(22,696)	(26,814)	5,883
Vehicles and Equipment	-	(73,456)	(41,273)
Amortization	-	270,950	268,564
	(22,696)	164,169	227,530
Total Corporate Services	1,585,831	1,629,188	1,647,592
Total Program Expenditures	\$ 10,175,811	\$ 9,740,496	\$ 9,723,396

Rideau Valley Conservation Authority
3889 Rideau Valley Drive PO Box 599
Manotick, ON K4M 1A5

March 30, 2022

MNP LLP
709 Cotton Mill Street
Cornwall, Ontario K6H 7K7

To Whom It May Concern:

In connection with your audit of the financial statements of Rideau Valley Conservation Authority (the "Organization") as at December 31, 2021 and for the year then ended, we hereby confirm to the best of our knowledge and belief, the following representations made to you during the course of your audit.

We understand that your audit was made in accordance with Canadian generally accepted auditing standards. Accordingly, the audit included an examination of the accounting system, controls and related data, and tests of the accounting records and such other auditing procedures as you considered necessary in the circumstances, for the purpose of expressing an opinion on the financial statements. We also understand that such an audit is not designed to identify, nor can it necessarily be expected to disclose, misstatements, non-compliance with laws and regulations, fraud or other irregularities, should there be any.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 3, 2021, for the preparation and fair presentation of the Organization's financial statements in accordance with Canadian public sector accounting standards. We believe these financial statements are complete and present fairly, in all material respects, the financial position of the Organization as at December 31, 2021 and the results of its operations and its cash flows, in accordance with Canadian public sector accounting standards.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements, and are reported in the appropriate period.
3. We acknowledge that we are responsible for the accounting policies followed in the preparation of the Organization's financial statements. Significant accounting policies, and any related changes to significant accounting policies, are disclosed in the financial statements. The selection of accounting policies is appropriate in accordance with the requirements of Canadian public sector accounting standards, and are applied consistently throughout the financial statements.
4. The selection and application of the methods, assumptions and data used in making the accounting estimates are consistent and appropriate.

5. The assumptions relevant to accounting estimates and disclosures appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.
 6. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and are reasonable in the context of Canadian public sector accounting standards.
 7. Appropriate specialized skills or expertise have been applied in making the accounting estimates.
 8. No subsequent event requires adjustment to the accounting estimates and related disclosures included in the financial statements.
 9. We are aware of and concur with the contents and results of the attached journal entries prepared by you, and accept responsibility for the financial statement effects of the entries.
 10. We believe the effects of those uncorrected financial statement differences aggregated by you during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these differences has been attached to this written representation.
 11. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.
 12. All events or transactions that have occurred subsequent to the statement of financial position and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed appropriately in the financial statements.
 13. We further acknowledge the following items related specifically to COVID-19:
 - We have assessed the impact of COVID-19 on the Organization's operations and have provided you all information relevant to the impact it has had and/or is anticipated to have on the Organization's operations.
 - We have made available to you all source documentation requested, whether in original or scanned/electronic format. Where information has been provided in scanned/electronic format, it has been accurately reproduced.
 - All events or transactions that have occurred subsequent to the statement of financial position and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed appropriately in the financial statements.
 14. All plans or intentions that may affect the carrying value or classification of assets and liabilities are appropriately reflected in the financial statements in accordance with Canadian public sector accounting standards.
 15. All liabilities, both known and contingent, requiring recognition or disclosure in the financial statements in accordance with the requirements of Canadian public sector accounting standards have been adjusted or disclosed as appropriate.
 16. All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
-

17. All assets, wherever located, to which the Organization had satisfactory title at the year-end, have been fairly stated and recorded in the financial statements. The assets are free from hypothecation, liens and encumbrances, except as noted in the financial statements. We have disclosed the nature and carrying amounts of any assets pledged as collateral. All assets of uncertain value, and restrictions imposed on assets, are appropriately reported in the financial statements.
18. All aspects of laws, regulations or contractual agreements, including non-compliance, are appropriately reflected in the financial statements.
19. All cash accounts have been appropriately recorded in the financial statements and all terms and associated conditions have been disclosed to you in full. We have provided you with the most current banking agreements.
20. Investments in marketable securities are appropriately recorded in the financial statements in accordance with the requirements of Canadian public sector accounting standards. All events or circumstances giving rise to impairments are reflected in the financial statements.
21. Accounts and contributions receivable are correctly described in the records and represent valid claims as at December 31, 2021. An appropriate allowance has been made for losses from uncollectible accounts and for costs or expenses that may be incurred with respect to sales made or services rendered.
22. All charges to tangible capital assets and additions under capital leases represent capital expenditures. No expenditures of a capital nature were charged to operations of the Organization. Depreciation of property, plant and equipment and equipment under capital leases has been recorded according to our best estimates of their useful lives. All events or circumstances giving rise to impairments are appropriately reflected in the financial statements.
23. Government transfers have been recognized when the transfer is authorized, and all eligibility criteria have been met.
24. All long-term debt and capital lease obligations has been appropriately recorded in the financial statements. All payments and accrued interest have been accounted for. The current portion of long-term debt and capital lease obligations are appropriately classified. All terms and conditions have been fully disclosed in the financial statements. We have provided you with the most current debt and financing agreements.
25. Employee future benefits have been appropriately recorded in the financial statements according to the requirements of Canadian public sector accounting standards. All actuarial assumptions and valuations have been disclosed to you in full and are appropriate.
26. Revenue has been recognized only where sales have been made and items delivered, or services rendered, and the amounts have been collected or are collectible. Revenues do not include any amounts arising from consignment sales or from any other transaction from which the Organization is not entitled to the proceeds.
27. We have identified all financial instruments, including derivatives, and hedging relationships. These have been appropriately recorded and disclosed in the financial statements in accordance with the requirements of Canadian public sector accounting standards.

Information provided

1. We have responded fully to all inquiries made to us and have made available to you:
 - A complete record of all financial records that are relevant to the preparation and presentation of the financial statements, related data and minutes of the meetings of the Board of Directors held throughout the year to the present date as well as summaries of recent meetings for which minutes have not yet been prepared;
 - Additional information that you have requested from us for the purpose of your audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. We acknowledge management's responsibility for the design, implementation and operation of controls that have been designed to prevent and detect fraud.
3. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low.
4. Where the impact of any frauds or suspected frauds, and non-compliance or possible non-compliance with laws and regulations, has a material effect on the financial statements, we have disclosed to you all known significant facts relating thereto, including circumstances involving management, employees having significant roles over controls, and others. We have made known to you any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators and others. The effects of such events, if any, are properly presented in the financial statements.
5. We have disclosed to you all deficiencies in the design or operation of internal controls over financial reporting of which we are aware.
6. We have disclosed to you all aspects of laws, regulations or contractual agreements that may affect the financial statements, including non-compliance.
7. We have disclosed to you the identities of all related parties to the Organization and all related party relationships and transactions of which we are aware.
8. We have no knowledge of side agreements (contractual or otherwise) with any parties that have not been disclosed to you.
9. The previous year's representation letter dated April 22, 2021 is still applicable to the prior year's financial statements and no matters have arisen that require restatement of those financial statements.
10. There are no discussions with your firm's personnel regarding employment with the Organization.

Other Information

11. We have informed you of all the documents containing other information that comprise our annual report. Further, the financial statements and the other information provided to you prior to the date of your audit report are consistent with one another, and the other information does not contain any material misstatements.

12. We have informed you of all the documents containing other information that comprise our annual report. The final version(s) of [describe documents that comprise the annual report that have not been provided prior to the date of the audit report] will be provided to you when they are available, prior to their issuance, with sufficient time to complete the necessary procedures to satisfy your responsibilities in relation to other information.

Professional Services

1. We acknowledge the engagement letter dated November 3, 2021, which states the terms of reference regarding your professional services.
2. We are not aware of any reason why MNP LLP would not be considered independent for purposes of the Organization's audit.

Sincerely,

Rideau Valley Conservation Authority


Signature

General Manager / Secretary - Treasurer
Title