



BOARD OF DIRECTORS MEETING

Meeting #: 546
Date: April 17, 2020, 9:30 a.m.
Location: Meeting Held Electronically

MEMBERS: K. (Karen) Ras (Chair)
T. (Tom) Adams (Vice Chair)
J. (John) Brennan
S. (Stephen) Dasko
J. (Johanna) Downey
A. (Ann) Lawlor
M. (Matt) Mahoney
M. (Martin) Medeiros
T. (Tom) Nevills
M. (Michael) Palleschi
G. (Grant) Peters
R. (Ron) Starr

STAFF PRESENT: D. (Deborah) Martin-Downs CAO
G. (Gayle) Soo Chan Director, Watershed Knowledge
T. (Tim) Mereu Technical Director, Watershed
Management
J. (Jeff) Payne Deputy CAO & Director, Corporate
Services
J. (Josh) Campbell Director, Planning & Development
Services
J. (John) Sinnige Associate Director, Watershed
Management
T. (Tamara) Chipperfield Corporate Secretariat
C. (Claudia) Kasperowicz Administrator, CAO's Office
R. (Roger) Tharakan Sr. Manager, Financial Services
M. (Marlene) Ferreira Sr. Manager, Human Resources
M. (Maureen) Pogue Sr. Manager, Marketing &
Communications

OTHERS PRESENT: Joanne Mui (KPMG), Shelyane
Li (KPMG)

1. **APPROVAL OF AGENDA**

36/20

Moved By Tom Nevills

Seconded By Grant Peters

RESOLVED THAT the agenda be approved as distributed.

CARRIED

2. **DECLARATION OF CONFLICT OF INTEREST**

3. **MINUTES OF PREVIOUS MEETING**

37/20

Moved By Michael Palleschi

Seconded By Stephen Dasko

RESOLVED THAT the minutes of the 545th meeting of the Credit Valley Conservation Authority held March 13, 2020 be approved.

CARRIED

4. **PRESENTATION / DELEGATION**

5. **BUSINESS ARISING FROM MINUTES**

6. **NEW BUSINESS STAFF REPORTS**

6.1 **DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO SHORELINES & WATERCOURSE APPLICATIONS**

38/20

Moved By Martin Medeiros

Seconded By Grant Peters

RESOLVED THAT the Development, Interference with Wetlands, and Alterations to Shorelines & Watercourses applications, pursuant to Ontario Regulation 160/06, as approved by staff, be received and appended to the minutes of this meeting as Schedule 'A'; and further

THAT the staff approvals for each application be endorsed.

CARRIED

6.2 **APPROVAL OF DRAFT 2019 YEAR END AUDITED FINANCIAL STATEMENTS**

Attached as Schedule 'B' is a report above mentioned subject as submitted by Roger Tharakan, Sr. Manager, Financial Services and Jeff Payne, Deputy CAO and Director, Corporate Services.

39/20

Moved By Matt Mahoney
Seconded By Tom Adams

RESOLVED THAT the report entitled "Draft 2019 Year End Audited Financial Statements" including the "2019 Financial Statements" audited by KPMG be received and appended to the minutes of this meeting as Schedule 'B'; and

THAT the board approves the audited statements and authorizes the Chair and Vice Chair to sign the Final 2019 Year End Audited Financial Statements; and further

THAT Final 2019 Year End Audited Financial Statements be provided to the members of the Board for the May 8, 2020 Board meeting.

CARRIED

6.3 2019 KPMG AUDIT FINDINGS REPORT

Attached as Schedule 'C' is a report on the above mentioned subject as submitted by Roger Tharakan, Sr. Manager, Financial Services and Jeff Payne, Deputy CAO and Director, Corporate Services.

40/20

Moved By Tom Nevills
Seconded By Martin Medeiros

RESOLVED THAT the report entitled "2019 KPMG Audit Findings Report" be received and appended to the minutes of this meeting as Schedule 'C'.

CARRIED

7. CORRESPONDENCE/INFORMATION ITEMS DISTRIBUTED TO MEMBERS

8. NOTICE OF MOTION

9. QUESTION PERIOD

10. OTHER BUSINESS

11. RESOLUTION TO MOVE TO 'IN-CAMERA' SESSION

41/20

Moved By Johanna Downey
Seconded By Matt Mahoney

RESOLVED THAT the Board move to 'In-Camera' session to discuss personnel matters.

CARRIED

11.1 BUSINESS CONTINUITY ANALYSIS DUE TO COVID-19 PANDEMIC

12. RESOLUTION TO MOVE TO OPEN SESSION

42/20

Moved By Ann Lawlor

Seconded By Grant Peters

RESOLVED THAT the Board proceed to open session.

CARRIED

13. RESOLUTION FOLLOWING 'IN-CAMERA' SESSION

A confidential 'In-Camera' report on the above mentioned subject as submitted by Jeff Payne, Deputy CAO and Director, Corporate Services; and Deborah Martin-Downs, CAO was presented to members.

43/20

Moved By Johanna Downey

Seconded By Tom Nevills

WHEREAS the COVID-19 pandemic has resulted in office and parks closures and cessation of some of the authority activities; and

WHEREAS some of the revenue streams and staff associated with those ceased functions have been impacted;

THEREFORE BE IT RESOLVED THAT the confidential 'in-camera' report entitled "Business Continuity Analysis Due To COVID-19 Pandemic" be received for information; and further

THAT an updated business continuity report be provided to the Board at their monthly meetings for the duration of the pandemic and recovery period.

CARRIED

14. MEETING ADJOURNED

On motion the meeting adjourned at 10:25 a.m.

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

A) APPLICATION # 20/041

OWNER:

AGENT: R.J. Burnside & Associates Ltd.

PROPERTY LOCATION: Highway 9, between 1st Line EHS and 2nd Line EHS
Part Lot 1, Concession 2 EHS
Town of Mono

APPLICATION: Development in the Regulated Area for the purpose of
directionally drilling a watermain.

WARD: N/A

B) APPLICATION # 20/043

OWNER:

AGENT: Robt Noble Ltd.

PROPERTY LOCATION: 14227 Trafalgar Road
Part Lot 32, Concession 8
Town Halton Hills

APPLICATION: Development in the Regulated Area for the purpose of
replacing a septic tank.

WARD: H 2

DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)

C) APPLICATION # 20/045

OWNER:

AGENT:

PROPERTY LOCATION: 0 Highpoint Sideroad
Part Lot 26, Concession 1 WHS
Town of Caledon

APPLICATION: Development in the Regulated Area for the purpose of construction a house, septic system and associated grading.

WARD: C 1

D) APPLICATION #: 20/053

OWNER:

AGENT:

PROPERTY LOCATION: 6 Dianne Road
Part Lot 13, Concession 9
Town of Erin

APPLICATION: Development in the Regulated Area for the purpose of constructing a 12' x 24'6" garage addition.

WARD: N/A

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

E) APPLICATION #: 20/054

OWNER:

AGENT: W.E. Oughtred & Associates Inc.

LOCATION: 1496 Pinetree Crescent
Part of Lots 4 & 7, Range 2 CIR
City of Mississauga

APPLICATION: Development in the Regulated Area for the purpose of constructing a new second storey addition, paverstone patio & steps, pergola with built in kitchen, retaining wall, pavingstone driveway, and associated grading.

WARD: M 1

F) APPLICATION #: 20/059

OWNER:

AGENT: McConnell Development Services Inc.

LOCATION: 12519 Ninth Line
Part of Lot 23, Concession 10
Town of Halton Hills

APPLICATION: Development in the Regulated Area for the purpose of filling in 2 wetlands totaling 5,268.03m and associated grading works for works associated with Subdivision T83/008.

WARD: H 2

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

G) APPLICATION #: 19/285
OWNER:
AGENT: Stantec Consulting Ltd.
LOCATION: Premium Way
Part Lot 1, Range 3 CIR
City of Mississauga
APPLICATION: Development in the Regulated Area for the purpose of
undertaking an integrity dig.
WARD: M 7

H) APPLICATION #: 19/297
OWNER:
AGENT: Vintage Glen Inc.
LOCATION: 515-517 Main Street
Part of Lot 21 Concession 10
Town of Halton Hills
APPLICATION: Development in the Regulated Area for the purpose of
installation a new sanitary sewer line.
WARD: H 2

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

I) APPLICATION #: 19/133
OWNER:
AGENT: Triton Engineering Services Ltd.
LOCATION: Station Street
Part Lot 24, Concession 7
Town of Erin
APPLICATION: Development in the Regulated Area and alteration to West
Credit River to facilitate the reconstruction of Station Street,
bridge replacement and dam reconstruction.
WARD: N/A

J) APPLICATION #: 19/295
OWNER: City of Mississauga
AGENT: Jewell Engineering Inc.
LOCATION: Financial Drive over Levi Creek
Part Lot 12, Concession 4 WHS
City of Mississauga
APPLICATION: Development in a Regulated Area to facilitate rehabilitation of
a bridge over Levi Creek.
WARD: M 11

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

K) APPLICATION #: 19/296
OWNER: City of Mississauga
AGENT: Jewell Engineering Inc.
LOCATION: Brookhurst Drive and Lushes Pedestrian Bridge over
Sheridan Creek
Part Lot 32, Concession 2 SDS & Part Lot 30, Concession 3
SDS
City of Mississauga
APPLICATION: Development in a Regulated Area to facilitate rehabilitation of
a road bridge and replacement of a pedestrian bridge over
Sheridan Creek.
WARD: M 2

L) APPLICATION #: 20/039
OWNER: Mayfield Road Brampton Inc.
AGENT: DTSL
LOCATION: 0 Mayfield Road
Part of Lot 17, Concession 2 WHS
City of Brampton
APPLICATION: Development in the Regulated Area for grading to facilitate a
residential subdivision.
WARD: B 2

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

M) APPLICATION #: 20/052
OWNER:
AGENT:
LOCATION: 2977 Bovaird Drive West
Part Lot 11, Concession 6 WHS
City of Brampton
APPLICATION: Development in the Regulated Area for the purpose of
constructing a new dwelling, deck and shed.
WARD: B 6

N) APPLICATION #: 20/030
OWNER: Region of Peel
AGENT:
LOCATION: Velebit Court
Part of Lot 7, Concession 4 WHS
City of Mississauga
APPLICATION: Development in a regulated area to facilitate construction of
new watermains.
WARD: M 11

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

O) APPLICATION #: 20/036
OWNER: Enbridge Gas Inc.
AGENT:
LOCATION: Mineola West on Hurontario Street
Part Lot 2, Range 1 CIR
City of Mississauga
APPLICATION: Development in the Regulated Area to facilitate construction of
a new gas main.
WARD: M 1

P) APPLICATION #: 20/056
OWNER:
AGENT:
LOCATION: 1560 Northmount Avenue
Part Lot 9, Concession 2 SDS
City of Mississauga
APPLICATION: Development in the Regulated Area to facilitate construction of
one (1) accessory structure, four (4) sheds, and interlock patio.
WARD: M 1

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

Q) APPLICATION #: 20/051

OWNER:

AGENT: Retreats Inc.

LOCATION: 45 Grist Mill Drive
Part Lot 16, Concession 8
Town of Halton Hills (Georgetown)

APPLICATION: Development in the Regulated Area for the purpose of constructing a second storey addition with balcony and 12' x 47' rear deck.

WARD: H 3

R) APPLICATION #: 20/057

OWNER: Enbridge Gas Inc.

AGENT:

LOCATION: 13585 Dublin Line
Part Lot 28, Concession 2
Town of Halton Hills

APPLICATION: Development in the Regulated Area for the purpose of installing 20m of gas line.

WARD: H 1

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

S) APPLICATION #: 20/031

OWNER: Caledon Development #2 LP, Caledon Development General Partner Ltd.

AGENT: WSP Canada Group Limited

LOCATION: Part of Lots 19 and 20, Concession 2 WHS
Town of Caledon

APPLICATION: Development in the Regulated Area for earthworks to facilitate a residential subdivision.

WARD: C 1

T) APPLICATION #: 20/058

OWNER: Town of Caledon

AGENT:

LOCATION: Caledon Trailway
Part Lot 1, Concession 3 WHS and Part Lot 1, Concession 3
EHS
Town of Caledon

APPLICATION: Development in the Regulated Area for the purpose of undertaking repairs to two existing pedestrian bridges.

WARD: C 1

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

U) APPLICATION #: 20/061

OWNER:

AGENT:

LOCATION: 32 Fletcher Drive
Part Lots 3 and 4, Concession 1 WHS
City of Brampton

APPLICATION: Development in the Regulated Area to facilitate construction of
a back porch.

WARD: B 3

V) APPLICATION #: 20/063

OWNER: Enbridge Gas Inc.

AGENT:

LOCATION: 226 Main Street South
Part Lot 26, Concession 2
Town of Halton Hills (Acton)

APPLICATION: Development in the Regulated Area for the purpose of
installing 80m of gas line.

WARD: H 1

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

W) APPLICATION #: 20/065

OWNER:

AGENT: Pioneer Pools

LOCATION: 69 Grist Mill Drive
Part Lot 16, Concession 8
Town of Halton Hills

APPLICATION: Development in the Regulated Area for the purpose of
constructing an inground pool.

WARD: H 3

X) APPLICATION #: 20/067

OWNER:

AGENT: Hickory Dickory Decks

LOCATION: 107 Foxtail Court
Part Lot 14, Concession 9
Town of Halton Hills

APPLICATION: Development in the Regulated Area to facilitate the construction
of a swimming pool, patio, retaining wall, shed and associated
grading.

WARD: H 4

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

Y) APPLICATION #: 20/066

OWNER:

AGENT: Gibsan Pool

LOCATION: 96 Cumberland Drive
Part Lot 1, Range 1 CIR
City of Mississauga

APPLICATION: Development in the Regulated Area for the purpose of constructing a pool and associated landscaping.

WARD: M 1

Z) APPLICATION #: 18/330

OWNER:

AGENT: Skira & Associates Ltd.

LOCATION: 6680 McLaughlin Road
Lot 9, Concession 2 WHS
City of Mississauga

APPLICATION: Development in the Regulated Area to facilitate site alteration and grading associated with the construction of the road and detached dwellings.

WARD: M 11

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

AA) APPLICATION #: 18/371
OWNER: Region of Peel
AGENT: Cole Engineering
LOCATION: Rosemere SPS – 182 Rosemere Road
Part Lot 5, Range 1 CIR
City of Mississauga
APPLICATION: Development in a Regulated Area and floodplain to
facilitate re-construction of a sewage pumping station and
associated works.
WARD: M 1

BB) APPLICATION #: 18/372
OWNER: Region of Peel
AGENT: Cole Engineering
LOCATION: Silver Birch SPS – 777 Silver Birch Trail
Part Lot 26, Concession 3 SDS
City of Mississauga
APPLICATION: Development in a Regulated Area to facilitate re-construction of
a sewage pumping station and associated works.
WARD: M 2

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

CC) APPLICATION #: 20/071

OWNER:

AGENT:

LOCATION: 80 Antibes Drive
Part Lot 6, Concession 3 WHS
City of Brampton

APPLICATION: Development in the Regulated Area to facilitate construction of a deck.

WARD: B 5

DD) APPLICATION #: 20/020

OWNER:

AGENT: Calder Engineering

LOCATION: 14585 Creditview Road
Part Lot 30, Concession 3 WHS
Town of Caledon

APPLICATION: Development in the Regulated Area for the purpose of replacing a septic system.

WARD: C 2

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

EE) APPLICATION #: 19/147

OWNER: Town of Halton Hills

AGENT: Aquafor Beech Limited

LOCATION: Fairy Lake at Victoria Street and Mill Street West
Part Lot 28, Concession 2
Town of Halton Hills

APPLICATION: Development in the Regulated Area and alteration to wetland and watercourse to facilitate repairs to the Fairy Lake Dam and to install a geosynthetic liner.

WARD: H 3

FF) APPLICATION #: 19/246

OWNER: Hydro One Networks Incorporated

AGENT: Enbridge Pipelines

LOCATION: Part Lot 4, Concession 4
City of Mississauga

APPLICATION: Development in the Regulated Area for the purpose of undertaking a pipeline integrity dig.

WARD: M 6 & 11

**DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO
SHORELINES & WATERCOURSES APPLICATIONS (STAFF APPROVED, FOR BOARD OF
DIRECTORS' ENDORSEMENT)**

GG) APPLICATION #: 19/276

OWNER: Region of Peel

AGENT: Wood Ltd.

LOCATION: Queensway Retaining Wall
Part Lot 15, Concession 1 SDS
City of Mississauga

APPLICATION: Development in a Regulated Area to facilitate reconstruction of
a retaining wall adjacent to Cooksville Creek.

WARD: M 7

TO: The Chair and Members
of the Board of Directors,
Credit Valley Conservation

SUBJECT: APPROVAL OF DRAFT 2019 YEAR END AUDITED
FINANCIAL STATEMENTS

PURPOSE: To seek approval of the Board of Directors of CVC for the draft
CVC audited financial statements for the year ending
December 31, 2019

SUMMARY:

The draft financial statements of Credit Valley Conservation Authority for the year ending December 31, 2019 are attached as Schedule 'B', Appendix 1. As required under Canadian audit standards, the statements are presented in draft format until officially approved by the Board. The external auditors have expressed their opinion as follows:

“In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations, its changes in net financial debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.”

Using the framework prescribed by the Public Sector Accounting Board (PSAB), CVC's financial position increased by \$1.129 million dollars in 2019 (referred to as “Annual Surplus” in the “Statement of Operations and Changes in Accumulated Surplus”). This increase includes changes to both financial assets and non-financial assets such as tangible capital assets. The largest drivers of the annual surplus include one-time labour savings realized through corporate restructuring and other vacancies as well as additional revenues generated through the National Disaster Mitigation Program (NDMP) Federal funding grant program. Revenues generated through conservation parks also exceeded budget.

In accordance with professional standards, a copy of the management representation letter is provided to the Board of Directors. A copy of the representation letter for the audit of the financial statements is attached as Schedule 'B', Appendix 2.

COMMUNICATIONS PLAN:

The financial statements will be available on the CVC website and provided upon request to all interested parties.

FINANCIAL IMPLICATIONS

Costs associated with the 2019 audited financial statements are included in the operating budget for the Corporate Services Department.

RECOMMENDED RESOLUTION:

RESOLVED THAT the report entitled "Draft 2019 Year End Audited Financial Statements" including the "2019 Financial Statements" audited by KPMG be received and appended to the minutes of this meeting as Schedule 'B'; and

THAT the board approves the audited statements and authorizes the Chair and Vice Chair to sign the Final 2019 Year End Audited Financial Statements; and further

THAT Final 2019 Year End Audited Financial Statements be provided to the members of the Board for the May 8, 2020 Board meeting.

Submitted by:



Roger Tharakan
Sr. Manager, Financial Services



Jeff Payne
Director, Corporate Services

Recommended by:



Deborah Martin-Downs
Chief Administrative Officer

DRAFT #5
April 8, 2020

Financial Statements of

**CREDIT VALLEY
CONSERVATION AUTHORITY**

And Independent Auditors' Report thereon

Year ended December 31, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Credit Valley Conservation Authority

Opinion

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

- the statement of financial position as at December 31, 2019
- the statement of operations and changes in accumulated surplus for the year then ended
- the statement of changes in net financial debt 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, 2019, and its results of operations, its changes in net financial debt 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 auditors' report.

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

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

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

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

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

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

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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
Financial assets		
Cash and short-term investments (note 3)	\$ 13,812,984	\$ 11,558,116
Accounts receivable:		
Government grants	775,157	434,277
Municipal levies	57,120	63,965
Other	632,376	1,064,928
	15,277,637	13,121,286
Financial liabilities		
Accounts payable and accrued liabilities	1,761,108	2,010,643
Deferred revenue (note 4)	8,596,669	7,007,964
Capital lease liabilities (note 6)	317,390	156,011
Mortgage payable (note 7)	5,695,056	5,829,372
	16,370,223	15,003,990
Net financial debt	(1,092,586)	(1,882,704)
Non-financial assets		
Tangible capital assets (note 5)	47,078,217	46,922,228
Prepaid expenses	369,990	183,280
Inventory	149,889	153,258
	47,598,096	47,258,766
Commitments (note 11)		
Contractual rights (note 13)		
Subsequent event and contingencies (note 15)		
Accumulated surplus (note 10)	\$ 46,505,510	\$ 45,376,062

See accompanying notes to financial statements.

On behalf of the Board:

_____ Chair

_____ Vice-Chair

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Statement of Operations and Changes in Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (note 2)	2019 Actual	2018 Actual
Revenue:			
Government grants:			
Transfer payments	\$ 185,195	\$ 118,003	\$ 185,195
Federal/provincial	870,746	1,678,090	2,088,580
	1,055,941	1,796,093	2,273,775
Municipal levies:			
General (Schedule A)	9,357,433	9,357,433	9,036,925
Special benefiting (Schedule A)	16,150,200	15,409,614	16,147,243
	25,507,633	24,767,047	25,184,168
Other contributions	1,327,815	760,157	764,795
Authority-generated (Schedule B)	3,840,378	4,298,261	3,834,782
	31,731,767	31,621,558	32,057,520
Expenses:			
Water Resources Management & Restoration (Schedule C)	7,376,787	8,127,732	7,528,238
Watershed Stewardship & Natural Heritage (Schedule D)	12,440,023	10,692,451	10,681,828
Conservation Lands Management (Schedule E)	4,385,496	3,212,997	3,943,621
Conservation Areas Programming (Schedule F)	2,354,291	2,277,184	2,131,751
Corporate Communications & Education (Schedule G)	2,488,015	2,441,898	2,457,858
Environmental Advisory Services (Schedule H)	3,314,824	2,998,610	3,196,023
Corporate Services (Schedule I)	(761,985)	741,238	351,779
Repayment of Mortgage Principal	134,316	-	-
	31,731,767	30,492,110	30,291,098
Annual surplus	-	1,129,448	1,766,422
Accumulated surplus, beginning of year	45,376,062	45,376,062	43,609,640
Accumulated surplus, end of year	\$ 45,376,062	\$ 46,505,510	\$ 45,376,062

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Statement of Changes in Net Financial Debt

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Annual surplus	\$ 1,129,448	\$ 1,766,422
Acquisition of tangible capital assets	(1,304,252)	(2,256,030)
Amortization	1,142,439	1,025,364
Loss on sale or disposal of tangible capital assets	3,382	8,903
Proceeds on sale of tangible capital assets	2,442	12,587
	(155,989)	(1,209,176)
Acquisition of inventories of supplies	(182,309)	(192,645)
Acquisition of prepaid expenses	(496,853)	(294,424)
Consumption of inventories	185,678	198,671
Use of prepaid expenses	310,143	278,821
	(183,341)	(9,577)
Decrease in net financial debt	790,118	547,669
Net financial debt, beginning of year	(1,882,704)	(2,430,373)
Net financial debt, end of year	\$ (1,092,586)	\$ (1,882,704)

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,129,448	\$ 1,766,422
Items not involving cash:		
Amortization	1,142,439	1,025,364
Loss on sale or disposal of tangible capital assets	3,382	8,903
Change in non-cash operating items:		
Accounts receivable	98,518	4,388
Prepaid expenses	(186,710)	(15,603)
Inventory	3,369	6,026
Accounts payable and accrued liabilities	(249,536)	208,145
Deferred revenue	1,588,705	(730,928)
	3,529,615	2,272,717
Capital activities:		
Proceeds on sale of tangible capital assets	2,442	12,587
Cash used to acquire tangible capital assets	(971,123)	(2,069,173)
	(968,681)	(2,056,586)
Financing activities:		
Capital lease repayment	(171,750)	(30,846)
Repayment of mortgage principal	(134,316)	(127,530)
	(306,066)	(158,376)
Increase in cash and short-term investments	2,254,868	57,755
Cash and short-term investments, beginning of year	11,558,116	11,500,361
Cash and short-term investments, end of year	\$ 13,812,984	\$ 11,558,116
Supplemental cash flow information:		
Interest received	\$ 189,142	\$ 191,113
Interest paid	304,573	313,501

See accompanying notes to financial statements.

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements

Year ended December 31, 2019

The Credit Valley Conservation Authority (the "Authority") was established on May 13, 1954 by Order-In-Council No. 1324/54, in accordance with Section 3(1) of the Conservation Authorities Act of Ontario. The Authority is classified as a registered charity under the Income Tax Act (Canada) and, as such, is not subject to income taxes provided certain disbursement requirements are met. The objective of the Authority, as stated by the Conservation Authorities Act R.S.O. 1980 is, "to establish and undertake, in the area over which it has jurisdiction, a program designed to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals."

1. Significant accounting policies:

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

(a) Accrual basis of accounting:

Revenue and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the year in which they have been earned and incurred, respectively, whether or not such transactions have been settled by the receipt or payment of money.

(b) Payroll allocation:

Payroll costs of the Authority are allocated over the various projects and programs in which the Authority is involved.

(c) Cash and short-term investments:

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

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(d) Non-financial assets:

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

(i) Tangible capital assets:

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

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

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

(ii) Contributed tangible capital assets:

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

(e) Vehicles and equipment:

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

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

1. Significant accounting policies (continued):

(f) Revenue and deferred revenue:

Government transfer payments and municipal levies are recognized in the financial statements in the year in which the transfer is authorized and all eligibility criteria have been met, except when a transfer gives rise to a liability.

Other grants, other contributions and authority-generated revenue are recognized when the related services are performed.

(g) Use of estimates:

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

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

2. Budget figures:

The organization follows budget presentation based on expected cash inflows and outflows, and the budget is prepared on a cash basis. Accrued base items such as amortization expense are not budgeted for.

The budget figures have been derived from the budget approved by the Board of Directors on February 8, 2019.

3. Cash and short-term investments:

At year end, the Authority held short-term investments of \$5,998,996 (2018 - \$2,976,602), which are cashable at any time, upon written request.

4. Deferred revenue:

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

	2019	2018
MNR transfer payment	\$ 23,902	\$ 46,299
Water Management Technical Assessment and Guidance	397,451	434,599
LID Developer Funded Monitoring Program	131,776	132,384
Water Management Transfer Tools and Training	114,643	68,817
Blocks 1 to 5 EIR & FSR	25,064	32,753
Flood Forecast & Warning	62,930	19,832
Climate Change Vulnerability Assessment	109,563	117,956
Real Time Water Quality Response	185,768	180,895
SWM Infrastructure Performance Risk Assess	351,754	251,463
Floodline Mapping Program - Peel	158,471	515,185
Leaders for Clean Water - Peel	232,861	330,049
Leaders for Clean Water - Headwaters	18,101	15,077
Peel Predevelopment Support	92,786	72,029
Peel Planting Program	47,497	119,819
50 Million Trees Program - Future Obligation	16,253	20,926
Future Replanting - CVC Partners	15,558	15,019
Invasive Species Control Program	103,406	239,132
Grassland Projects	20,017	20,017

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

4. Deferred revenue (continued):

	2019	2018
Peel Rural Water Quality	92,782	134,600
Peel Rural Stewardship	96,997	52,951
Sustainable Neighbourhoods	33,987	46,737
Peel Ecological Goods and Services	104,973	134,570
Watershed Ecological Goods & Services	121,519	90,179
Conservation Youth Corp	41,986	--
Nursery Infrastructure & Restoration	4,708	70,208
Aquatic & Wetland Restoration - Peel	677,794	493,108
Regional Community Outreach	90,341	21,885
Headwaters Outreach	49,778	24,570
Urban Outreach & Restoration	50,179	64,552
Jim Tovey Lakeview Conservation Area: Phase III	67,270	--
Jim Tovey Lakeview Conservation Area: Phase II	8,327	40,329
Landscape Science	73,721	43,523
Urban Natural Heritage	138,586	43,512
Natural Areas Inventory	102,956	73,345
Wildlife Habitat Assessment	146,600	108,481
Effectiveness Monitoring Strategy	23,845	2,989
Brampton Cause and Effect Monitoring	261,212	256,751
Capstone Property	488,249	--
Lands Core 10 Ecosystem	430,543	274,645
Infrastructure Major Maintenance	1,371,944	752,542
Dods & McNair Memorial Forest	9,027	4,932
Capital Projects - Peel	1,197,164	884,401
Enforcement Program - Peel	558	60,537
Public Relations	148,221	78,973
Corporate Support Initiatives	361,256	448,023
Environmental Education	171,162	108,334
Conservation Authorities University	93,933	61,036
Green Infrastructure Ontario Coalition Administration	29,250	--
	\$ 8,596,669	\$ 7,007,964

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

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

5. Tangible capital assets:

2019 tangible capital assets cost:

	Balance, December 31, 2018	Additions	Transfers in (out)	Disposals	Balance, December 31, 2019
Land	\$ 32,050,548	\$ —	\$ —	\$ —	\$ 32,050,548
Land improvements	3,851,294	28,620	—	(10,629)	3,869,285
Structures	15,051,202	12,720	2,046,962	—	17,110,884
Machinery and equipment	3,523,024	740,641	—	(174,426)	4,089,239
Vehicles	739,203	25,269	—	—	764,472
Capital work in progress	1,826,644	497,002	(2,046,962)	—	276,684
	\$ 57,041,915	\$ 1,304,252	\$ —	(185,055)	\$ 58,161,112

2019 accumulated amortization:

	Balance, December 31, 2018	Additions	Disposals	Balance, December 31, 2019
Land improvements	\$ 1,984,310	\$ 192,344	(10,629)	\$ 2,166,025
Structures	6,212,152	469,012	—	6,681,164
Machinery and equipment	1,732,754	408,233	(168,602)	1,972,385
Vehicles	190,471	72,850	—	263,321
	\$ 10,119,687	\$ 1,142,439	\$ (179,231)	\$ 11,082,895

	2019 Net book value	2018 Net book value
Land	\$ 32,050,548	\$ 32,050,548
Land improvements	1,703,260	1,866,984
Structures	10,429,720	8,839,050
Machinery and equipment	2,116,854	1,790,270
Vehicles	501,151	548,732
Assets under construction	276,684	1,826,644
	\$ 47,078,217	\$ 46,922,228

Included in machinery and equipment are capital leases for server and network/firewall hardware with a cost of \$519,985 (2018 - \$186,857) and accumulated amortization of \$97,698 (2018 - \$18,686).

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

6. Capital lease liabilities:

The Authority has three (2018 - two) leases for hardware, which have been capitalized (note 5). The terms of the leases are for 36 month with \$1 purchase options at the end of the lease terms. The interest rates range from 0% to 3%. Interest expense for the year is \$4,853 (2018 - \$571). Aggregate future repayment of the leases are as follows:

2020	\$ 176,384
2021	144,744
Total minimum lease payments	321,128
Less amount representing interest	3,738
Present value of net minimum capital lease payments	\$ 317,390

7. Mortgage payable:

In 2010, the Authority entered into a long-term financing agreement with the Regional Municipality of Peel for a maximum of \$6,590,000 to use for the development and construction of the Authority's headquarters building expansion. During 2011, the promissory note was converted to a mortgage payable and bears interest at a rate of 5.196% and is repayable over 30 years. The current portion of principal is \$141,464 (2018 - \$134,316).

Expected principal payments for the next five years and thereafter are as follows:

2020	\$ 141,464
2021	148,992
2022	156,920
2023	165,271
2024	174,066
Thereafter	4,908,343
	\$ 5,695,056

8. Line of credit:

The Authority has a standby line of credit with the Bank of Nova Scotia at prime plus 0% interest. As at December 31, 2019, no amount has been drawn.

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

9. Related party transactions:

During the year, the Authority received \$1,775,987 (2018 - \$893,242) from the Credit Valley Conservation Foundation, of which \$1,036,037 (2018 - \$571,657) was recognized as revenue in the current year. The balance of funds received of \$739,950 (2018 - \$321,585) has been deferred until the appropriate recognition criteria have been met.

10. Accumulated surplus:

Accumulated surplus consists of the following:

	2019	2018
Invested in tangible capital assets	\$ 47,078,217	\$ 46,922,228
Operating fund	(12,180,637)	(11,781,908)
Reserves	11,607,930	10,235,742
	\$ 46,505,510	\$ 45,376,062

11. Lease commitments:

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

2020	\$	14,810
2021		16,206
2022		16,160
2023		15,664
2024		15,664
Thereafter		1,305
	\$	79,809

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

12. Pension agreements:

The Authority makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of full-time members of staff and eligible part-time staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rate of pay.

Contributions made by the Authority to OMERS for 2019 were \$1,588,374 (2018 - \$1,604,429).

13. Contractual rights:

The Authority is involved in various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future. Future revenues from third party contracts to provide services and shared services with cost recoveries are estimated to be approximately \$6,495,000 over the course of 2020 to 2025.

14. Segmented information:

Certain allocation methodologies are employed in the preparation of segmented financial information. Government grants, user charges, transfers from other funds, and other revenue are allocated to the specific program or service they relate to. Expense allocations are both internal and external. Activity-based costing is used to allocate internal support costs to departments. These costs include the net expenditures for departments, such as human resources, information systems, finance and others, commonly referred to as overhead.

The Authority segments its activities into seven main program areas which are reported in the accompanying supplementary schedules to the financial statements.

Water Resources Management and Restoration

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

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

14. Segmented information (continued):

Watershed Stewardship and Natural Heritage

The Authority coordinates stewardship information and provides service, technical advice and assistance to private, public and corporate landowners, community groups and individual residents on sound environmental practices that will enhance, restore or protect lands and natural features. This segment includes activities, such as forest management, naturalization, stream, pond and wetland management, wildlife management, water quality problems, flooding and erosion problems and agricultural matters. The Authority undertakes this role in partnership with the municipalities, provincial agencies, interest groups and academic institutes.

The Natural Heritage activity includes the inventory, research and analysis and monitoring of natural vegetation communities at both the landscape level and the community level. Plant, animal and fish species are also recorded to manage significant species and habitats as per Provincial Policy Statements, Subwatershed Studies and the Authority's Planning policies. Technical advice is provided to internal activities, as well as other agencies and stakeholders.

Conservation Lands Management

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

Conservation Areas Programming

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

Corporate Communications and Education

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

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2019

14. Segmented information (continued):

Environmental Advisory Services

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

Corporate Services

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

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Notes to Financial Statements

Year ended December 31, 2019

15. Subsequent event and contingencies:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the Authority has undertaken the following activities in relation to the COVID-19 pandemic:

- (a) Established a cross-functional planning team to address business continuity decisions resulting from COVID-19 impacts.
- (b) Closed administrative buildings and public lands (conservation parks, conservation areas and trails) in accordance with the guidance from public health organizations.
- (c) Mandated work-from-home supported by technology and infrastructure to access servers from remote locations. Implemented electronic workflows and financial processes while still maintaining internal controls.

It is currently not known how long or to what extent the pandemic will impact the Authority's operations. An estimate of the financial effect is not practicable at this time. Although the current public health crisis presents uncertainty, the Authority has put the above measures in place at the time of approval of these financial statements to manage the impacts.

16. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year surplus.

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Schedule A - Municipal Levies

Year ended December 31, 2019, with comparative information for 2018

Member municipality	2019		2018	
	General levy	Special levy	General levy	Special levy
Region of Halton	\$ 465,055	\$ 306,006	\$ 448,891	\$ 330,822
Town of Halton Hills				
Town of Oakville				
Region of Peel	8,587,944	15,042,378	8,290,159	15,739,661
City of Brampton				
City of Mississauga				
Town of Caledon				
Town of Orangeville	228,649	45,988	223,167	57,508
Township of:				
Amaranth	1,029	207	1,003	262
East Garafraxa	5,315	1,069	5,133	1,322
Town of Mono	10,555	2,123	10,203	2,625
Town of Erin	58,886	11,843	58,369	15,043
	\$ 9,357,433	\$ 15,409,614	\$ 9,036,925	\$ 16,147,243

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Schedule B - Authority-Generated Revenue

Year ended December 31, 2019, with comparative information for 2018

Programs	2019 Budget (note 2)	2019 Actual	2018 Actual
Water Management and Health Monitoring:			
Donations	\$ —	\$ 62,600	\$ 5,466
Other Income	52,505	46,959	180,394
	<u>52,505</u>	<u>109,559</u>	<u>185,860</u>
Watershed Stewardship and Natural Heritage:			
Erosion control fees	563,950	250,814	318,139
Donations	216,000	338,125	512,290
Other Income	339,920	378,441	371,794
	<u>1,119,870</u>	<u>967,380</u>	<u>1,202,223</u>
Conservation Lands Management:			
Donations	—	180,299	10,174
Other Income	15,930	10,547	11,917
	<u>15,930</u>	<u>190,846</u>	<u>22,091</u>
Conservation Areas Programming:			
Conservation Area Program Fees	1,289,700	1,497,445	1,116,350
Donations	—	6,711	2,689
Merchandise and Other Income	201,300	157,657	184,887
	<u>1,491,000</u>	<u>1,661,813</u>	<u>1,303,926</u>
Corporate Communications and Education:			
Donations	216,461	212,029	166,146
Other Income	45,500	60,702	144,479
	<u>261,961</u>	<u>272,731</u>	<u>310,625</u>
Environmental Advisory Services:			
GD Inquiry Fees	41,610	57,279	46,217
Map Sales	516	—	—
Regulation Fees	103,716	131,050	116,955
Plan Review Fees	591,270	590,001	497,437
	<u>737,112</u>	<u>778,330</u>	<u>660,609</u>
Corporate Services:			
Interest and Other Income	125,000	189,142	191,113
Miscellaneous	37,000	128,460	(41,665)
	<u>162,000</u>	<u>317,602</u>	<u>149,448</u>
	<u>\$ 3,840,378</u>	<u>\$ 4,298,261</u>	<u>\$ 3,834,782</u>

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Schedule C - Water Resources Management and Restoration Expenses

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (note 2)	2019 Actual	2018 Actual
Watershed Management	\$ 258,638	\$ 252,982	\$ 345,185
G.I.S.	742,857	727,752	685,536
Professional Services	30,000	10,909	27,652
Flood Warning	200,835	176,383	176,200
Water Quality Strategy	116,555	108,527	105,025
Flood Line Mapping	104,020	83,608	101,198
Groundwater Management	219,969	161,542	199,988
Watershed and Subwatershed Planning	190,964	192,015	156,478
River Infrastructure Management	398,668	422,560	264,815
	2,262,506	2,136,278	2,062,077
Watershed Studies and Projects:			
Water Management Technical Assess and Guidance	801,756	1,001,438	737,801
LID Developer Funded Monitoring Program	14,505	622	9,537
Water Management Knowledge Transfer Tools and Training	365,102	553,648	594,329
Source Protection	67,407	39,807	72,329
Brampton Blocks 1 to 5 EIR & FSR	-	8,062	12,304
Flood Forecasting & Warning	495,735	433,237	462,070
Climate Change Vulnerability Assessment	226,824	170,217	179,233
Real Time Water Quality Response	349,822	414,949	295,385
SWM Infrastructure Perf. Risk Assess	1,125,324	1,005,514	1,029,527
Floodline Mapping Program - Peel Subwatershed 10	705,889	1,091,922	768,597
	-	-	674
Leaders for Clean Water - Peel	810,450	1,123,596	1,128,882
Leaders for Clean Water - Headwaters	151,467	148,442	175,493
	5,114,281	5,991,454	5,466,161
	\$ 7,376,787	\$ 8,127,732	\$ 7,528,238

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Schedule D - Watershed Stewardship and Natural Heritage Expenses

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (note 2)	2019 Actual	2018 Actual
Watershed Stewardship:			
Stewardship Administration	\$ 373,140	\$ 222,175	\$ 320,590
Aquatic & Wetland Restoration-Watershed	141,392	67,711	140,051
Planting Program	334,220	279,032	325,648
Peel Planting Program	694,147	682,755	625,864
Nursery Operations	500,252	397,364	386,009
Invasive Species Control Program	738,703	729,587	666,862
Emerald Ash Borer-Halton	211,130	212,470	229,538
Stewardship Outreach	337,235	277,562	274,696
Grassland Projects	-	-	1,655
Peel Rural Water Quality Program	173,443	160,262	93,060
Peel Rural Stewardship	644,450	585,581	625,040
Sustainable Neighbourhoods	132,255	105,005	173,634
Peel Ecological Goods and Services	221,411	231,427	110,372
Watershed Ecological Goods and Services	86,323	109,983	59,124
Conservation Youth Corp	506,501	497,032	453,366
Nursery Infrastructure & Restoration	108,978	55,380	35,679
Aquatic & Wetland Restoration-Peel	1,004,986	837,008	1,039,080
Credit Valley Trail	119,952	180,594	85,544
Regional Community Outreach	349,393	355,299	293,760
Headwaters Outreach	139,283	119,075	117,089
Flyway Habitat	-	-	6,720
Urban Outreach & Restoration	601,319	620,591	556,491
Jim Tovey Lakeview Conservation Area - Phase III	-	6,731	-
Jim Tovey Lakeview Conservation Area - Phase II	848,968	253,675	203,655
	8,267,481	6,986,299	6,823,527
Natural Heritage:			
Ecosystem Science	909,229	788,952	880,883
Integrated Water Monitoring	1,090,411	949,315	962,709
Landscape Science	580,450	550,253	555,829
Urban Natural Heritage	260,798	191,090	248,466
Natural Areas Inventory	452,617	453,980	424,409
Wildlife Habitat Assessment	403,703	346,016	327,198
Effectiveness Monitoring	204,000	183,143	199,744
Natural Heritage Administration	271,334	243,403	259,063
	4,172,542	3,706,152	3,858,301
	\$ 12,440,023	\$ 10,692,451	\$ 10,681,828

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Schedule E - Conservation Lands Management Expenses

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (note 2)	2019 Actual	2018 Actual
Land Management Administration	\$ 694,929	\$ 684,524	\$ 813,097
Land Securement - Peel	-	13,809	90,502
Land Securement - Other Municipalities	-	10,231	670
Enforcement Program	27,401	29,551	32,547
Property Management	548,393	469,981	566,260
Communications	-	-	(17,428)
Corporate Offices Support	683,219	649,548	556,711
Dam Maintenance	31,192	29,521	6,521
Fleet Operations	-	(290,542)	(280,260)
	1,985,134	1,596,623	1,768,620
Capital/Development Projects:			
Lands Core 10 Ecosystem	558,418	453,942	527,252
Infrastructure Major Maintenance CA's	674,949	433,769	419,566
Infrastructure/Major Maintenance - Dams	234,642	64,480	486,191
Dods & McNair Memorial Forest	-	5,905	5,925
Capital Projects - Peel	804,088	525,034	650,692
Enforcement Project - Peel	128,265	133,244	85,375
	2,400,362	1,616,374	2,175,001
	\$ 4,385,496	\$ 3,212,997	\$ 3,943,621

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Schedule F - Conservation Areas Programming Expenses

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (note 2)	2019 Actual	2018 Actual
Belfountain	\$ 310,103	\$ 286,011	\$ 263,923
Island Lake	914,245	968,297	832,153
Ken Whillans RMA	213,059	260,566	197,863
Terra Cotta	904,654	661,136	749,438
Badlands	103,230	94,570	81,025
Conservation Areas - Memberships	9,000	6,604	7,349
	\$ 2,354,291	\$ 2,277,184	\$ 2,131,751

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Schedule G - Corporate Communications and Education Expenses

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (note 2)	2019 Actual	2018 Actual
Information Technology	\$ (272,704)	\$ (140,409)	\$ (199,394)
Corporate Communications	499,622	473,510	489,113
Foundation Administration	384,644	326,442	309,058
Public Relations	470,143	404,957	435,265
Corporate Support Initiatives	454,766	542,040	486,535
Community Education	190,699	158,025	163,899
Environmental Education	760,845	663,980	690,779
Conservation Authorities University	-	13,353	82,603
	\$ 2,488,015	\$ 2,441,898	\$ 2,457,858

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Schedule H - Environmental Advisory Services Expenses

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (note 2)	2019 Actual	2018 Actual
Plan Input	\$ 813,348	\$ 663,515	\$ 778,685
Plan Review	1,261,130	1,226,952	1,230,183
Environmental Approvals	301,858	294,915	291,796
Peel Predevelopment Support	521,641	430,883	514,013
EA Review	416,847	382,345	381,346
	\$ 3,314,824	\$ 2,998,610	\$ 3,196,023

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Schedule I - Corporate Services Expenses

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget (note 2)	2019 Actual	2018 Actual
Corporate Management	\$ 989,776	\$ 1,044,131	\$ 1,012,795
Staff Allocations to Special Projects	(348,029)	(56,756)	(132,498)
Overhead Allocations to Special Projects	(3,246,469)	(3,220,339)	(3,184,109)
Loss on Disposal of TCA	-	3,381	8,903
Interest Expense	299,725	304,573	313,501
Amortization Expense	--	1,142,439	1,025,364
Office Support Services	166,740	104,845	141,236
Financial Services	620,055	662,801	606,850
Human Resources	756,217	678,616	559,737
Green Infrastructure Ontario Coalition Administration	-	77,547	-
	\$ (761,985)	\$ 741,238	\$ 351,779

CREDIT VALLEY CONSERVATION AUTHORITY

DRAFT Schedule J - Continuity of Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

2019	Balance, December 31, 2018	Appropriation (to) from operations	Balance, December 31, 2019
Gauge Reserve	\$ 300,000	\$ 117,500	\$ 417,500
Facility Reserve	150,000	10,000	160,000
Parks Revenue Reserve	25,000	10,000	35,000
Conservation Areas Reserve	75,841	20,000	95,841
Credit Valley Trail	2,736	-	2,736
Capital Reserve	8,420,772	1,142,439	9,563,211
Jacquith Property	8,060	-	8,060
Vehicle Reserve	441,644	188,601	630,245
Equipment Reserve	551,112	59,988	611,100
Land Acquisition/Management MNR	36,770	639	37,409
Computer	223,807	(176,979)	46,828
	10,235,742	1,372,188	11,607,930
Operating Fund	(11,781,908)	(398,729)	(12,180,637)
Prior 2009 PSAB 3150	31,348,572	-	31,348,572
Post 2008 PSAB 3150	15,573,656	155,989	15,729,645
	\$ 45,376,062	\$ 1,129,448	\$ 46,505,510

2018	Balance, December 31, 2017	Appropriation (to) from operations	Balance, December 31, 2018
Gauge Reserve	\$ -	\$ 300,000	\$ 300,000
Facility Reserve	-	150,000	150,000
Parks Revenue Reserve	-	25,000	25,000
Conservation Areas Reserve	-	75,841	75,841
Credit Valley Trail	2,736	-	2,736
Capital Reserve	7,395,408	1,025,364	8,420,772
Jacquith Property	8,060	-	8,060
Vehicle Reserve	366,665	74,979	441,644
Equipment Reserve	511,469	39,643	551,112
Land Acquisition/Management MNR	28,896	7,874	36,770
Computer	177,897	45,910	223,807
	8,491,131	1,744,611	10,235,742
Operating Fund	(10,594,543)	(1,187,365)	(11,781,908)
Prior 2009 PSAB 3150	31,348,572	-	31,348,572
Post 2008 PSAB 3150	14,364,480	1,209,176	15,573,656
	\$ 43,609,640	\$ 1,766,422	\$ 45,376,062



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada

April 17, 2020

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Credit Valley Conservation Authority ("the Entity") as at and for the year ended December 31, 2019.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in Attachment I to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated December 20, 2018, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of members, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.

Page 1 of 5

- e) providing you with additional information that you may request from us for the purpose of the engagement.
- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - others

where such fraud or suspected fraud could have a material effect on the financial statements.

 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.

- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Misstatements:

- 11) The financial statements do not include the required budget figures in the statement of changes in financial assets. The effects of the disclosure omission is immaterial to the financial statements as a whole.

Non-SEC registrants or non-reporting issuers:

- 12) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 13) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Other:

- 14) The Entity did not solicit nor receive any donations in cash form during the year.

Yours very truly,

Original Signed



Deborah Martin-Downs, Chief Administrative Officer

Original Signed



Jeff Payne, Director of Corporate Services

cc: Board of Directors

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

TO: The Chair and Members
of the Board of Directors,
Credit Valley Conservation

SUBJECT: 2019 KPMG AUDIT FINDINGS REPORT

PURPOSE: To provide the Board of Directors of CVC with the KPMG Audit Findings Report for the year ended December 31, 2019

SUMMARY:

The external auditor for Credit Valley Conservation Authority conducts an audit on an annual basis in accordance with generally accepted auditing standards. The audit work has been completed for the 2019 year-end and KPMG has issued their Audit Findings Report (see Schedule 'C' Appendix 1) as a companion to the financial statements found in Schedule 'B', Appendix 1. The stated purpose of the report by KPMG is as follows:

“The purpose of this Audit Findings Report is to assist you, as a member of the Board of Directors, in your review of the results of our audit of the financial statements as at and for the year ended December 31, 2019.”

The report sets out the audit plan and areas of emphasis, a statement of audit adjustments and differences and provides additional supporting information for the Board of Directors.

KPMG did not identify any control deficiencies that they determined to be significant in internal control over financial reporting (ICFR).

COMMUNICATIONS PLAN:

The 2019 KPMG Audit Findings Report will be provided to all interested parties upon request and is publicly available on the CVC website as part of the Board agenda and minutes.

FINANCIAL IMPLICATIONS

Costs associated with the 2019 KPMG Audit are included in the operating budget for the Corporate Services Department.

RECOMMENDED RESOLUTION:

RESOLVED THAT the report entitled "2019 KPMG Audit Findings Report" be received and appended to the minutes of this meeting as Schedule 'C'.

Submitted by:

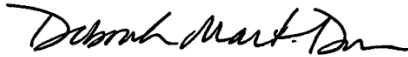


Roger Tharakan
Sr. Manager, Financial Services



Jeff Payne
Director, Corporate Services

Recommended by:



Deborah Martin-Downs
Chief Administrative Officer

Credit Valley Conservation Authority

Audit Findings Report for the
year ended December 31, 2019

KPMG LLP

Licensed Public Accountants

March 20, 2020

kpmg.ca/audit

KPMG

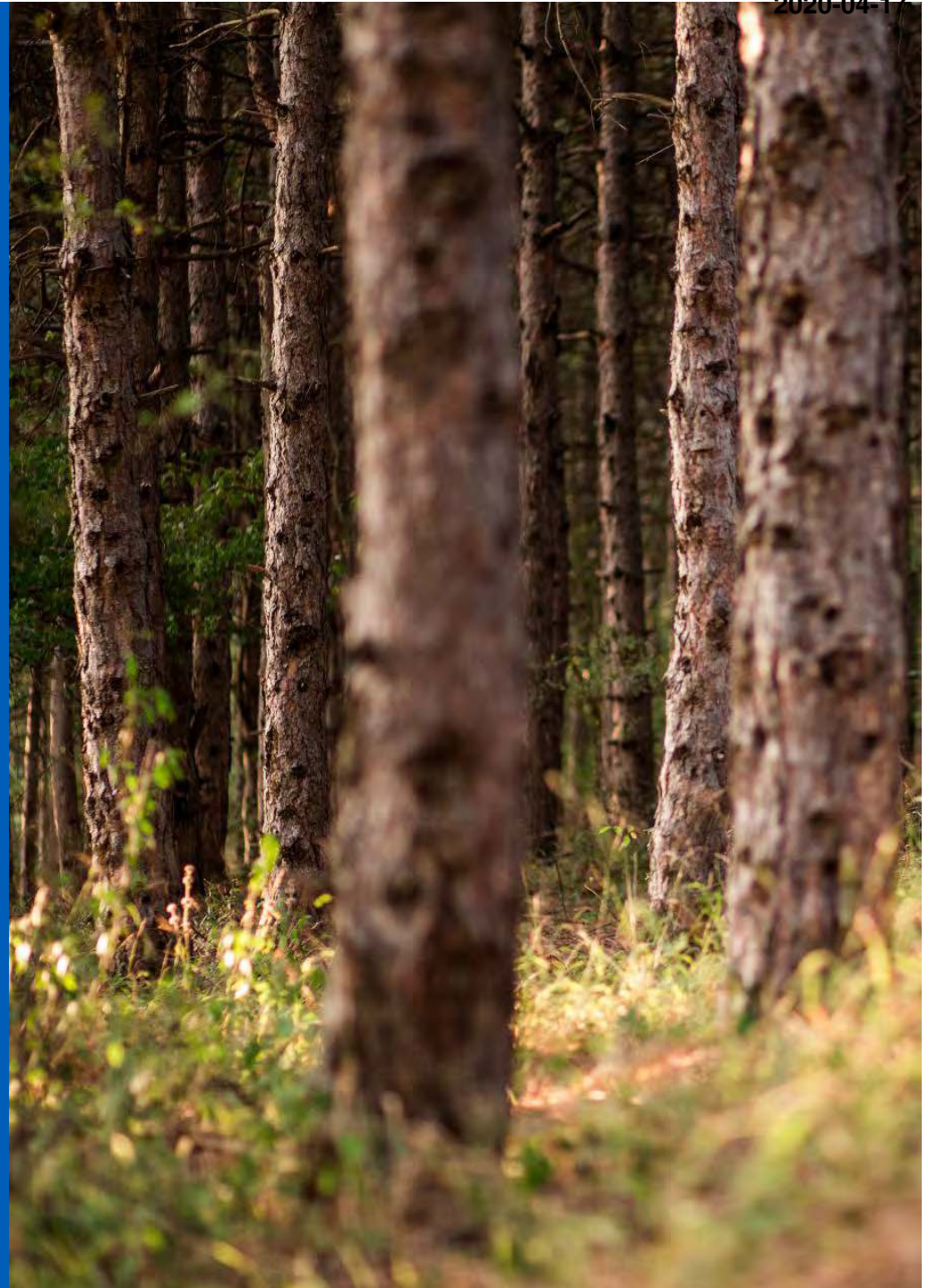


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KPMG contacts

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Tel: 416-224-4113

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Executive summary

Purpose of this report¹

The purpose of this Audit Findings Report is to assist you, as a member of the Board of Directors, in your review of the results of our audit of the financial statements as at and for the year ended December 31, 2019.

Audit materiality

Materiality has been determined based on total expenses. We have determined materiality to be \$910,000 for the year ended December 31, 2019 (2018 - \$930,000). See page 2.

Finalizing the Audit

As of date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- completing our discussions with you
- receipt of the signed management representation letter (dated upon Board approval of the financial statements)
- completion of subsequent events procedures, up to the date of approval of the financial statements
- obtaining evidence of the Board's approval of the financial statements

We will update the Board, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

Audit risks and results

Our audit is risk-focused. We have taken into account key areas of focus for financial reporting. See pages 3-5.

Critical accounting estimates

We are satisfied with the reasonability of critical accounting estimates.

Adjustments and differences

We did not identify any differences that have been corrected or remain uncorrected.

Control deficiencies

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with the Authority's relevant financial reporting framework, Canadian public sector accounting standards.

¹ This Audit Findings Report should not be used for any other purpose or by anyone other than the Board of Directors. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.


Materiality


Materiality determination	Comments	Amount
Materiality	Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. The corresponding amount for the prior year's audit was \$930,000.	\$910,000
Benchmark	Based on actual expenses for the current year. This benchmark is consistent with the prior year.	\$30,492,110
% of Benchmark	The corresponding percentage for the prior year's audit was 3%.	3%
Audit Misstatement Posting Threshold (AMPT)	Threshold used to accumulate misstatements identified during the audit. The corresponding amount for the previous year's audit was \$46,500.	\$45,500

Materiality is used to scope the audit, identify risks of material misstatements and evaluate the level at which we think misstatements will reasonably influence users of the financial statements. It considers both quantitative and qualitative factors.

To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality.

We have reported to the Board of Directors:

 Corrected audit misstatements

 Uncorrected audit misstatements

Audit risks and results

We highlight our significant findings in respect of significant financial reporting risks, as well as any additional significant risks identified.

1 Significant Risk	Fraud risk from management override of controls
Significant financial reporting risk	Why is it significant?
Fraud risk from management override of controls.	This is a presumed fraud risk. We have no identified any specific additional risks of management override relating to this audit.
Our response and significant findings	
<ul style="list-style-type: none"> – The risk resides with management’s ability to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. – As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions. – To test journal entries, we utilize KPMG application software to: <ul style="list-style-type: none"> ○ Evaluate the completeness of the journal entry population through a roll-forward of all accounts ○ Analyze journal entries and determine sub-populations for more focused and risk-based testing ○ Apply certain criteria to sub-populations to identify potential high-risk journal entries for further testing <p>Findings:</p> <ul style="list-style-type: none"> – We did not identify any issues through our roll-forward procedures. – We did not identify any issues with journal entries meeting high-risk criteria. 	

Audit risks and results

Significant findings from the audit regarding other areas of focus are as follows:

2 Other area of focus Cash and short term investments

Other area of focus

Cash and short term investments represent the majority of your financial assets. This is a material balance that funds your operations. Risk of material misstatement is related to the completeness and accuracy of cash, investments, and presentation and valuation of investments

Our response and significant findings

- Obtain confirmation of the year-end balances from third parties
- Review bank reconciliations and vouch significant reconciling items to source documents
- Review of new investment accounts opened during the year, ensuring appropriate classification, and review of disclosure requirements

Findings: No issues were found.

3 Other area of focus Revenue, deferred revenue, and accounts receivable

Other area of focus

The Authority receives significant restricted contributions, which are deferred until such time as they are spent on funded projects. Risk of material misstatement arises from the accuracy and timing of revenue recognition.

Our response and significant findings

- Revenue recognition considerations (recognized vs. deferred)
- Select a sample of restricted contributions, vouch to supporting documentation, and ensure appropriate deferrals were made
- Reconciliation of accounts receivable and review sub-ledger for credit balances
- Confirmation of levies revenue
- Perform a trend analysis focused on significant year-over-year variances
- Make inquires of management on the sources and forms of donation revenue for considerations relating to completeness of cash donations

Findings: No issues were found.

Audit risks and results

Significant findings from the audit regarding other areas of focus are as follows:

4 Other area of focus Tangible capital assets

Other area of focus

Tangible capital assets represent approximately 75% of total assets. This is a material balance, consisting largely of land and structures, that represents the core operations of the Authority. Risk of material misstatement is related to the existence and accuracy of the tangible capital assets.

Our response and significant findings

- Select a sample of additions and agree to original invoices to ensure proper accounting treatment
- Review any significant disposals
- Review of significant transfer items out of the work in progress account
- Assess the reasonableness of amortization expense

Findings: No issues were found

5 Other area of focus Expenses, accounts payable, and accrued liabilities

Other area of focus

Expenses are funded through contributions and directly impact revenue recognition of restricted contributions. Risk of material misstatement is related to the completeness of liabilities and expenses, and classification of expenses.

Our response and significant findings

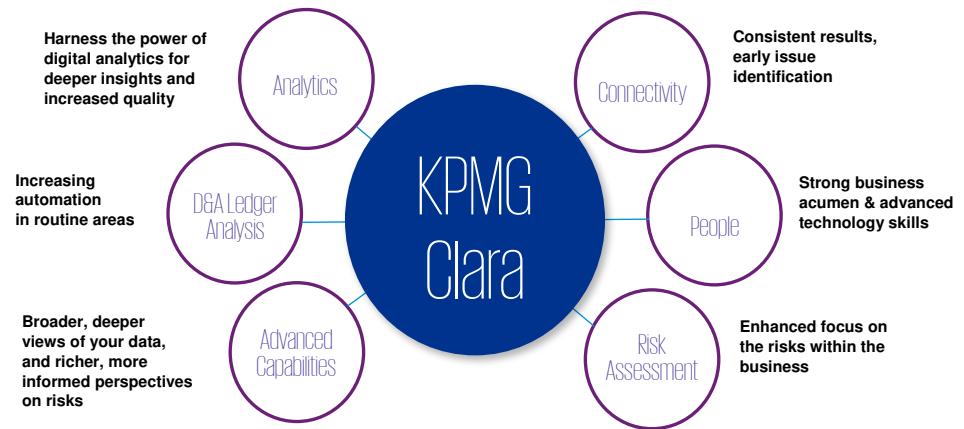
- Perform substantive analytical procedures and trend analysis over expenses
- Select a sample of expense transactions and agree to original invoices to ensure the proper classification of expenses
- Review supporting documentation for significant accruals
- Review of expense cut-off through the search for unrecorded liabilities

Findings: No issues were found

Technology in the audit

As part of KPMG's technology leadership, our audit practice has developed technologies and alliances to continuously enhance our capabilities and deliver an exceptional audit experience.

Technology empowers us with the ability to perform deep analysis over your financial information, focusing our effort and interactions on the areas of greatest risk and minimizing disruption to your business.



Areas of the audit where Technology and D&A routines were used

Tool

Our results and insights

Journal Entry Analysis

We evaluated the completeness of the journal entry population through a roll-forward of the entire GL.

We used KPMG application software (IDEA) to analyze journal entries and apply certain criteria to identify potential high-risk journal entries for further testing.

The GL roll consists of a summation of all automated and manual journal entries posted during the fiscal year and a comparison of the calculated amounts to the account balances as at and for the year ended December 31, 2019 as reported by management.

The GL extraction was found to be complete and containing all automated and manual journal entries recorded during the year. We were able to use this complete extraction for our testing of high-risk journal entries.

We developed a set of high-risk criteria and applied the criteria to the entire population of journal entries. Journal entries containing high risk conditions were tested to ensure they were supported by proper documentation and followed the journal entry initiation and approval controls and process in place. We did not find any exceptions in our testing over journal entries.

No issues were identified.

Other matters

We have highlighted below other significant matters that we would like to bring to your attention:

Matter	KPMG comment
Subsequent event	<ul style="list-style-type: none"> <li data-bbox="451 407 2003 475">– Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This matter has far-reaching consequences for many organizations. As such, enhanced subsequent events procedures are warranted. <li data-bbox="451 483 2003 552">– We have considered the potential impact on the financial statements with management and determined that a subsequent events disclosure is warranted. Financial implications are not fully known at this time. <li data-bbox="451 560 2003 660">– We also updated our discussion with management on their assessment of the Authority as a going concern. Management notes that while there are business interruptions with the closure of the parks, facilities, and administrative buildings, management is implementing business continuity and mitigation measures while keeping the Board informed accordingly. There are no going concern issues at this time. <li data-bbox="451 669 2003 699">– Disclosure describing the event and the potential financial implications to the Authority are included in the financial statements.
Charity status	<ul style="list-style-type: none"> <li data-bbox="451 737 2003 805">– The Authority was granted official registered charity status effective February 2, 2019. As a charity, the Authority is not subject to income taxes provided that certain disbursement requirements are met. <li data-bbox="451 813 2003 881">– The Authority will also be able to issue charity-receipts to donors, however, fundraising activities are intended to remain with the Credit Valley Conservation Foundation. <li data-bbox="451 889 2003 989">– The Authority's financial statements remain unqualified with respect to cash donations. Although it is common for charitable entities to collect cash donations and have qualified audit opinions on their financial statements, this is not the case for the Authority given that they do not collect any significant cash donations or engage in fundraising activities.
Accounting system upgrade and migration of servers	<ul style="list-style-type: none"> <li data-bbox="451 1029 2003 1211">– In May 2019, the Authority upgraded its version of the Sage financial software package. At the same time, the system database was migrated from Pervasive SQL software to Microsoft SQL Server. To verify consistency and integrity of the data before and after the server migration, the database was checked for consistency by IT staff with no errors, the finance team reviewed trial balance reports to identify any inconsistencies, and the proper functioning of its operation was verified by end users in the finance department by performing their daily procedures in a redundant system. There were no issues as a result of these assessments. <li data-bbox="451 1219 2003 1360">– In our audit, we obtained the final and opening trial balances from the previous and upgraded systems, respectively, and compared the data to verify consistency and mitigate potential risks to the audit due to lost or missing information. In our assessment, we noted that all accounts had been successfully and accurately converted to the newly upgraded system. We also performed additional substantive verification of accounts receivable and accounts payable to test the accuracy of the subledgers as at year-end. There were no issues in these tests.

Uncorrected differences and Corrected Adjustments

Professional standards require that we request of management and the Board of Directors that all identified differences be corrected.

Uncorrected differences

We did not identify differences that remain uncorrected.

Corrected adjustments

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

Current developments and audit trends

Current Developments, created by the KPMG Public Sector and Not-for-Profit Practice, summarizes regulatory and governance matters impacting charities and not-for-profit organizations today, or expected to impact over the next few years. We provide this information to help not-for-profit organizations understand upcoming changes and challenges they may face in their industry. We attach this summary to every audit plan and audit findings report that we provide to our public sector and not-for-profit clients. Some of these developments may not impact the Entity directly but we believe it is important for Audit committee members and Board of Directors of charities and not-for-profit organizations to understand what is happening in the sector.

Our discussions with you, our audit opinion and what KPMG is seeing in the marketplace—both from an audit and industry perspective—indicate the following is specific information that will be of particular interest to you. We would, of course, be happy to further discuss this information with you at your convenience.

Thought Leadership	Overview	Links
2019 Audit Quality and Transparency Report	Learn about KPMG's ongoing commitment to continuous audit quality improvement. We are investing in new innovative technologies and building strategic alliances with leading technology companies that will have a transformative impact on the auditing process and profession. How do we seek to make an impact on society through the work that we do?	Link to report
Put your data to work to gain competitive advantage	There is no "digital economy". The economy is digital and "digits" refer to data. Data is the lifeblood of every organization on this planet and organizations that embrace this notion are well positioned to grow as industries continue to evolve and disrupt at an ever increasing pace.	Link to report
Predictive analytics, it works	CEOs recognize the value that predictive analytics delivers to their decision-making process.	Link to report
Creating the workforce of the future	You can't transform the organization without also transforming the workforce. It may be time to rethink the people strategy.	Link to report
Charities IT Modernization Project (CHAMP)	To reduce the administrative burden on charities, the Canada Revenue Agency (CRA) is modernizing its Information Technology (IT) systems to provide new digital service options. Click on the attached link to understand the digital services available as part of this initiative.	Link to report
Accelerate	Introducing the new 2019/2020 Accelerate report, a KPMG report and video series offering insight into the key issues driving the Audit Committee agenda, including: <ul style="list-style-type: none"> • Digital disruption of the finance function • Digital business brings increased cyber risk • Taking the lead on data privacy • Boards bracing for climate change • Future-proofing your ERM 	Link to report

Appendix 1 - Resources - COVID-19 Pandemic

Resources	
Resources for Management, Board and Committee members	<p>COVID-19 Alerts (Live Link)</p> <p>Please visit our COVID-19 website for resources regarding the topics below. This site is being <u>updated daily</u> based on information being released by Federal, Provincial and Municipal news releases.</p> <ul style="list-style-type: none">— Business continuity guide— Immediate actions to take— Medium to long-term actions— Tax considerations and a summary of Federal and Provincial programs— Legal considerations— Financial reporting and audit considerations— Global perspectives

Appendix 2: Required Communications

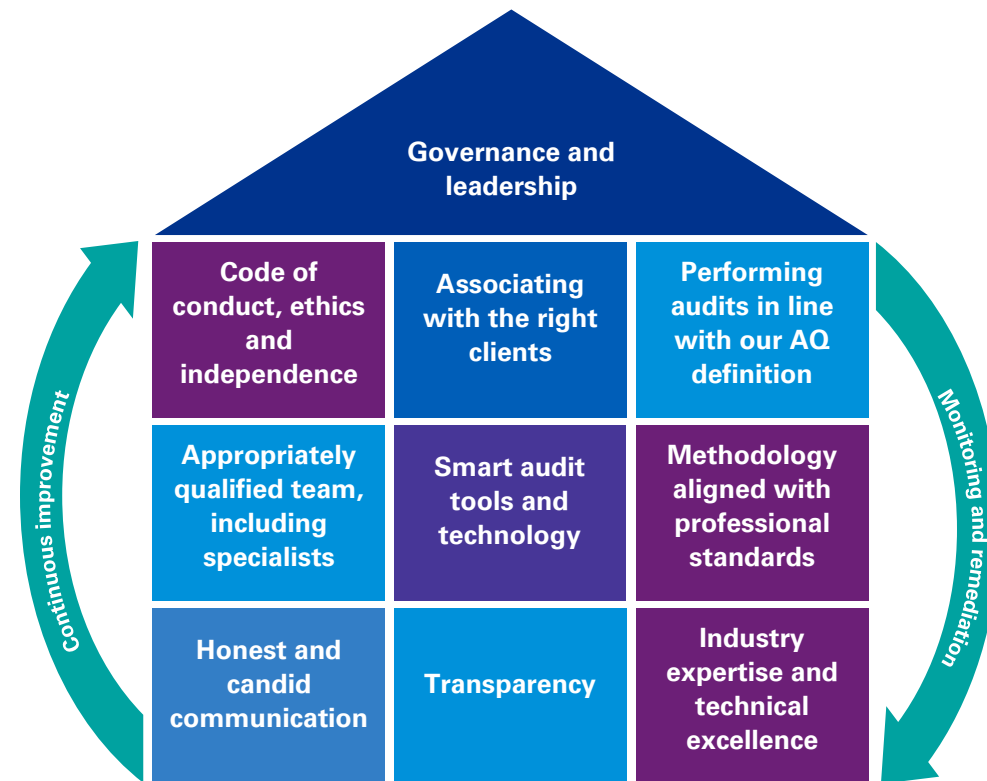
In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:

Engagement letter	Management representation letter
<p>The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter as provided by management.</p>	<p>In accordance with professional standards, a copy of the management representation letter is provided to the Board of Directors. Management has provided you with a copy of the representation letter for the audit of the financial statements.</p>
Auditors' report	Audit findings report
<p>The conclusion of our audit is set out in our draft auditors' report attached to the draft financial statements.</p>	<p>As attached.</p>
Required inquiries	Independence
<p>Professional standards require that we obtain your views on risk of fraud and other matters. We make similar inquiries of management.</p> <ul style="list-style-type: none"> — What are your views about fraud risk at the entity? — How do those charged with governance exercise effective oversight of management's processes for identifying and responding to the risk of fraud in the entity and internal controls management has established to mitigate these fraud risks? — Are you aware of or have you identified any instances of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed? — Is the entity in compliance with laws and regulations? — Has the entity entered into any significant usual transactions? 	<p>We are independent and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow Board approved protocols.</p>

Appendix 3: Audit Quality and Risk Management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the key elements of our quality control system.



Audit Quality Framework

What do we mean by audit quality?

Audit Quality (AQ) is at the core of everything we do at KPMG.

We believe that it is not just about reaching the right opinion, but how we reach that opinion.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity**.

Our AQ Framework summarises how we deliver AQ. Visit our [Audit Quality Resources page](#) for more information including access to our [Audit Quality and Transparency report](#).



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