# BOARD OF DIRECTORS MEETING

Friday, April 12, 2019
CVC Administration Office
1255 Old Derry Road, Mississauga, ON

## 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

Pages

## 1. APPROVAL OF AGENDA

**Recommended Resolution:**
***RESOLVED THAT*** *the agenda be approved as distributed.*

## 2. DECLARATION OF CONFLICT OF INTEREST

## 3. MINUTES OF PREVIOUS MEETING

**Recommended Resolution:**
***RESOLVED THAT*** *the minutes of the 535th meeting of the Credit Valley Conservation Authority held March 8, 2019 be approved.*

## 4. PRESENTATION / DELEGATION

### 4.1 PRESENTATION: CORPORATE SERVICES DEPARTMENT OVERVIEW

Jeff Payne, Director, Corporate Services will give a presentation to the members on the above-mentioned subject.

Recommended Resolution:
*RESOLVED THAT the presentation entitled "Corporate Services Department Overview" presented by Jeff Payne, Director, Corporate Services be received.*

## 5. BUSINESS ARISING FROM MINUTES

## 6. NEW BUSINESS STAFF REPORTS

### 6.1 DEVELOPMENT, INTERFERENCE WITH WETLANDS, AND ALTERATIONS TO SHORELINES & WATERCOURSE APPLICATIONS 4

Recommended Resolution:
*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.*

### 6.2 APPROVAL OF DRAFT 2018 YEAR END AUDITED FINANCIAL STATEMENTS 20

A report on the above-mentioned subject as submitted by Roger Tharakan, Sr. Manager, Financial Services and Jeff Payne, Director, Corporate Services is included in the agenda package as Schedule 'B'.

Recommended Resolution:
*RESOLVED THAT the report entitled "Draft 2018 Year End Audited Financial Statements" including the "2018 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 2018 Year End Audited Financial Statements at the May 10, 2019 Board meeting; and further*

*THAT Final 2018 Year End Audited Financial Statements be provided to the members of the Board at the May 10, 2019 Board Meeting.*

### 6.3 2018 KPMG AUDIT FINDINGS REPORT 51

A report on the above-mentioned subject as submitted by Roger Tharakan, Sr. Manager, Financial Services and Jeff Payne, Director, Corporate Services is included in the agenda package as Schedule 'C'.

Recommended Resolution:
*RESOLVED THAT the report entitled "2018 KPMG Audit Findings Report" be received and appended to the minutes of this meeting as Schedule 'C'.*

### 6.4 2018 CONSERVATION AREAS UPDATE 72

A report on the above-mentioned subject as submitted by Jeff Payne, Director, Corporate Services is included in the agenda as Schedule 'D'.

Recommended Resolution:
*RESOLVED THAT the report entitled "2018 Conservation Area Update" be received and appended to the minutes of this meeting as Schedule 'D'.*

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

Recommended Resolution:
*RESOLVED THAT the Board move to 'In-Camera' session to discuss property matters.*

11.1 VICKI BARRON LAKESIDE TRAIL AGREEMENT RENEWAL - 2019

12. RESOLUTION TO MOVE TO OPEN SESSION

Recommended Resolution:
*RESOLVED THAT the Board proceed to open session.*

13. RESOLUTION FOLLOWING 'IN-CAMERA' SESSION

14. MEETING ADJOURNED

**SCHEDULE 'A'**
**PAGE -1-**
**2019-04-12**

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

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**A) APPLICATION #** 19/040

**OWNER:**

**AGENT:** Matthews Design and Drafting Services Inc.

**PROPERTY LOCATION:** 5002 Trafalgar Road
Part Lot 3, Concession 7
Town of Erin

**APPLICATION:** Development in the Regulated Area to facilitate the construction of a 36' x 34' proposed garage with a dwelling unit loft and a proposed septic system.

**WARD:** N/A

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**B) APPLICATION #** 19/042

**OWNER:**

**AGENT:** HFH Inc.

**PROPERTY LOCATION:** 5617 Eighth Line
Part Lot 18, Concession 8
Town of Erin

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a 276.1$m^2$ dwelling and 142.7$m^2$ garage.

**WARD:** N/A

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

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**C) APPLICATION #** 18/331 REVISED

**OWNER:**

**AGENT:**

**PROPERTY LOCATION:** 713265 First Line EHS
Part Lot 5, Concession 2 EHS
Town of Mono

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a new 1 storey dwelling with loft, garage, screened porch, inground pool, cabana, patio, and geothermal loop.

**WARD:** N/A

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**D) APPLICATION #:** 19/045

**OWNER:**

**AGENT:**

**PROPERTY LOCATION:** 9412 Copeland Path
Lot 7, Concession 8
Town of Erin

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a 25' x 48' garage.

**WARD:** N/A

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

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**E)** **APPLICATION #:** 19/048

**OWNER:**

**AGENT:** Out of the Box Engineering Inc.

**LOCATION:** 50 Ravenswood Drive
Part Lot 13, 14, Concession 1 WHS
City of Brampton

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a below grade entrance.

**WARD:** B 4

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**F)** **APPLICATION #:** 19/049

**OWNER:**

**AGENT:** Out of the Box Engineering Inc.

**LOCATION:** 72 Ravenswood Drive
Part Lot 13, Concession 1 WHS
City of Brampton

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a below grade entrance.

**WARD:** B 4

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

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**G) APPLICATION #:** 19/035

**OWNER:**

**AGENT:**

**LOCATION:** 55 Thomas Street
Part Lot 23, Concession 3 WHS
Town of Caledon

**APPLICATION:** Development in the Regulated Area to facilitate the construction of a detached garage, driveway extension and associated grading.

**WARD:** C 1

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**H) APPLICATION #:** 17/355

**OWNER:** City of Mississauga

**AGENT:** Aquafor Beech

**LOCATION:** Cooksville Creek – Rathburn Rd E to Meadows Blvd
Part Lots 13 & 14, Concession 2 NDS
City of Mississauga

**APPLICATION:** Development in the regulated area associated with Cooksville Creek and alteration to a watercourse to facilitate erosion protection works and associated grading and restoration works.

**WARD:** M 4

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

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**I) APPLICATION #:** 19/036

**OWNER:**

**AGENT:**

**LOCATION:** 8759 Heritage Road
Part of Lot 4, Concession 5 WHS
City of Brampton

**APPLICATION:** Development in the Regulated Area to facilitate the installation of a watermain.

**WARD:** B 6

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**J) APPLICATION #:** 19/046

**OWNER:** Ashley Oaks Homes

**AGENT:** Skira and Associates Ltd.

**LOCATION:** 1-39 Summerbeam Way
Part Lot 3, Concession 5 WHS
City of Brampton

**APPLICATION:** Development in the Regulated Area to facilitate grading works associated with a residential subdivision.

**WARD:** B 7

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

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**K) APPLICATION #:** 18/369

**OWNER:** City of Brampton

**AGENT:** Chishold, Fleming and Associates

**LOCATION:** Ravenswood Bridge and Marycroft Bridge
City of Brampton

**APPLICATION:** Development within the Regulated Area to facilitate replacement and rehabilitation to two pedestrian bridges over Fletcher's Creek.

**WARD:** B 5 & 6

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**L) APPLICATION #:** 19/047

**OWNER:**

**AGENT:**

**LOCATION:** 33 Olivia Marie Road
Part Lot 1, Concession 4 WHS
City of Brampton

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a 3.27m x 4.20m addition to an existing deck.

**WARD:** B 4

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

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**M) APPLICATION #:** 19/021

**OWNER:**

**AGENT:** D.G. Biddle & Associates

**LOCATION:** 207219 Highway 9
Part Lot 1, Concession 2 EHS
Town of Mono

**APPLICATION:** Development in the Regulated Area to facilitate construction of a new gas station approximately 294.25$m^2$ in size and associated entrance from Hwy. 9, pump island with canopy, parking area, septic system, site grading and landscaping, including a new constructed wetland.

**WARD:** N/A

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**N) APPLICATION #:** 18/368

**OWNER:**

**AGENT:** Pool Doctors

**LOCATION:** 1117 Springhill Drive
Part Lots 23 & 24, Concession 2 SDS
City of Mississauga

**APPLICATION:** Development in the Regulated Area for the purpose of constructing an inground pool (5.1m x 10.3m) and interlock patio.

**WARD:** M 2

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

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**O)** **APPLICATION #:** 19/052

**OWNER:** Halton Hills Hydro

**AGENT:**

**LOCATION:** McDonald Boulevard & Acton Boulevard
Part Lot 29, Concession 3
Town of Halton Hills (Acton)

**APPLICATION:** Development in the Regulated Area for the purpose of replacing an underground electrical cable.

**WARD:** H 1

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**P)** **APPLICATION #:** 19/041

**OWNER:**

**AGENT:** Ian McClelland Associates

**LOCATION:** 13631 Winston Churchill Boulevard
Part Lot 25, Concession 6 WHS
Town of Caledon (Terra Cotta)

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a 12' x 30' inground pool, built in spa, armour stone retaining walls, replacement of front walkway and associated grading.

**WARD:** C 2

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

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**Q) APPLICATION #:** 19/044

**OWNER:**

**AGENT:**

**LOCATION:** 123 Ferndale Park Road
Part Lot 32, Concession 3 WHS
Town of Caledon

**APPLICATION:** Development in the Regulated Area to facilitate construction of a new one storey detached garage approx. 59.83 $m^2$ in size.

**WARD:** C 2

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**R) APPLICATION #:** 19/056

**OWNER:**

**AGENT:** Dusil Design and Landscape Inc.

**LOCATION:** 53 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, surrounding patio and pool equipment.

**WARD:** H 3

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

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**S) APPLICATION #:** 19/007

**OWNER:**

**AGENT:** Jameson Pool and Landscape Inc.

**LOCATION:** 1843 Sevenoaks Drive
Part Lot 13, Range 3 CIR
City of Mississauga

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a 4.2m x 7.6m inground pool, surrounding patio and pool equipment.

**WARD:** M 8

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**T) APPLICATION #:** 19/059

**OWNER:**

**AGENT:** Van Groll & Associates

**LOCATION:** 3658 Burnbrae Drive
Part Lot 5, Range 3 NDS
City of Mississauga

**APPLICATION:** Development in the Regulated Area to facilitate the construction of a 1st and 2nd storey addition, balcony and stone terrace.

**WARD:** M 6

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

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**U) APPLICATION #:** 19/055

**OWNER:**

**AGENT:** New Wave Pool & Spa

**LOCATION:** 3 Cedar Ridge Court
Part Lot 15, Concession 10
Town of Erin

**APPLICATION:** Development in the Regulated Area to facilitate the construction of an 18' x 36' inground swimming pool, pool equipment and surrounding concrete patio.

**WARD:** N/A

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**V) APPLICATION #:** 17/249

**OWNER:** Town of Caledon

**AGENT:** Morrison Hershfield Limited

**LOCATION:** Mississauga Road Between Forks of the Credit Road and Beechgrove Sideroad
Part Lots 17 and 19, Concessions 4 and 5 WHS
Town of Caledon

**APPLICATION:** Development in the Regulated Area to facilitate the rehabilitation of Mississauga Road.

**WARD:** C 1

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

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**W) APPLICATION #:** 19/054

**OWNER:**

**AGENT:** OM Architecture Inc

**LOCATION:** 510 Richey Crescent
Part Lot 12, Concession 3 SDS
City of Mississauga

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a proposed second storey addition to an existing dwelling.

**WARD:** M 1

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**X) APPLICATION #:** 19/056

**OWNER:** Orlando Corporation

**AGENT:** Orlando Corporation

**LOCATION:** 2675 Steeles Avenue West
Part Lot 15, Concession 6 WHS
City of Brampton

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a proposed addition to an existing industrial building and a Low Impact Development facility.

**WARD:** B 6

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

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**Y)** **APPLICATION #:** 19/022

**OWNER:** Trans Northern Pipeline

**AGENT:** Stantec

**LOCATION:** Adjacent to QEW
Part Lots 2, 3, 5, 8 and Ranges 2, 3 CIR
City of Mississauga

**APPLICATION:** Development in the Regulated Area of Credit River, Stavebank Creek and Kenolli Creek for the purpose of installing two pipelines.

**WARD:** M 1, 2, 8

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**Z)** **APPLICATION #:** 19/063

**OWNER:**

**AGENT:** Jameson Pool Landscape Inc.

**LOCATION:** 1551 Pinetree Crescent
Part Lots 4 & 5, Range 2 CIR
City of Mississauga

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a pool, pool deck and associated grading.

**WARD:** M 1

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

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**AA) APPLICATION #:** 19/062

**OWNER:**

**AGENT:**

**LOCATION:** 16966 McLaughlin Road
Part Lot 8, Concession 2 WHS
Town of Caledon

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a storage building (50' x 80').

**WARD:** C 1

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**BB) 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 attached dwellings.

**WARD:** M 11

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

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**CC) APPLICATION #:** 19/053

**OWNER:**

**AGENT:** S & J Contracting

**LOCATION:** 10 Porter Creek Hollow
Part Lot 3, Concession 3 WHS
City of Brampton

**APPLICATION:** Development in the Regulated Area to facilitate the construction of a 5.79m x 3.66m deck and stairs.

**WARD:** B 4

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**DD) APPLICATION #:** 19/067

**OWNER:**

**AGENT:** Fine Lines Design

**LOCATION:** 1700 Birchwood Drive
Part Lot 28, Concession 2 SDS
City of Mississauga

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a covered deck (13.77$m^2$) and a covered porch (27.90$m^2$).

**WARD:** M 2

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

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**EE) APPLICATION #:** 19/042 REVISED

**OWNER:**

**AGENT:** HFH Inc.

**LOCATION:** 5617 Eighth Line
Part Lot 18, Concession 8
Town of Erin

**APPLICATION:** Development in the Regulated Area for the purpose of constructing a 276.1$m^2$ dwelling and 142.7$m^2$ garage.

**WARD:** N/A

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**SCHEDULE 'B'**
**PAGE -1-**
**2019-04-12**

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

**SUBJECT:** **APPROVAL OF DRAFT 2018 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, 2018**

## SUMMARY:

The draft financial statements of Credit Valley Conservation Authority for the year ending December 31, 2018 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, 2018, 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 $1.766 million dollars in 2018 (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 PSAB standards require tangible capital acquisitions to be included in the "Annual Surplus" calculation, this has driven the majority of the surplus in 2018. For example, capital acquisitions of $1.284 million dollars related to the Warwick Nursery forms the bulk of the annual surplus. When these capital acquisitions are removed from the surplus calculations CVC generated a operating surplus of $210,317 or 0.7% versus budget.

## COMMUNICATIONS PLAN:

The financial statements will be available and provided upon request to all interested parties.

**FINANCIAL IMPLICATIONS**

Costs associated with the 2018 audited financial statements are included in the operating budget for the Corporate Services Department.

**RECOMMENDED RESOLUTION:**

***RESOLVED THAT*** *the report entitled "Draft 2018 Year End Audited Financial Statements" including the "2018 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 2018 Year End Audited Financial Statements at the May 10, 2019 Board meeting; and further*

***THAT*** *Final 2018 Year End Audited Financial Statements be provided to the members of the Board at the May 10, 2019 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 2, 2019***

Financial Statements of

# CREDIT VALLEY CONSERVATION AUTHORITY

Year ended December 31, 2018

# 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, 2018
- 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, 2018, 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.

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

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

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

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

## *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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

April 12, 2019

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Statement of Financial Position

December 31, 2018, with comparative information for 2017

| | 2018 | 2017 |
|---|---|---|
| **Financial assets** | | |
| Cash and short-term investments (note 3) | $ 11,558,116 | $ 11,500,361 |
| Accounts receivable: | | |
| Government grants | 434,277 | 672,330 |
| Municipal levies | 63,965 | 55,440 |
| Other | 1,064,928 | 839,788 |
| | 13,121,286 | 13,067,919 |
| **Financial liabilities** | | |
| Accounts payable and accrued liabilities | 2,010,643 | 1,802,498 |
| Deferred revenue (note 4) | 7,007,964 | 7,738,892 |
| Capital lease liabilities (note 6) | 156,011 | – |
| Mortgage payable (note 7) | 5,829,372 | 5,956,902 |
| | 15,003,990 | 15,498,292 |
| Net financial debt | (1,882,704) | (2,430,373) |
| **Non-financial assets** | | |
| Tangible capital assets (note 5) | 46,922,228 | 45,713,052 |
| Prepaid expenses | 183,280 | 167,677 |
| Inventory | 153,258 | 159,284 |
| | 47,258,766 | 46,040,013 |
| Contractual rights (note 12) | | |
| Accumulated surplus (note 10) | $ 45,376,062 | $ 43,609,640 |

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, 2018, with comparative information for 2017

| | 2018 Budget (note 2) | 2018 Actual | 2017 Actual |
|---|---|---|---|
| Revenue: | | | |
| Government grants: | | | |
| Transfer payments | $ 185,195 | $ 185,195 | $ 185,195 |
| Federal/provincial | 894,066 | 2,088,580 | 1,971,639 |
| | 1,079,261 | 2,273,775 | 2,156,834 |
| Municipal levies: | | | |
| General (Schedule A) | 9,036,925 | 9,036,925 | 8,730,845 |
| Special benefiting (Schedule A) | 15,610,933 | 16,147,243 | 14,033,075 |
| | 24,647,858 | 25,184,168 | 22,763,920 |
| Other contributions | 684,201 | 764,795 | 1,228,330 |
| Authority-generated (Schedule B) | 3,749,607 | 4,364,030 | 4,037,792 |
| | 30,160,927 | 32,586,768 | 30,186,876 |
| Expenses: | | | |
| Water Resources Management & Restoration (Schedule C) | 7,022,812 | 7,528,238 | 6,876,729 |
| Watershed Stewardship & Natural Heritage (Schedule D) | 11,105,392 | 10,681,828 | 10,531,799 |
| Conservation Lands Management (Schedule E) | 4,894,685 | 4,472,869 | 4,093,069 |
| Conservation Areas Programming (Schedule F) | 1,970,848 | 2,131,751 | 1,942,461 |
| Corporate Communications & Education (Schedule G) | 2,707,832 | 2,457,858 | 2,325,887 |
| Environmental Advisory Services (Schedule H) | 3,218,765 | 3,196,023 | 3,037,570 |
| Corporate Services (Schedule I) | (886,936) | 351,779 | (104,093) |
| Repayment of Mortgage Principal | 127,529 | – | – |
| | 30,160,927 | 30,820,346 | 28,703,422 |
| Annual surplus | – | 1,766,422 | 1,483,454 |
| Accumulated surplus, beginning of year | 43,609,640 | 43,609,640 | 42,126,186 |
| Accumulated surplus, end of year | $ 43,609,640 | $ 45,376,062 | $ 43,609,640 |

See accompanying notes to financial statements.

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Statement of Changes in Net Financial Debt

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

| | 2018 | 2017 |
|---|---|---|
| Annual surplus | $ 1,766,422 | $ 1,483,454 |
| Acquisition of tangible capital assets | (2,256,030) | (1,820,259) |
| Amortization | 1,025,364 | 997,235 |
| Loss on sale or disposal of tangible capital assets | 8,903 | – |
| Proceeds on sale of tangible capital assets | 12,587 | – |
| | (1,209,176) | (823,024) |
| Acquisition of inventories of supplies | (192,645) | (208,276) |
| Acquisition of prepaid expenses | (294,424) | (283,421) |
| Consumption of inventories | 198,671 | 185,193 |
| Use of prepaid expenses | 278,821 | 857,065 |
| | (9,577) | 550,561 |
| Decrease in net financial debt | 547,669 | 1,210,991 |
| Net financial debt, beginning of year | (2,430,373) | (3,641,364) |
| Net financial debt, end of year | $ (1,882,704) | $ (2,430,373) |

See accompanying notes to financial statements.

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Statement of Cash Flows

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

| | 2018 | 2017 |
|---|---|---|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus | $ 1,766,422 | $ 1,483,454 |
| Items not involving cash: | | |
| Amortization | 1,025,364 | 997,235 |
| Loss on sale or disposal of tangible capital assets | 8,903 | – |
| Change in non-cash operating items: | | |
| Accounts receivable | 4,388 | (267,341) |
| Prepaid expenses | (15,603) | 573,644 |
| Inventory | 6,026 | (23,083) |
| Accounts payable and accrued liabilities | 208,145 | (417,983) |
| Deferred revenue | (730,928) | 1,416,938 |
| | 2,272,717 | 3,762,864 |
| Capital activities: | | |
| Proceeds on sale of tangible capital assets | 12,587 | – |
| Cash used to acquire tangible capital assets | (2,069,173) | (1,820,259) |
| | (2,056,586) | (1,820,259) |
| Financing activities: | | |
| Capital lease repayment | (30,846) | – |
| Repayment of mortgage principal | (127,530) | (121,085) |
| | (158,376) | (121,085) |
| Increase in cash and short-term investments | 57,755 | 1,821,520 |
| Cash and short-term investments, beginning of year | 11,500,361 | 9,678,841 |
| Cash and short-term investments, end of year | $ 11,558,116 | $ 11,500,361 |
| Supplemental cash flow information: | | |
| Interest received | $ 191,113 | $ 128,216 |
| Interest paid | 313,501 | 315,558 |

See accompanying notes to financial statements.

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Notes to Financial Statements

Year ended December 31, 2018

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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 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, 2018

**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. Internal charges are eliminated in the financial statements.

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Notes to Financial Statements (continued)

Year ended December 31, 2018

**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.

(h) Adoption of accounting policies:

Effective January 1, 2018, the Authority adopted the following standards issued by PSAB:

(i) PS 2200 - Related party disclosures

(ii) PS 3210 - Asset

(iii) PS 3320 - Contingent assets and

(iv) PS 3380 - Contractual rights

(v) PS 3420 - Inter-entity transactions

The adoption of these standards has resulted in additional note disclosures regarding contractual rights as described in note 12.

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Notes to Financial Statements (continued)

Year ended December 31, 2018

**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 9, 2018.

**3. Cash and short-term investments:**

At year end, the Authority held short-term investments of $2,976,602 (2017 - $2,927,531), which are cashable at any time, upon written request.

**4. Deferred revenue:**

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

| | 2018 | 2017 |
|---|---|---|
| MNR transfer payment | $ 34,724 | $ 33,799 |
| Water Management Technical Assessment and Guidance | 434,599 | 229,532 |
| LID Developer Funded Monitoring Program | 132,384 | 133,559 |
| Water Management Transfer Tools and Training | 68,817 | 254,582 |
| Blocks 1 to 5 EIR & FSR | 32,753 | 44,061 |
| Flood Forecast & Warning | 19,832 | 179,142 |
| Climate Change Vulnerability Assessment | 117,956 | 151,393 |
| Real Time Water Quality Response | 180,895 | 16,230 |
| SWM Infrastructure Performance Risk Assess | 251,463 | 124,987 |
| Floodline Mapping Program - Peel | 515,185 | 381,230 |
| Gauging Stations - Peel | – | 68,608 |
| Subwatershed 10 | – | 674 |
| Leaders for Clean Water - Peel | 330,049 | 338,030 |
| Leaders for Clean Water - Headwaters | 15,077 | 27,444 |
| S. 39 Transfer Payment | 11,575 | 12,500 |
| Peel Predevelopment Support | 72,029 | 213,301 |
| Aquatic & Wetland Restoration - Watershed | – | 240,000 |
| Peel Planting Program | 119,819 | 88,227 |
| 50 Million Trees Program - Future Obligation | 20,926 | 19,822 |
| Future Replanting - CVC Partners | 15,019 | – |
| Invasive Species Control Program | 239,132 | 136,500 |
| Grassland Projects | 20,017 | 13,222 |

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Notes to Financial Statements (continued)

Year ended December 31, 2018

**4. Deferred revenue (continued):**

| | 2018 | 2017 |
|---|---|---|
| Peel Rural Water Quality | 134,600 | 172,259 |
| Peel Rural Stewardship | 52,951 | 32,432 |
| Sustainable Neighbourhoods | 46,737 | 10,366 |
| Peel Ecological Goods and Services | 134,570 | 37,008 |
| Watershed Ecological Goods & Services | 90,179 | 65,611 |
| Nursery Infrastructure & Restoration | 70,208 | 1,236,459 |
| Aquatic & Wetland Restoration - Peel | 493,108 | 428,559 |
| Credit Valley Trail | – | 8,554 |
| Regional Community Outreach | 21,885 | 90,512 |
| Headwaters Outreach | 24,570 | 15,608 |
| Flyway Habitat | – | 674 |
| Urban Outreach & Restoration | 64,552 | 66,087 |
| Lakeview Waterfront Connection - Stage II | 40,329 | – |
| Landscape Science | 43,523 | 35,543 |
| Urban Natural Heritage | 43,512 | 84,543 |
| Natural Areas Inventory | 73,345 | 64,891 |
| Wildlife Habitat Assessment | 108,481 | 115,774 |
| Effectiveness Monitoring Strategy | 2,989 | 6,132 |
| Brampton Cause and Effect Monitoring | 256,751 | 250,869 |
| Bras Property Project | – | 8,451 |
| Lands Core 10 Ecosystem | 274,645 | 221,839 |
| Infrastructure Major Maintenance | 752,542 | 872,973 |
| Dods & McNair Memorial Forest | 4,932 | 7,856 |
| Capital Projects - Peel | 884,401 | 690,864 |
| Enforcement Program - Peel | 60,537 | 65,926 |
| Public Relations | 78,973 | 59,011 |
| Corporate Support Initiatives | 448,023 | 281,691 |
| Environmental Education | 108,334 | 36,030 |
| Conservation Authorities University | 61,036 | 65,527 |
| | $ 7,007,964 | $ 7,738,892 |

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, 2018

## 5. Tangible capital assets:

2018 tangible capital assets cost:

| | Balance, December 31, 2017 | Additions | Transfers in (out) | Disposals | Balance, December 31, 2018 |
|---|---|---|---|---|---|
| Land | $ 32,050,641 | $ – | $ – | $ (93) | $ 32,050,548 |
| Land improvements | 3,764,113 | 47,031 | 59,016 | (18,866) | 3,851,294 |
| Structures | 14,987,748 | – | 260,515 | (197,061) | 15,051,202 |
| Machinery and equipment | 3,489,338 | 463,009 | – | (429,323) | 3,523,024 |
| Vehicles | 611,463 | 127,740 | – | – | 739,203 |
| Capital work in progress | 527,925 | 1,618,250 | (319,531) | – | 1,826,644 |
| | $ 55,431,228 | $ 2,256,030 | $ – | $ (645,343) | $ 57,041,915 |

2018 accumulated amortization:

| | Balance, December 31, 2017 | Additions | Disposals | Balance, December 31, 2018 |
|---|---|---|---|---|
| Land improvements | $ 1,811,190 | $ 190,571 | $ (17,451) | $ 1,984,310 |
| Structures | 5,947,985 | 443,613 | (179,446) | 6,212,152 |
| Machinery and equipment | 1,831,021 | 328,689 | (426,956) | 1,732,754 |
| Vehicles | 127,980 | 62,491 | – | 190,471 |
| | $ 9,718,176 | $ 1,025,364 | $ (623,853) | $ 10,119,687 |

| | 2018 Net book value | 2017 Net book value |
|---|---|---|
| Land | $ 32,050,548 | $ 32,050,641 |
| Land improvements | 1,866,984 | 1,952,923 |
| Structures | 8,839,050 | 9,039,763 |
| Machinery and equipment | 1,790,270 | 1,658,317 |
| Vehicles | 548,732 | 483,483 |
| Assets under construction | 1,826,644 | 527,925 |
| | $ 46,922,228 | $ 45,713,052 |

Included in machinery and equipment are capital leases for server and network/firewall hardware with a cost of $186,857 (2017 - nil) and accumulated amortization of $18,686 (2017 - nil).

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Notes to Financial Statements (continued)

Year ended December 31, 2018

**6. Capital lease liabilities:**

The Authority has 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 $571 (2017 - nil). Aggregate future repayment of the leases are as follows:

| | |
|---|---|
| 2019 | $ 63,332 |
| 2020 | 63,344 |
| 2021 | 31,678 |
| Total minimum lease payments | 158,354 |
| Less amount representing interest | 2,343 |
| Present value of net minimum capital lease payments | $ 156,011 |

**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 $134,316 (2017 - $127,530).

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

| | |
|---|---|
| 2019 | $ 134,316 |
| 2020 | 141,464 |
| 2021 | 148,992 |
| 2022 | 156,920 |
| 2023 | 165,271 |
| Thereafter | 5,082,409 |
| | $ 5,829,372 |

**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, 2018, no amount has been drawn.

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Notes to Financial Statements (continued)

Year ended December 31, 2018

**9. Related party transactions:**

During the year, the Authority received $893,242 (2017 - $1,359,853) from the Credit Valley Conservation Foundation, of which $571,657 (2017 - $1,053,354) was recognized as revenue in the current year. The balance of funds received of $321,585 (2017 - $306,499) has been deferred until the appropriate recognition criteria have been met.

**10. Accumulated surplus:**

Accumulated surplus consists of the following:

| | 2018 | 2017 |
|---|---|---|
| Invested in tangible capital assets | $ 46,922,228 | $ 45,713,052 |
| Operating fund | (11,781,908) | (10,594,543) |
| Reserves | 10,235,742 | 8,491,131 |
| | $ 45,376,062 | $ 43,609,640 |

**11. 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 2018 were $1,604,429 (2017 - $1,515,515).

**12. 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 $6,300,000 over the course of 2019 to 2025.

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Notes to Financial Statements (continued)

Year ended December 31, 2018

**13. 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.

**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.

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Notes to Financial Statements (continued)

Year ended December 31, 2018

**13. Segmented information (continued):**

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, 2018

**13. 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.

**14. Subsequent event:**

Effective February 2, 2019, the Authority was approved for charity status by Canada Revenue Agency under the Income Tax Act. As a registered charity, the Authority has tax-exempt status.

**15. Comparative information:**

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the year. The reclassification has no effect on previously reported results or accumulated surplus.

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Schedule A - Municipal Levies

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

| | 2018 | | 2017 | |
|---|---|---|---|---|
| Member municipality | General levy | Special levy | General levy | Special levy |
| Region of Halton | $ 448,891 | $ 330,822 | $ 432,617 | $ 52,860 |
| Town of Halton Hills | | | | |
| Town of Oakville | | | | |
| Region of Peel | 8,290,159 | 15,739,661 | 8,003,970 | 13,967,848 |
| City of Brampton | | | | |
| City of Mississauga | | | | |
| Town of Caledon | | | | |
| Town of Orangeville | 223,167 | 57,508 | 220,090 | 9,249 |
| Township of: | | | | |
| Amaranth | 1,003 | 262 | 980 | 42 |
| East Garafraxa | 5,133 | 1,322 | 5,043 | 212 |
| Town of Mono | 10,203 | 2,625 | 9,885 | 415 |
| Town of Erin | 58,369 | 15,043 | 58,260 | 2,449 |
| | $ 9,036,925 | $ 16,147,243 | $ 8,730,845 | $ 14,033,075 |

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Schedule B - Authority-Generated Revenue

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

| Programs | 2018 Budget (note 2) | 2018 Actual | 2017 Actual |
|---|---|---|---|
| Water Management and Health Monitoring: | | | |
| Donations | $ – | $ 5,466 | $ – |
| Other income | 40,000 | 180,394 | 223,773 |
| | 40,000 | 185,860 | 223,773 |
| Watershed Stewardship and Natural Heritage: | | | |
| Erosion control fees | 464,254 | 318,139 | 271,718 |
| Donations | 305,000 | 512,290 | 336,215 |
| Other income | 138,013 | 371,794 | 387,457 |
| | 907,267 | 1,202,223 | 995,390 |
| Conservation Lands Management: | | | |
| Donated land | – | – | 205,000 |
| Vehicle/equipment recovery | 489,778 | 529,248 | 557,320 |
| Donations | 8,000 | 10,174 | 57,601 |
| Other Income | 15,930 | 11,917 | 3,209 |
| | 513,708 | 551,339 | 823,130 |
| Conservation Areas Programming: | | | |
| Conservation area program fees | 1,023,350 | 1,116,350 | 968,740 |
| Donations | – | 2,689 | 20,293 |
| Merchandise and other income | 162,000 | 184,887 | 134,050 |
| | 1,185,350 | 1,303,926 | 1,123,083 |
| Corporate Communications and Education: | | | |
| Donations | 158,694 | 166,146 | 167,426 |
| Other income | 68,333 | 144,479 | 99,626 |
| | 227,027 | 310,625 | 267,052 |
| Environmental Advisory Services: | | | |
| GD Inquiry fees | 40,320 | 46,217 | 36,704 |
| Map sales | 500 | – | – |
| Regulation fees | 100,500 | 116,955 | 121,155 |
| Plan review fees | 572,935 | 497,437 | 465,371 |
| | 714,255 | 660,609 | 623,230 |
| Corporate Services: | | | |
| Interest and other income | 125,000 | 191,113 | 128,217 |
| Miscellaneous | 37,000 | (41,665) | (146,083) |
| | 162,000 | 149,448 | (17,866) |
| | $ 3,749,607 | $ 4,364,030 | $ 4,037,792 |

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Schedule C - Water Resources Management and Restoration Expenses

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

| | 2018 Budget (note 2) | 2018 Actual | 2017 Actual |
|---|---|---|---|
| Watershed Management | $ 342,770 | $ 345,185 | $ 375,377 |
| G.I.S. | 557,673 | 685,536 | 544,867 |
| Professional Services | 30,000 | 27,652 | 12,780 |
| Flood Warning | 213,649 | 176,200 | 147,165 |
| Water Quality Strategy | 117,209 | 105,025 | 105,328 |
| Flood Line Mapping | 122,662 | 101,198 | 170,598 |
| Groundwater Management | 214,601 | 199,988 | 209,631 |
| Watershed and Subwatershed Planning | 133,364 | 156,478 | 116,652 |
| River Infrastructure Management | 282,131 | 264,815 | 271,781 |
| | 2,014,059 | 2,062,077 | 1,954,179 |
| Watershed Studies and Projects: | | | |
| Water Management Technical Assess and Guidance | 585,058 | 737,801 | 490,255 |
| LID Developer Funded Monitoring Program | 31,640 | 9,537 | 31,791 |
| Water Management Knowledge Transfer Tools and Training | 379,101 | 594,329 | 414,598 |
| Source Protection | 63,787 | 72,329 | 87,682 |
| Brampton Blocks 1 to 5 EIR & FSR | 9,075 | 12,304 | 398 |
| Flood Forecasting & Warning | 482,760 | 462,070 | 226,253 |
| Climate Change Vulnerability Assessment | 220,796 | 179,233 | 155,210 |
| Real Time Water Quality Response | 358,368 | 295,385 | 203,824 |
| SWM Infrastructure Perf. Risk Assess | 1,124,005 | 1,029,527 | 1,034,587 |
| Floodline Mapping Program - Peel | 731,275 | 768,597 | 737,554 |
| Gauging Stations Program - Peel | – | – | 414,733 |
| Subwatershed 10 | – | 674 | 44,154 |
| Leaders for Clean Water - Peel | 860,258 | 1,128,882 | 859,496 |
| Leaders for Clean Water - Headwaters | 162,630 | 175,493 | 222,015 |
| | 5,008,753 | 5,466,161 | 4,922,550 |
| | $ 7,022,812 | $ 7,528,238 | $ 6,876,729 |

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Schedule D - Watershed Stewardship and Natural Heritage Expenses

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

| | 2018 Budget (note 2) | 2018 Actual | 2017 Actual |
|---|---|---|---|
| Watershed Stewardship: | | | |
| Stewardship Administration | $ 363,192 | $ 320,590 | $ 328,764 |
| Aquatic & Wetland Restoration-Watershed | 90,504 | 140,051 | 92,396 |
| Planting Program | 335,128 | 325,648 | 274,902 |
| Peel Planting Program | 645,784 | 625,864 | 618,931 |
| Nursery Operations | 455,162 | 386,009 | 393,440 |
| Invasive Species Control Program | 738,765 | 666,862 | 669,398 |
| Emerald Ash Borer-Halton | 212,000 | 229,538 | 230,801 |
| Stewardship Outreach | 281,116 | 274,696 | 299,599 |
| Grassland Projects | – | 1,655 | 4,466 |
| Peel Rural Water Quality Program | 155,402 | 93,060 | 151,135 |
| Peel Rural Stewardship | 631,731 | 625,040 | 457,146 |
| Sustainable Neighbourhoods | 119,769 | 173,634 | 153,204 |
| Peel Ecological Goods and Services | 116,354 | 110,372 | 115,549 |
| Watershed Ecological Goods and Services | 83,692 | 59,124 | 69,530 |
| Conservation Youth Corp | 478,232 | 453,366 | 452,403 |
| Nursery Infrastructure & Restoration | 103,661 | 35,679 | 33,066 |
| Aquatic & Wetland Restoration-Peel | 974,378 | 1,039,080 | 1,315,304 |
| Credit Valley Trail | 119,631 | 85,544 | 99,561 |
| Regional Community Outreach | 350,291 | 293,760 | 245,456 |
| Headwaters Outreach | 136,051 | 117,089 | 91,007 |
| Flyway Habitat | – | 6,720 | 31,864 |
| Urban Outreach & Restoration | 515,419 | 556,491 | 613,452 |
| Lakeview Waterfront Connection - Stage II | 142,251 | 203,655 | 245,678 |
| | 7,048,513 | 6,823,527 | 6,987,052 |
| Natural Heritage: | | | |
| Ecosystem Science | 906,150 | 880,883 | 734,101 |
| Integrated Water Monitoring | 1,054,146 | 962,709 | 965,725 |
| Landscape Science | 563,809 | 555,829 | 568,329 |
| Urban Natural Heritage | 253,934 | 248,466 | 193,150 |
| Natural Areas Inventory | 432,864 | 424,409 | 363,320 |
| Wildlife Habitat Assessment | 384,905 | 327,198 | 289,129 |
| Effectiveness Monitoring | 196,600 | 199,744 | 189,953 |
| Natural Heritage Administration | 264,471 | 259,063 | 241,040 |
| | 4,056,879 | 3,858,301 | 3,544,747 |
| | $ 11,105,392 | $ 10,681,828 | $ 10,531,799 |

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Schedule E - Conservation Lands Management Expenses

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

| | 2018 Budget (note 2) | 2018 Actual | 2017 Actual |
|---|---|---|---|
| Land Management Administration | $ 688,108 | $ 813,097 | $ 951,130 |
| Land Management Planning | – | – | 1,115 |
| Land Securement - Peel | 70,000 | 90,502 | 58,221 |
| Land Securement - Other Municipalities | 70,000 | 670 | 7,888 |
| Enforcement Program | 21,178 | 32,547 | 18,535 |
| Property Management | 494,831 | 566,260 | 479,324 |
| Communications | (816) | (17,428) | 1,053 |
| Corporate Offices Support | 615,415 | 556,711 | 531,786 |
| Dam Maintenance | 27,807 | 6,521 | 22,435 |
| Fleet Operations | 489,778 | 248,988 | 219,167 |
| | 2,476,301 | 2,297,868 | 2,290,654 |
| Capital/Development Projects: | | | |
| Lands Core 10 Ecosystem | 536,101 | 527,252 | 573,573 |
| Infrastructure Major Maintenance CA's | 654,885 | 419,566 | 357,979 |
| Infrastructure/Major Maintenance - Dams | 277,441 | 486,191 | 312,997 |
| Dods & McNair Memorial Forest | 8,000 | 5,925 | 4,737 |
| Capital Projects - Peel | 816,971 | 650,692 | 475,806 |
| Enforcement Project - Peel | 124,986 | 85,375 | 77,323 |
| | 2,418,384 | 2,175,001 | 1,802,415 |
| | $ 4,894,685 | $ 4,472,869 | $ 4,093,069 |

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Schedule F - Conservation Areas Programming Expenses

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

| | 2018 Budget (note 2) | 2018 Actual | 2017 Actual |
|---|---|---|---|
| Belfountain | $ 268,220 | $ 263,923 | $ 240,449 |
| Island Lake | 856,053 | 832,153 | 784,765 |
| Ken Whillans RMA | 204,622 | 197,863 | 201,220 |
| Terra Cotta | 631,953 | 749,438 | 712,137 |
| Badlands | – | 81,025 | – |
| Conservation Areas - Memberships | 10,000 | 7,349 | 3,890 |
| | $ 1,970,848 | $ 2,131,751 | $ 1,942,461 |

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Schedule G - Corporate Communications and Education Expenses

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

| | 2018 Budget (note 2) | 2018 Actual | 2017 Actual |
|---|---|---|---|
| Information technology | $ (6,943) | $ (199,394) | $ (196,353) |
| Corporate Communications | 489,332 | 489,113 | 472,809 |
| Foundation Administration | 327,665 | 309,058 | 299,471 |
| Public Relations | 454,519 | 435,265 | 447,789 |
| Corporate Support Initiatives | 501,430 | 486,535 | 315,204 |
| Community Education | 179,886 | 163,899 | 163,702 |
| Environmental Education | 761,943 | 690,779 | 778,758 |
| Conservation Authorities University | – | 82,603 | 44,507 |
| | $ 2,707,832 | $ 2,457,858 | $ 2,325,887 |

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Schedule H - Environmental Advisory Services Expenses

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

| | 2018 Budget (note 2) | 2018 Actual | 2017 Actual |
|---|---|---|---|
| Plan input | $ 892,710 | $ 778,685 | $ 719,386 |
| Plan Review | 1,128,056 | 1,230,183 | 1,208,098 |
| Environmental Approvals | 303,023 | 291,796 | 294,386 |
| Peel Predevelopment Support | 577,741 | 514,013 | 458,101 |
| EA Review | 317,235 | 381,346 | 263,100 |
| Permit Review - City of Mississauga | – | – | 94,499 |
| | $ 3,218,765 | $ 3,196,023 | $ 3,037,570 |

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Schedule I - Corporate Services Expenses

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

| | 2018 Budget (note 2) | 2018 Actual | 2017 Actual |
|---|---|---|---|
| Corporate management | $ 966,266 | $ 1,012,795 | $ 671,573 |
| Staff Allocations to Special Projects | (375,842) | (132,498) | (295,279) |
| Overhead Allocations to Special Projects | (3,133,492) | (3,184,109) | (3,029,080) |
| Loss on Disposal of TCA | – | 8,903 | – |
| Interest Expense | 306,511 | 313,501 | 315,559 |
| Amortization Expense | – | 1,025,364 | 997,234 |
| Office Support Services | 162,090 | 141,236 | 339,015 |
| Financial Services | 517,597 | 606,850 | 460,949 |
| Human Resources | 669,934 | 559,737 | 435,936 |
| | $ (886,936) | $ 351,779 | $ (104,093) |

# CREDIT VALLEY CONSERVATION AUTHORITY

***DRAFT*** Schedule J - Continuity of Accumulated Surplus

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

| 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 |

| 2017 | Balance, December 31, 2016 | Appropriation (to) from operations | Balance, December 31, 2017 |
|---|---|---|---|
| Credit Valley Trail | $ 2,736 | $ – | $ 2,736 |
| Capital Reserve | 6,398,174 | 997,235 | 7,395,409 |
| Jacquith Property | 8,060 | – | 8,060 |
| Vehicle Reserve | 223,878 | 142,786 | 366,664 |
| Equipment Reserve | 489,933 | 21,536 | 511,469 |
| Land Acquisition/Management MNR | 28,307 | 589 | 28,896 |
| Computer | 131,987 | 45,910 | 177,897 |
| | 7,283,075 | 1,208,056 | 8,491,131 |
| Operating Fund | (10,046,917) | (547,626) | (10,594,543) |
| Prior 2009 PSAB 3150 | 31,348,572 | – | 31,348,572 |
| Post 2008 PSAB 3150 | 13,541,456 | 823,024 | 14,364,480 |
| | $ 42,126,186 | $ 1,483,454 | $ 43,609,640 |

**SCHEDULE 'C'**
**PAGE -1-**
**2019-04-12**

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

**SUBJECT:** **2018 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, 2018**

## 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 2018 year-end and KPMG has issued their Audit Findings Report which is attached as Schedule 'C' 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 of Credit Valley Conservation Authority (CVCA) as at and for the year ended December 31, 2018."

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 deficiencies in internal control over financial reporting (ICFR).

## COMMUNICATIONS PLAN:

The 2018 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 2018 KPMG Audit are included in the operating budget for the Corporate Services Department.

**RECOMMENDED RESOLUTION:**

***RESOLVED THAT*** *the report entitled "2018 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, 2018

KPMG LLP

March 26, 2019

kpmg.ca/audit

KPMG

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| THE 2018 AUDITORS' REPORT | 12 |
| CURRENT DEVELOPMENTS AND AUDIT TRENDS | 13 |
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**The contacts at KPMG in connection with this report are:**

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**Audit Senior Manager**
**Tel: 416-224-4113**
**shelyaneli@kpmg.ca**

# Executive summary

## Purpose of this report*

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 of Credit Valley Conservation Authority as at and for the year ended December 31, 2018.

## Audit Materiality

Materiality has been determined based on total expenses. We have determined materiality to be $930,000 for the year ended December 31, 2018 (2017 - $870,000).

See page 10.

## Finalizing the audit

As of the 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 of Directors, and not solely the Chair (as required by professional standards), 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.

*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.

# Executive summary

## Audit approach and findings

Our audit is risk-focused. In planning our audit, we have taken into account key areas of focus for financial reporting.

See pages 7 to 8.

## Critical accounting estimates

Management's process for identifying and making accounting estimates are consistent with the prior year. No significant accounting estimates exist. Overall, we are satisfied with the reasonability of accounting estimates in place.

## Significant accounting policies and practices

The Authority adopted 5 new public sector accounting standards in the current year: See page 9 for considerations regarding the implementation of the new standards in the current year financial statements.

There have been no other initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

# Executive summary

## Adjustments and differences

There was one corrected audit difference.

We did not identify any differences that remain uncorrected.

See page 11.

## Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in internal controls over financial reporting (“ICFR”).

## 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.

# Audit risks and results

Professional standards presume the risk of fraudulent revenue recognition and the risk of management override of controls exist in all entities.

The risk of fraudulent recognition can be rebutted, but the risk of management override of control cannot, since management is typically in a unique position 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.

| Significant financial reporting risks | Why is it significant? |
| --- | --- |
| **Fraud risk from management override of controls.** | This is a presumed fraud risk.<br><br>We have not identified any specific additional risks of management override relating to this audit. |

## Our response and significant findings

- 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.
  - We did not identify any significant unusual transactions or any specific additional risks of management override during our audit.

# Other areas of focus

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

| Our audit approach and findings from the audit |
|---|
| **Cash and Cash Equivalents** |
| – Obtain confirmation of the year-end balances from third parties<br>– Review bank reconciliations and vouch significant reconciling items to source documents<br>– Review of disclosure requirements |
| No issues were found. |
| **Revenue, Deferred Revenue, and Accounts Receivable** |
| – Revenue recognition considerations (recognized versus deferred)<br>– Select a sample of deferred revenue and vouch to supporting documentation<br>– Reconciliation of accounts receivable and review sub-ledger for credit balances<br>– Confirmation of levies revenue<br>– Perform trend analysis |
| No issues were found. |
| **Tangible Capital Assets** |
| – Select a sample of additions and agree to original invoices to ensure proper accounting treatment<br>– Review of significant disposals<br>– Review of significant transfer of items out of the work in progress account |
| No issues were found. |
| **Expenses, Accounts Payable and Accrued Liabilities** |
| – Perform substantive analytical procedures and trend analysis over expenses<br>– Select a sample of expense transactions and agree to original invoices to ensure proper classification of expenses<br>– Review supporting documentation for significant accruals<br>– Review of expense cut-off through the search for unrecorded liabilities. |
| An accrual adjustment was found during our search procedures. See pages 9 and 11 for details. |

# Other matters

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

## KPMG comments

**New public sector accounting standards**

Beginning in fiscal 2018, the Board is now required to adopt the following new public sector accounting standards (PSAS) :

- PS 2200 – Related Party Disclosures
- PS 3420 – Inter-Entity Transactions
- PS 3380 – Contractual Rights
- PS 3320 – Contingent Assets
- PS 3210 – Assets

Our findings:

- We held discussions with management who informed us that there were no material related party transactions during the year, other than with the Foundation, which are already adequately disclosed in the financial statements. We did not identify any additional related party transactions during our audit or in our review of the Board minutes.
- There are no inter-entity transactions to consider as there are no other commonly-controlled entities to the Authority.
- The Authority has a number of contractual rights, including agreements and contracts signed as of December 31, 2018, such as contracts to provide services and shared services. The rights to receive a total of $6.3M over the course of 2019 to 2025 has been disclosed in the financial statements as note 12.
- There are no contingent assets as of December 31, 2018 and assets recorded by the Authority are in accordance with the standard.

**Cut-off of liabilities**

- While performing the search for unrecorded liabilities, we found that an OMERs payment of $255K made in January 2019 was for payroll expenses incurred for the month of December 2018, however, the payment was not accrued to the 2018 fiscal year due to an error in attributing which month the expense was for. Also, during our audit of revenues, we noted that a miscellaneous revenue account is used to track certain estimated payroll expenses at the beginning of the month and subsequently cleared for the actual expenses at the end of the month. The initial balance of this revenue account was in a credit position at the end of the year due to the missed OMERs payment.
- The difference was corrected and reflected in the financial statements. See page 11.
- We recommend that management reconcile OMERs payments annually to ensure that 12 months of expenses are captured for each payroll group and that any accounts used to track estimated expenses are fully and accurately cleared out for actual expenses at the end of the year to ensure liabilities are complete and no other accounts are misstated.

# Materiality

| Materiality determination | Comments | Amount |
|---|---|---|
| **Benchmark** | Based on preliminary expenses for the current year. This benchmark is consistent with the prior year. | $31,100,000 |
| **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 $870,000. | $930,000 |
| **% 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 $43,500. | $46,500 |

Materiality represents 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

# Adjustments and differences

Adjustments and differences identified during the audit have been categorized as “Corrected adjustments” or “Uncorrected differences”. These include disclosure adjustments and differences.

Professional standards require that we request of management and the Board of Directors that all identified adjustments or differences be corrected. We have already made this request of management.

## Corrected adjustments

The management representation letter includes all adjustments identified as a result of the audit, communicated to management and subsequently corrected in the financial statements.

- There was one corrected adjustment to record a December 2018 accrual for OMERs contributions of $255K.

## Uncorrected differences

We did not identify differences that remain uncorrected.

# The 2018 Auditors' Report

The new and revised standards in Canada are effective for audits of financial statements for periods ending on or after December 15, 2018. The following highlights the changes:

| Highlights of changes to your 2018 auditors' report |
|---|
| Re-ordering of the auditors' report including moving opinion to the first section. |
| Separate section on "Material Uncertainty Related to Going Concern" if a material uncertainty is identified. |
| Separate section on "Other Information" (e.g. Annual report). |
| Expanded descriptions of management's responsibility, including those related to assessing the Entity's ability to continue as a going concern. |
| New description of responsibilities of those charged with governance. |
| Expanded descriptions of management's, those charged with governance and auditors' responsibilities. |

## Key audit matter reporting

Communicating the key audit matters (KAMs) applies for audits performed in accordance with the Canadian Audit Standards.

KAMs are those matters communicated to those charged with governance that required significant auditor attention in performing the audit, and in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period.

Currently, the reporting of KAMs in the auditors' report is only applicable when required by law or regulation or when the auditor is engaged to do so.

It is expected that KAM reporting will be required for certain listed entities in Canada starting in 2020.

## Impact to the 2018 auditors' report

Accordingly, your 2018 auditors' report will not include the communication of any KAMs as we have not yet been engaged to communicate them and there is no law or regulation that requires such communication.

# Current developments and audit trends

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 |
|---|---|---|
| **Accelerate** | Accelerate is a KPMG trends report and video series that includes the perspective of subject matter leaders from across KPMG in Canada on seven key issues impacting organizations today that are disrupting the audit committee mandate. | Link to report |
| **The Blockchain shift will be seismic** | Blockchain technology is a focused disruptor of the very foundations of external and internal audit: financial recordkeeping and reporting. This Audit Point of View article offers insight on how blockchain technology is impacting business and what audit committees should be thinking about to prepare for certain risks. | Link to report |
| **Audit Quality 2018** | 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 |

# Appendices

**Appendix 1: Required communications**

**Appendix 2: Audit Quality and Risk Management**

**Appendix 3: KPMG's Audit approach and methodology**

**Appendix 4: Background and professional standards**

# Appendix 1: 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

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 and any subsequent amendment letters as provided by management.

## Management representation letter

In accordance with professional standards, copies of the management representation letter are provided to the Board of Directors. Management has provided you with a copy of the representation letter for the audit of the financial statements.

## Auditors' report

The conclusion of our audit is set out in our draft auditors' report.

## Audit findings report

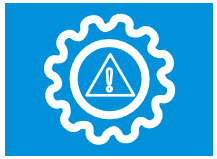
As attached.

## Required inquiries

Professional standards require that we obtain your views on risk of fraud and other matters. We made similar inquiries to management.

- Fraud:
  - What are your views about fraud risks 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?
- Laws and Regulations: Is the entity in compliance with laws and regulations?
- Significant Unusual Transactions: Has the entity entered into any significant unusual transactions?

# Appendix 2: 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 six key elements of our quality control system.

Visit our Audit Quality Resources page for more information including access to our audit quality report, Audit quality: Our hands-on process.

Other controls include:

- Before the firm issues its audit report, the Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits
- Technical department and specialist resources provide real-time support to audit teams in the field

We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.

We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.

All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.

We do not offer services that would impair our independence.

The processes we employ to help retain and develop people include:

Assignment based on skills and experience

Rotation of partners

Performance evaluation

Development and training

Appropriate supervision and coaching

We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.

Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

# Appendix 3: KPMG's audit approach and methodology

This year we will expand our use of technology in our audit through our new smart audit platform, KPMG Clara.

### Collaboration in the audit

A dedicated KPMG Audit home page gives you real-time access to information, insights and alerts from your engagement team

### Issue identification

Continuous updates on audit progress, risks and findings before issues become events

### Data-driven risk assessment

Automated identification of transactions with unexpected or unusual account combinations – helping focus on higher risk transactions and outliers

### Deep industry insights

Bringing intelligence and clarity to complex issues, regulations and standards

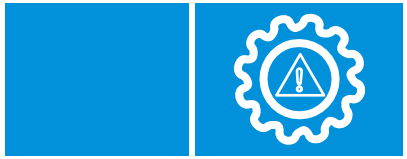
### Analysis of complete populations

Powerful analysis to quickly screen, sort and filter 100% of your journal entries based on high-risk attributes

### Reporting

Interactive reporting of unusual patterns and trends with the ability to drill down to individual transactions

# Appendix 4: Background and professional standards



**Internal control over financial reporting**

As your auditors, we are required to obtain an understanding of internal control over financial reporting (ICFR) relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all significant deficiencies or material weaknesses and other control deficiencies have been identified. Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

The control deficiencies communicated to you are limited to those control deficiencies that we identified during the audit.

**Documents containing or referring to the audited financial statements**

We are required by our professional standards to read only documents containing or referring to audited financial statements and our related auditors' report that are available through to the date of our auditors' report. The objective of reading these documents through to the date of our auditors' report is to identify material inconsistencies, if any, between the audited financial statements and the other information. We also have certain responsibilities, if on reading the other information for the purpose of identifying material inconsistencies, we become aware of an apparent material misstatement of fact.

We are also required by our professional standards when the financial statements are translated into another language to consider whether each version, available through to the date of our auditors' report, contains the same information and carries the same meaning.

**kpmg.ca/audit**

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**SCHEDULE 'D'**
**PAGE -1-**
**2019-04-12**

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

**SUBJECT:** **2018 CONSERVATION AREAS UPDATE**

**PURPOSE:** **To inform the Board of Directors of CVC of the status of the conservation areas**

## BACKGROUND:

The Credit Valley Conservation Authority (CVC) owns and/or manages 61 properties comprised of almost 2,800 hectares (7,100 acres) of land. Of the 61 properties, CVC concentrates most of its efforts on ten (10) key properties (known as the 'Core 10'). Four (4) of the 'Core 10' properties are actively managed (Island Lake, Belfountain, Terra Cotta, Ken Whillans) in terms of having specific facilities, programs and special events requiring dedicated staff.

CVC also has a few properties that it manages on behalf of other agencies (e.g. Ontario Heritage Trust [OHT]) and through easements. Starting in the fall of 2018 CVC entered into an agreement with OHT to manage the Cheltenham Badlands, this is a very active site that is staffed by CVC. All but one of the properties CVC owns in the City of Mississauga is managed by the City on behalf of CVC, the exception being the Rattray Marsh Conservation Area. In addition, CVC is actively involved in the construction of the Jim Tovey Conservation Area on the Lake Ontario shoreline and CVC intends to manage this site when it opens to the public.

Over the past decade the PARCS Division (Property, Assets, Recreation and Conservation Area Services) have made concerted efforts to improve and expand the offerings at CVC conservation areas (CAs). This resulted in a steady increase in the number of visitors and revenues while also continually providing a high-quality visitor experience.

In 2018 CVC's Board of Directors approved an updated Conservation Areas Master Strategy (CAMS) that identifies the outcomes, directions and deliverables needed over the next 10 years to sustain those natural spaces and create high-quality recreational, cultural and educational experiences that meet visitors' needs today and into the future. We are committed to partnering with Indigenous communities to advance the goals of truth and reconciliation along with the sharing of traditional knowledge and culture with our visitors. We continue to work with all our funders and stakeholders.

CVC's vision, mission and values are set out in our 2015-2019 strategic plan. This Conservation Areas Master Strategy is based on those principles. It is a guiding document

for our CAs, directing business planning, project planning, and flexibility to meet changing needs. It ensures we remain accountable to our partners, donors, taxpayers, and above all, to the environment.

The direction set out in the Conservation Areas Master Strategy is based on our four commitments and our four principles:

Annually PARCS staff provides an update report to the CVC Board of Directors on our activities in an ongoing effort to share our successes, challenges and opportunities.

**ANALYSIS:**

There were countless good news stories coming out of our conservation areas in 2018. Below are but a few highlights presented in alignment with the four CAMS principles:

## Protect

**Protect the natural and cultural heritage assets within our conservation areas**

### Protecting the Landscape

Cheltenham Badlands (Badlands) is located in the southeast corner of Olde Base Line Road and Creditview Road in the Town of Caledon, Ontario, Canada (see Figure 1).

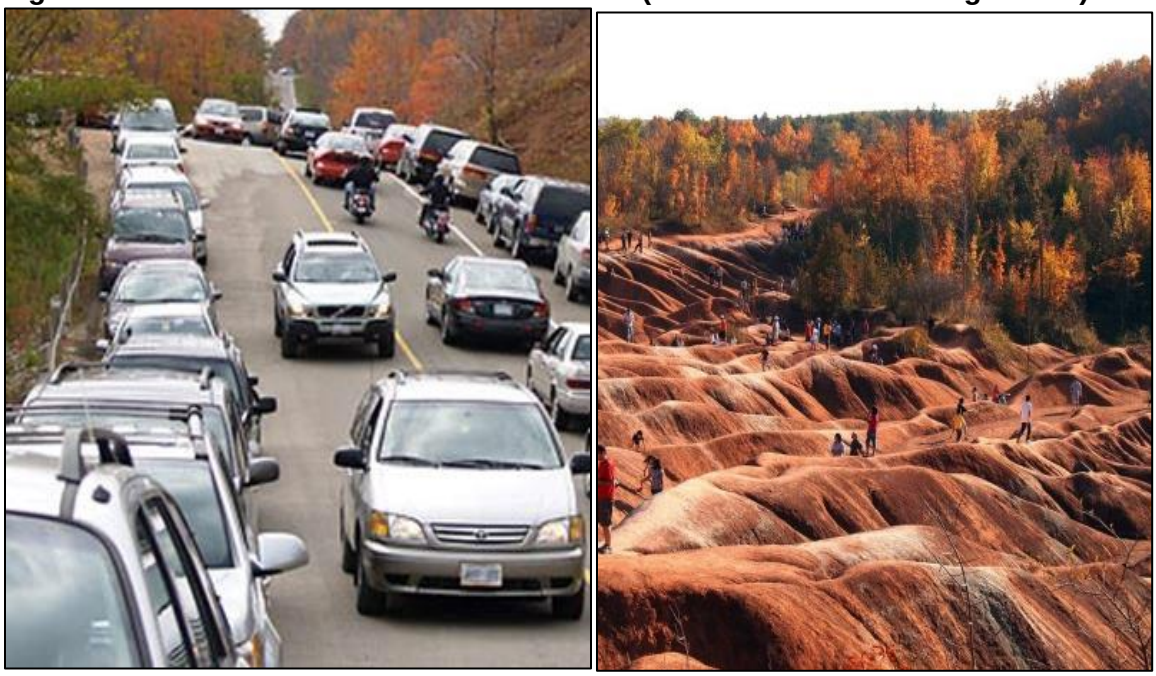
**Figure 1 – Location Map (Source: Bruce Trail Conservancy)**

The site was purchased by OHT in 2002 after a prolonged period of non-management. The site includes exposed and eroded Queenston Shale features which are a tourist attraction but were subject to significant unsustainable use related site issues (see Figure 2). From 2002-2017, OHT did not have anyone onsite managing the area except for The Bruce Trail Conservancy overseeing the section of Bruce Trail passing through the area.

In 2014, the level of interest, along with numerous site constraints, forced OHT to close the site due to:

- Health and Safety concerns
- Traffic issues
- Increased deterioration of feature due to public access (unsustainable use)

**Figure 2 – Unsustainable Use and Site Issues (Source: Ontario Heritage Trust)**



During the closure period, OHT prepared a master plan for the site to help address these, and other, important issues. The master plan was approved by the Niagara Escarpment Commission (NEC) in 2018. The master plan envisioned a site with parking and washroom facilities along with a network of trails and viewing opportunities of the badlands feature.
A 33-space parking lot together with a sidewalk along Olde Base Line Road, traffic calming features, guardrails and an accessible parking space at the feature were constructed by the Region of Peel in 2017. The addition of this infrastructure helped OHT fulfill its management goal of "placing a strong focus on visitor safety and increased accessibility to the Badlands feature" by addressing concerns related to uncontrolled parking at the site. The Region's infrastructure work was completed separately from the Cheltenham Badlands Master Plan.

During the closure, and while nearing completion of the master plan process, the OHT approached CVC for assistance to develop major capital assets on the site based on a draft master plan to help protect the natural features which included:

- Viewing platform (Figure 3);
- New trail connecting viewing platform with Bruce Trail;
- Bruce Trail upgrades (realignment, bridge); and
- Signage.

This work was completed in 2017 and 2018 through two capital works agreements undertaken and managed by CVC for OHT.

**Figure 3 – Badlands Viewing Platform**

At the May 11, 2018 CVC Board of Directors meeting resolution #45/18 was approved authorizing CVC to negotiate and enter into an agreement with OHT for the operation of the site. An interim pilot year agreement is in place and staff are working on a longer-term agreement with OHT based on our operational experience with the site.

The Badlands was officially opened on September 14, 2018 with public access being available one week later. During the fall of 2018 there was no marketing of the site reopening in an effort to manage the significant public interest. The Badlands received approximately 15,000 visitors with the parking lot running at or above capacity on all six weekends. In addition, CVC had weekend shuttle service from Terra Cotta Conservation Area. The site closed for the season at the end of October 2018 and will open this spring through fall colours welcoming local visitors, regional visitors (GTA) and visitors from around the world.

# Connect

**Develop and nurture relationships with all who seek to Connect with the land and water**

## Connecting with Indigenous Communities

**Figure 4 – Indigenous programing at 2018 Maple Syrup Festival**

The acknowledgement of the territorial lands of Indigenous Peoples is shared as part of the annual Maple Syrup Festival (Figure 4). In 2018 at Island Lake CA we were honoured to work with local Metis representatives to help tell the story of those who first lived in our watershed caring for the land and water. Visitors were able to learn the origins of what has become known as maple syrup.

CVC is also actively working with an Indigenous Round Table to advance the planning for the Credit Valley Trail. The goal of the Round Table is to realize, through dialogue with Indigenous Peoples, opportunities along the trail to engage and teach visitors about the peoples that first lived on this land. These efforts will ensure the trail connects us to our past and our future.

## Connecting with Partners

The conservation area operations succeed in large part due to the various partnerships that CVC has in place across the watershed. From the Friends of Island Lake to the Rattray Marsh Protection Association, CVC and the Foundation (CVCF) work with community groups to ensure cooperation, coordination and communication between staff and passionate residents.

CVC works with the local business community to help support the operations and programing of our CAs. For example, the Home Hardware in Orangeville continues to provide parking spaces for trail users to access the Vicki Barron Lakeside Trail (VBLT) at Island Lake. Local service groups such as the Rotary Club of Orangeville, the Orangeville

Highlands Rotary Club and the Lions Club of Orangeville are significant long-standing partners in the headwaters supporting both programs and infrastructure.

**Connections with our Neighbours**

CVC and the Toronto and Region Conservation Authority (TRCA) have been in a joint marketing partnership since 2014. The goals of this partnership include the sharing of best practices and policies, marketing campaigns, common programing (such as Maple Syrup Festival), joint applications for grants and funding and common platforms for reservations and sales. Both authorities benefit from the program and discussions to renew the partnership are underway based on the success of the current MOU.

The ongoing partnership with TRCA for the joint marketing or our CAs and programing ensures we are working together to meet the needs of visitors, develop programing and increase revenues. One of the key successes of this program has been the growth of the joint Conservation Parks Membership (Figure 5) that allows access to all CVC and TRCA Conservation Areas as well as programing and membership loyalty discounts. Conservation Parks memberships have grown 53% since the launch in 2015. New members are coming onboard, and current members are switching as awareness of the new benefits spreads, resulting in the CVC Parks Only 'Our Credit' Pass declining 21% over the same period. Focusing on the Conservation Parks Membership simplifies the marketing, provides enhanced value for customers and creates efficiencies by consolidating offerings and investing in the product demonstrating the strongest growth.

**Figure 5 – Conservation Area Pass Sales by Type**

| Pass Type | 2015 | 2016 | 2017 | 2018 | Change 2015-2018 |
|---|---|---|---|---|---|
| **Conservation Parks Membership Total** | 207 | 323 | 305 | 388 | +53% |
| **Our Credit Pass Total** | 576 | 552 | 542 | 457 | -21% |

In addition, CVC and TRCA have partnered through the municipal libraries namely, Orangeville, Caledon, Mississauga and Brampton for Conservation Parks memberships to be signed out. The goal of this program is to connect with people who may not have the financial means to pay to visit the conservation areas and to introduce people who may not have visited our CAs before; giving them the chance to come out and see our CAs with the hope they will become life-long members. With the success of the library program CVC and TRCA will continue to expand this program.

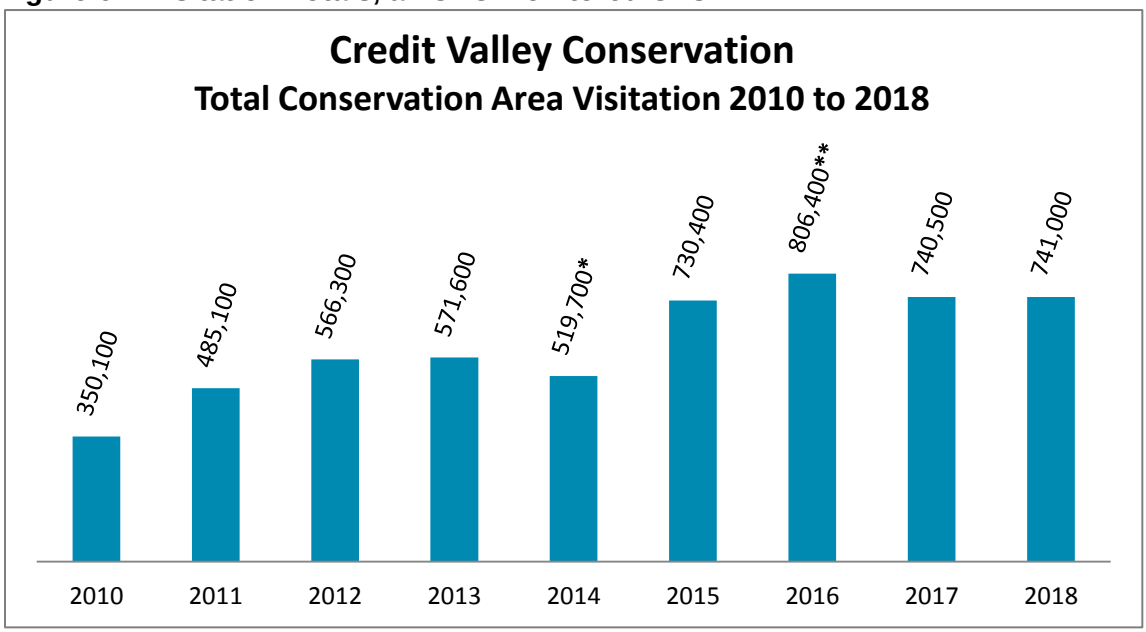
**Connecting with Visitors**

The overall visitor trend is continued growth. In fact, over the past eight (8) years, visitation has more than doubled for CVC Parks. There were 350,000 visitors to CA's in 2010. Numbers steadily increased until 2015, when the marketing for Conservation Parks increased as a result of the partnership with Toronto and Region Conservation Authority. In 2018 the visitation was 741,000 people. This is driven in part by population growth in

the GTA, increased awareness of our CAs and programing, growth in outdoor activities, as well as an increasing awareness of the benefits of connecting with nature.

Staff continues to seek out new, better and different ways of attracting visitors to our conservation areas by providing a greater range of programs, facilities and special events. In the highly urbanized environment of the Greater Toronto Area (GTA) the importance of and demand for open and natural spaces continues to grow. People are actively looking for opportunities to connect with nature. Figure 6 below shows the trend of visitation growth being experienced in our conservation areas.

**Figure 6 – Visitation Totals, all CVC Monitored CAs**




***The 2014 dip is largely attributed to the impacts of the December 2013 ice storm**
****The 2016 spike is partly attributed to the opening of the loop trail at Island Lake CA**

**Connecting by Trail**

The Credit Valley Trail (CVT) is a once in a generation legacy project that will connect the headwaters in Orangeville to the mouth of the Credit River along the Lake Ontario shoreline in Port Credit, Mississauga. This 100 km trail will connect communities and public lands along the Credit River, it will connect people with nature and it will help future generations connect with our past and all of those that came before. There are key portions of the CVT that are already in place through existing trail systems, just over 30 km. The goal of this project is to connect the existing trail segments forming a single continuous route from Lake Ontario to Island Lake. Working with municipal partners, land owners and other stakeholders, strategy implementation is fully on track to achieve thirteen specific deliverables, as promised in the CVT Strategy for 2018 - 2019.

Currently CVC maintains and operates approximately 100 km of trails that connect with the Caledon Trailway, the Elora-Cataract Trailway, the Bruce Trail and the Waterfront trail. Our trail system also connects people with nature within our conservation areas enabling people to enjoy the outdoors through passive use of trails. Our trails also support community-based runs, charity events, cross country skiing, snow shoeing, non-motorized bike and health programing.

## Experience

**Ensure that visitors to our sites Experience a wide range of health benefits, recreation options, and tourism experiences.**

### Experiencing the Competition

The 10th annual Island Lake Bass Derby that ran on July 14 and 15, 2018 was our most attended derby to date. In total 265 participants took part for a chance to win more than $6,200 in prizes. The fishing was particularly amazing on the Saturday, with 110 fish weighed in. The 1st place Largemouth Bass was the largest ever weighed in topping the scales at 5.52 pounds and 19.9 inches long. The two-day catch and release derby brought many first-time and experienced anglers to the park. The derby was open to everyone, with special kids' categories to help encourage fishing at all ages. Our goal is to promote fishing at Island Lake and raise money for projects around the park.

Despite warmer temperatures and a rainy final day, the annual Ice Fishing Derby at Island Lake Conservation Area also recorded a successful year in 2018. The event took place from February 10 to 19, 2018 and raised more than $7,500 in support of projects at the conservation area. There were 86 entries in the derby, with first place taking home $1,000 for a 30.9 inch northern pike. The derby was hosted in partnership with Credit Valley Conservation (CVC), Credit Valley Conservation Foundation (CVCF) and the Friends of Island Lake (FOIL).

Fishing activities overall are a mainstay at Island Lake and Ken Whillans and remain popular with anglers all along the Credit River. The health of the fish is an indicator of the health of the river. We're working to ensure an experience worth boasting about.

### Experience Recreation

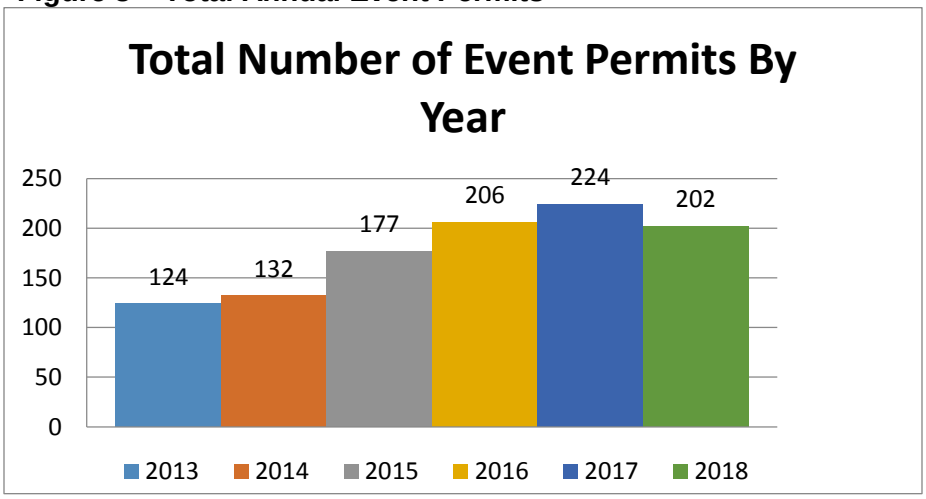
One of the growing programing offerings provided by CVC is yoga in the park. We have offered yoga sessions at Island Lake, Belfountain and Terra Cotta. CVC partners with instructors to utilize our facilities to enhance the experience in nature. One of the venues that is very popular is on the stage at Island Lake (see Figure 7). These session-based activities have the added advantage of introducing participants to our CAs, which otherwise might not have happened, with the goal of them returning as future visitors.

**Figure 7 – Yoga on the Stage at Island Lake**

**Experience through Events**

Events at CVC conservation areas, which include activities such as photo shoots, weddings, and picnics, continue to be a popular experience. For each event CVC issues a permit, the number of permits issued is outlined in Figure 8 below. In 2018, Terra Cotta reorganized its picnic areas to better accommodate larger groups which did mean less bookable areas and a few less reservations. The parks two main pavilions located at Island Lake and Terra Cotta continue to be fully booked from April to September typically before the season even begins. It is expected this trend will only continue to grow as more infrastructure is built at Island Lake, Terra Cotta and Ken Whillans to accommodate groups. The other point of note is that many of the events are getting bigger, booking more facilities with more attendees, so while the number of permits is slightly down from 224 in 2017 to 202 in 2018, attendance and overall revenues is up.

**Figure 8 – Total Annual Event Permits**



**Experience Festivals and Tourism**

In 2018 our favourite festivals returned including Canada Day, the Fall Festival at Terra Cotta and Maple Syrup Festival at Terra Cotta and Island Lake. Both signature events provide CVC with an opportunity to showcase educational and tourism experiences for our visitors.

CVC staff work closely with Headwaters Tourism and our municipal partners to ensure the benefits of tourism are shared with local businesses and the broader community. For example, during fall colours in the hamlet of Belfountain in the Town of Caledon, CVC provides space for public bathroom facilities at the conservation area to help the town address the needs of visitors during this popular time of year.

In Orangeville and Mono CVC is a significant part of local Canada Day celebrations by hosting day long activities, musical performances on the stage and being home to the fireworks display for the Town of Orangeville.

# Deliver

**Deliver services to our residents, visitors, stakeholders and partners that reflect our commitment to quality, accountability, health and safety and the natural environment**

## Deliver Revenue Grow

In 2018 the conservation areas brought in combined revenues of $1,383,959. This represents 114% of the budgeted revenue target . This success, which again exceeded the previous year's revenues, was despite the poor winter weather conditions as well as shifts in the management practices by CVC at some of our CAs, such as removing group picnicking and resulting revenue from Belfountain Conservation Area.

**Figure 9 - Conservation Area 2018 Revenues (Budget to Actual)**

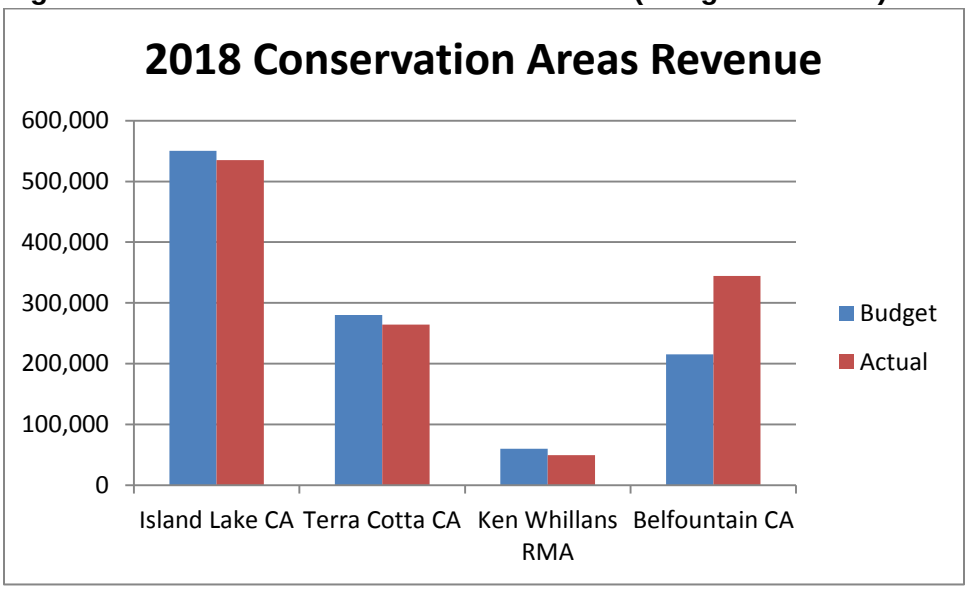



Figure 9 shows the relative activity and revenue generated at each of the four active conservation areas. Budgeted revenues are dependent on weather conditions but generally actuals to budget were close in 2018. The exception was Belfountain CA where the actual revenues well exceeded the budget. The demands on this CA continue to reinforce the need for investment in the Management Plan implementation and developing additional facilities at parks like Ken Whillans to take the pressure off some of the other properties.

Deliverables set out in the Conservations Areas Master Strategy will be looking at the overall business model of the CAs and charting a course for future business decisions.

**Deliver New Business Opportunities**

Under agreement with OHT, CVC is managing the Cheltenham Badlands. To offset related operational costs, the Badlands have three (3) different sources of revenue:

1. Parking fees
2. Permit fees
3. Special Event Fees

For the 2018 fall season, CVC had two (2) pay-and-display parking payment machines installed in the 33-space parking lot (see Figure 10). A total of $36,458.10 was collected, and after charges for HST, materials, supplies and services were taken off, the net revenue was $30,335.55 for half of September and the month of October (less then 40 days of operation). CVC also used a shuttle bus from Terra Cotta Fall Festival to help offset parking constraints during the busy fall colours.

The site management activities that CVC is responsible for under the agreement with OHT include the following:

- On-site traffic management
- Parking lot management
- Site maintenance (e.g. garbage collection)
- Health and safety inspections
- Facilities (washrooms)
- Visitor monitoring
- Information (marketing/communications)

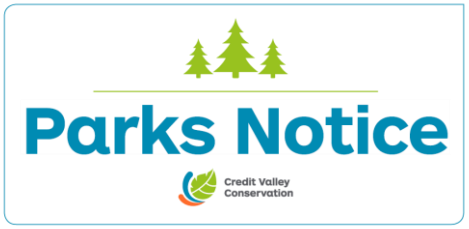
**Figure 10 – Parking Lot and Parking Payment Machines at Badlands**

Based on our experience at the Badlands CVC will be looking for other opportunities where pay and display (or other technologies) can be implemented to help cover the cost of operations and be respectful of taxpayers in the watershed.

**Deliver Safe Experiences**

CVC staff are dedicated to providing safe and enjoyable experiences for our visitors. Staff have protocols to guide park operations for the safety of staff and visitors, including trail

and water safety from ice and wind events. This includes using our social media platforms seven days a week, to inform visitors of park and trail closures in real-time. This type of information is becoming more and more important as we contend with an increasing number of severe weather events resulting from climate change (sample notice messages used for social media are shown below).




**Deliver Visitor Data**

The monitoring group within the PARCS Division has been collecting visitation information using automated trail counters since 2009. In 2018, four counters were installed at the Cheltenham Badlands to monitor visitor use of the site. Calibration of the new Badlands counters is scheduled to take place in summer of 2019, which will provide accurate estimates of the number of visitors. The monitoring group currently manages 50 counters across key CA access points. Updated information in 2018 also helped inform the review of the Vicki Baron Lakeside Trail agreement.

**Figure 11 – Trail Counter at Badlands**

**Deliver Visitor Information & Insights**

During the course of 2018 staff collected 8,600 postal codes from our four (4) active conservation areas:

| Conservation Area | Postal Codes |
|---|---|
| Belfountain | 1,224 |
| Terra Cotta | 3,701 |
| Island Lake | 1,899 |
| Ken Whillans | 1,776 |
| Total | 8,600 |

This volume of postal codes allows us to have a high degree of confidence as we investigate where our visitors come from, what demographic characteristics are and how best to engage them.

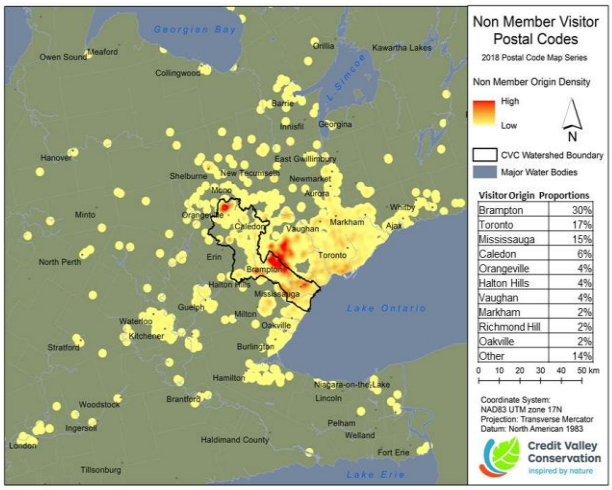



**Figure 12 – Location of Non-member Visitors**

**Deliver Management Plans**

In 2018 CVC staff were very pleased to achieve the completion of the Belfountain Conservation Area Management Plan. The purpose of a management plan is to assess all aspects of a conservation area including environmental, infrastructure assets, programming and the integration with the ecological system and the broader local community. The goal of the management plan is to set a direction for the protection, use and investment in the CA. The management plan at Belfountain was particularly complex because it has involved two processes advancing in tandem: firstly, an environmental assessment (EA) process to support work on the dam and efforts to improve the overall function and health of the river by removing the head pond behind the dam; and secondly, the management plan process for the entire conservation area and adjoining lands that comprise the Belfountain CA Complex. Further the EA and the management plan processes involved significant public engagement over a four-year period. The outcome of the process is a $7-8 million plan that will transform the CA in a manner that considers history, place, the environment and the community.

**Delivering Strategic Direction**

The Conservation Areas Master Strategy (CAMS) was also completed by the team in 2018. This strategy identifies the outcomes, directions and deliverables needed over the next ten years to sustain the natural spaces CVC stewards. The CAMS supports the ongoing development of high-quality recreation, cultural and educational experiences that align with CVC's vision, mission and values are set out in our 2015-2019 strategic plan. It is a guiding document based on four integrated principles (protect, connect, experience and deliver) for our conservation areas, directing business planning, project planning, employee objectives, workforce planning and budgeting. It guides us yet provides flexibility to meet changing needs. It ensures we remain accountable to our partners, donors, taxpayers, and above all, to the environment as well as for visitors' needs today and into

the future. The CAMS is a deliverable of CVC's Strategic Plan 2015-2019 and supports our ongoing CA operational planning processes.

The CVC conservation areas continue to grow in terms of visitation and revenues. However, as the population in the south of the watershed continues to grow, there is an ever-increasing demand for opportunities to experience natural, historic and cultural amenities and partake in a variety of outdoor recreation activities. With greater visitation it is becoming increasingly difficult to ensure our existing conservation areas are not overused which would result in a poor visitor experience and greater negative impacts on the environment we work to protect. CVC must work to bring renewed and alternative assets online to meet the demand.

**Delivering Asset Management**

Ongoing efforts are underway to develop and advance and asset management plan. To date state of good repair assessments and valuation assets have been completed on all in scope conservation area building assets. An exercise to determine key future assets repairs and investments based on life-cycle management has been completed for building assets. Further, specialized assessments of structures such as bridges, culverts and boardwalks were completed late in 2018. The next step is to pull all this information together to build an asset management plan for CVC. It is also worth noting that in 2018 the CVC Board approved the creation of new reserves to support the state of good repair, end of life replacement and revenue off set for CA operations in the event of circumstances beyond our control that impact budgeted revenues.

However, there are limited funding sources available to help with the replacement of aging capital facilities and historic/cultural amenities or for the creation of new capital facilities and programming. Support for conservation areas through municipal parks funding or development charges could be an option to support CA development and management

## COMMUNICATIONS PLAN:

There are no communications implications for this project.

## FINANCIAL IMPLICATIONS:

There are no financial implications of this report.

## CONCLUSION:

CVC's conservation areas are, to many visitors, the 'face' of the conservation authority. Residents, day trippers and tourists alike get their impression of CVC and what it stands for when they attend one of our conservation areas. As the number of visitors continues to grow CVC must ensure it manages these lands to protect what is sensitive while at the same time providing opportunities to appreciate the natural and cultural features and also enjoy suitable recreation activities.

**RECOMMENDED RESOLUTION:**

***RESOLVED THAT*** *the report entitled "2018 Conservation Area Update" be received and appended to the minutes of this meeting as Schedule 'D'.*

**Submitted by:**

Jeff Payne,
Director, Corporate Services

**Recommended by:**

Deborah Martin-Downs
Chief Administrative Officer