

Board of Directors
Meeting No. BOD-05-21
Friday, April 23, 2021
9:30 a.m.

Agenda

Meeting Location:

To be held virtually by Zoom
Minutes and agendas are available at www.LSRCA.on.ca

Upcoming Events

Board of Directors' Meeting

Friday, May 28 at 9:00 a.m.
To be held virtually by Zoom

A full listing of events can be found at www.LSRCA.on.ca

I. Acknowledgement of Indigenous Territory

II. Declarations of Pecuniary Interest and Conflicts of Interest

III. Approval of Agenda

Pages 1 - 4

Recommended: That the content of the Agenda for the April 23, 2021 meeting of the Board of Directors be approved as presented.

IV. Adoption of Minutes

a) Board of Directors' Special Board Hearing Meeting

Pages 5 - 9

Included in the agenda is a copy of the minutes of the Board of Directors' Special Board Hearing Meeting, No. BOD-03-21, held on Friday, March 26, 2021.

Recommended: That the minutes of the Board of Directors' Special Board Hearing Meeting, No. BOD-03-21, held on Friday, March 26, 2021 be approved as circulated.

b) Board of Directors' Meeting

Pages 10 - 16

Included in the agenda is a copy of the minutes of the Board of Directors' Meeting, No. BOD-04-21, held on Friday, March 26, 2021.

Recommended: That the minutes of the Board of Directors' Meeting, No. BOD-04-21, held on Friday, March 26, 2021 be approved as circulated.

V. Announcements

VI. Presentations

a) 2020 Draft Audited Financial Statements

Pages 17 - 57

Mr. Adam DelleCese of BDO Canada LLP will provide an overview of the Authority's 2020 audit process and findings. BDO's final report to the Board is included in the agenda.

Recommended: That the presentation by Mr. Adam DelleCese BDO Canada LLP, regarding the Authority's 2020 audit process and findings be received for information.

Included in the agenda is Staff Report No. 19-21-BOD regarding the Authority's 2020 Draft Audited Financial Statements.

Recommended: That Staff Report No. 19-21-BOD regarding the Authority's 2020 Draft Audited Financial Statements be received; and

Further that the 2020 Draft Audited Financial Statements be approved; and

Further that the Appropriations to and from Reserves as outlined in Schedule 8 – Statement of Continuity of Reserves, of the 2020 Draft Audited Financial Statements be approved; and

Further that the pending 2020 Audited Financial Statements be distributed to the Minister of the Environment, Conservation and Parks and the Authority's banker, and be made available on the Authority's website.

b) The Chief Administrative Officer's Vision – 2021 and Beyond

Chief Administrative Officer, Rob Baldwin, will provide an overview of his vision for the Authority for the remainder of 2021 and beyond. This presentation will be provided at the meeting and will be available on our website following the meeting.

Recommended: That the presentation by Chief Administrative Officer, Rob Baldwin, regarding an overview of his vision for the Authority for the remainder of 2021 and beyond be received for information.

VII. Hearings

There are no Hearings scheduled for this meeting.

VIII. Deputations

There are no Deputations scheduled for this meeting.

IX. Determination of Items Requiring Separate Discussion

(Reference Page 4 of the agenda)

X. Adoption of Items Not Requiring Separate Discussion

XI. Consideration of Items Requiring Separate Discussion

XII. Closed Session

There are no Closed Session items for this meeting.

XIII. Other Business

Next Meeting

The next meeting of the Board of Directors will be held at @ 9:00 a.m. on Friday, May 28, 2021. This meeting will be held via Zoom, access details to be provided prior to the meeting.

XIV. Adjournment

Agenda Items

1. Correspondence

Pages 58 - 60

Included in the agenda is a letter dated April 1, 2021 to the Honourable Jeff Yurek, Minister of the Environment, Conservation and Parks in response to his request regarding the Authority's Board composition. (Please note the attachments to this letter have not been included as they do not meet the requirements of the *Accessibility for Ontarians with Disabilities Act*. Anyone wishing to obtain copies of the attachments may contact Trish Barnett @ t.barnett@lsrca.on.ca.)

Recommended: That Correspondence listed as Item a) be received for information.

2. Summary of 2021 Provincial Funding Agreements - Lake Simcoe Protection Plan

Pages 61 - 64

Recommended: That Staff Report No. 20-21-BOD regarding recently secured Provincial funding in support of the Lake Simcoe Protection Plan be received for information.

3. Purchasing Policy – Stormwater Management Optimization Blueprint Preparation

Pages 65 - 67

Recommended: That Staff Report No. 21-21-BOD regarding the Stormwater Management Optimization project procurement; and

Further That an agreement be established with Freeman Associates Ltd. for delivery of services in accordance with a recently approved Lake Simcoe Protection Plan funding agreement with the Authority.

Board or Directors' Meeting

Special Board Hearing

Board of Directors' Meeting No. BOD-03-21

Friday, March 26, 2021

Held virtually via Zoom

Meeting Minutes

LSRCA Board Members Present

Regional Chairman W. Emmerson (Chair), Councillor K. Aylwin, Mayor D. Barton, Mayor B. Drew, Councillor A. Eek, Councillor W. Gaertner, Councillor R. Greenlaw, Mayor V. Hackson, Councillor S. Harrison-McIntyre, Councillor C. Pettingill, Mayor M. Quirk, Councillor C. Riepma, Regional Councillor T. Vegh, Councillor A. Waters, Councillor E. Yeo

LSRCA Board Members Absent

Councillor P. Ferragine (Vice Chair), Councillor K. Ferdinands and the Township of Ramara

LSRCA Staff Present

R. Baldwin, T. Barnett, A. Brown, K. Christensen, M. Critch, B. Kemp, B. Longstaff, G. MacMillan, K. Yemm

Guests in Attendance

G. Campbell, Managing Partner, Oro Station

J. Olah, Beard Winter LLP

I. Acknowledgement of Indigenous Territory

II. Declarations of Pecuniary Interest or Conflict of Interest

None noted for this meeting.

III. Approval of Agenda

Moved by: D. Barton

Seconded by: A. Eek

BOD-035-21 **Resolved That** the content of the Agenda for the March 26, 2021 Special Meeting of the Board of Directors be approved as amended to include an excerpt of Section 28.0.1 of the Conservation Authorities Act (Item IVa). **Carried**

IV. Hearing under Section 28.0.1(7) of the *Conservation Authorities Act*

a) Excerpt of Section 28.0.1

Moved by: A. Waters

Seconded by: C. Riepma

BOD-036-21 **Resolved That** the excerpt of Section 28.0.1 of the *Conservation Authorities Act* be received for information. **Carried**

b) Hearing Guidelines

Moved by: V. Hackson

Seconded by: M. Quirk

BOD-037-21 **Resolved That** the Hearing Guidelines be received for information. **Carried**

c) Board Hearing

Moved by: S. Harrison-McIntyre

Seconded by: E. Yeo

BOD-038-21 **Resolved That** the Board of Directors sit as a Hearing Board. **Carried**

A roll call was conducted, after which Chair Emmerson read the Chairman's remarks, advising that a hearing is being conducted under Section 28.0.1, Subsection 7 of the Conservation Authorities Act in respect of an application by 2639025 Ontario Inc. for permission to build the Oro Station Automotive Innovation Park at the property municipally known as 255 and 401 Line 7 N, Township of Oro-Medonte. Chair Emmerson noted that staff prepared and distributed Staff Report 12-21-BOD in response to this application.

V. Presentations

Authority Staff Presentation

Ms. Ashlea Brown, Director, Regulations, advised that the purpose of the hearing was for the Hearing Board to consider the permit conditions staff were recommending regarding the issuance of the permit. She provided an overview of Section 28.0.1 of the *Conservation Authorities Act*, which applies to applications submitted for which a Minister's Zoning Order has been granted. Ms. Brown provided details of the proposed Oro Station Automotive Innovation Park project and outlined the recommended conditions of approval with the rationale behind the specific permit conditions, 26 in total, as outlined in Staff Report No. 12-21-BOD included in the agenda package. She advised the Hearing Board that upon approval of any or all of the conditions, staff will issue the permit as required under Section 28.0.1.

Moved by: A. Waters

Seconded by: S. Harrison-McIntyre

BOD-039-21 **Resolved That** the presentation by Authority staff regarding the application for Oro Station Innovation Park and recommended conditions of approval be received for information. **Carried**

Applicant Presentation

Mr. Geoffrey Campbell, Managing Partner, Oro Station noted that his consultant team was not available for the Hearing and provided an overview of the concept for the proposed project, noting it is a multi-use facility that will join an automotive business park with testing facilities. He noted the location of the project is in Oro-Medonte, Simcoe County close to the Lake Simcoe Regional Airport. Mr. Campbell reviewed the features of the project, including employment and education opportunities, testing facilities, SmartCity technology, workshops for professional and customer race teams, solar/hydro generated power, as well as hospitality, tourism and recreation opportunities. He reviewed the site plan and partnerships. He addressed the Minister's Zoning Order, noting that in 2012 the property was designated as the Lake Simcoe Regional Economic Employment District with the Growth Plan. In 2019, the applicant approached the local municipality with its vision and received unanimous votes from Oro-Medonte and Simcoe County councils. On November 1, 2019, the Province issued a Minister's Zoning Order.

Moved by: D. Barton

Seconded by: W. Gaertner

BOD-040-21 **Resolved That** the presentation by Mr. Geoffrey Campbell of OroStation DevCo regarding the proposed Oro Station Automotive Innovation Park be received for information. **Carried**

Questions to staff and to the Applicant

Hearing Board members asked a number of questions to staff and to the applicant, which form part of the Hearing Record.

VI. Closed Session

The Board moved to Closed Session for deliberation.

Moved by: C. Riepma

Seconded by: R. Greenlaw

BOD-041-21 **Resolved That** the Hearing Board move to Closed Session for deliberation. **Carried**

The Board rose from Closed Session to gather additional information from the applicant.

Moved by: B. Drew

Seconded by: S. Harrison-McIntyre

BOD-042-21 **Resolved That** the Board rise from Closed Session. **Carried**

Additional questions were asked by the Hearing Board, which form part of the Hearing Record.

The Board moved to Closed Session for a second time for deliberation.

Moved by: B. Drew

Seconded by: D. Barton

BOD-043-21 **Resolved That** the Hearing Board move to Closed Session for deliberation.
Carried

As per the Hearing Guidelines, the Hearing Board passed a motion culminating its decision.

Moved by: T. Vegh

Seconded by: K. Aylwin

BOD-044-21 **Whereas** the Lake Simcoe Region Conservation Authority (the Authority) cannot refuse to grant permission for development, in accordance with Section 28.0.1 of the *Conservation Authorities Act*; and

Whereas the Authority's Board of Directors and staff, using a science-based approach to decision making and the Authority's Watershed Development Guidelines, would ordinarily require confirmation of no negative impact and mitigation and compensation for any impacts to the features through detailed studies and monitoring as part of the permit process; and

Whereas the only authorized power that the Authority's Board of Directors has at their discretion is the ability to add conditions to the permission to mitigate impacts to the control of flooding, erosion, pollution, and the conservation of land, and interference with the wetland or watercourse; and

Whereas the applicant has raised concerns with potential conditions that may be placed on their application and requested a hearing before the Board of Directors, which is taking place on March 26, 2021.

Resolved that Staff Report No. 12-21-BOD regarding Permission under O. Reg 179/06, Pursuant to Subsection 28.0.1 of the Conservation Authorities Act (Ministerial Zoning Order) 2639025 Ontario Inc. Oro Station Automotive Innovation Park be received; and

Further that the conditions to the permission as outlined in this report, which will form the core elements of the agreement between the proponent and the Authority be approved; and

Further that the Authority's Chief Administrative Officer be authorized to execute the agreement as required by the *Conservation Authorities Act*. **Carried**

The Board rose from Closed Session for a second time.

Moved by: W. Gaertner

Seconded by: A. Waters

BOD-045-21 **Resolved That** the Board rise from Closed Session. **Carried**

Chair Emmerson advised the applicant of the Hearing Board's decision to approve Staff Report No. 12-21-BOD without any changes to the conditions.

CAO Baldwin advised the applicant that the permit will be issued with the conditions but is not valid until the necessary agreement is signed. A reasons document will be prepared and sent to the applicant within a few days, and this reasons document is a key document that the applicant requires in order to request a Ministerial review of the Board Hearing's decision.

Moved by: M. Quirk

Seconded by: D. Barton

BOD-046-21 **Resolved That** the Directors move out of the Hearing Board and return to the general meeting. **Carried**

VII. Adjournment

Moved by: C. Pettingill

Seconded by: W. Gaertner

BOD-047-21 **Resolved That** the meeting be adjourned at 12:15 p.m. **Carried**

Original to be signed by:

Regional Chairman Wayne Emmerson
Chair

Original to be signed by:

Rob Baldwin
Chief Administrative Officer

Board of Directors' Meeting

Board of Directors' Meeting No. BOD-04-21

Friday, March 26, 2021

Held virtually via Zoom

Meeting Minutes

LSRCA Board Members Present

Regional Chairman W. Emmerson (Chair), Councillor K. Aylwin, Mayor D. Barton, Mayor B. Drew, Councillor A. Eek, Councillor W. Gaertner, Councillor R. Greenlaw, Mayor V. Hackson, Councillor S. Harrison-McIntyre, Councillor C. Pettingill, Mayor M. Quirk, Councillor C. Riepma, Regional Councillor T. Vegh, Councillor A. Waters, Councillor E. Yeo

LSRCA Board Members Absent

Councillor P. Ferragine (Vice Chair), Councillor K. Ferdinands and the Township of Ramara

LSRCA Staff Present

R. Baldwin, T. Barnett, M. Bessey, A. Brown, K. Cheney, K. Christensen, M. Critch, C. Currie, J. Doyley, C. Hawson, B. Kemp, K. Kennedy, N. Knight, B. Longstaff, G. MacMillan, M. Maertens, S. McKinnon, K. Nesbitt, M. Rosato, K. Toffan, S. Troan, K. Yemm, K. Zeppieri

Guests in Attendance

A. Dedora

I. Land Acknowledgement

II. Declarations of Pecuniary Interest or Conflict of Interest

Mayor Quirk declared a conflict of interest on Item XII(c), an update being provided on a legal matter in Closed Session, due to a resolution passed by her municipality to take legal action against the Authority in this matter.

III. Approval of Agenda

Moved by: C. Riepma

Seconded by: S. Harrison-McIntyre

BOD-048-21 **Resolved That** the content of the Agenda for the March 26, 2021 meeting of the Board of Directors be approved as presented. **Carried**

IV. Adoption of Minutes

a) Board of Directors

Moved by: B. Drew

Seconded by: V. Hackson

BOD-049-21 **Resolved That** the minutes of the Board of Directors' Meeting, No. BOD-02-21, held on Friday, February 26, 2021 be approved as circulated. **Carried**

V. Announcements

- a) Chair Emmerson welcomed new Board member, Councillor Cria Pettingill, who has been appointed by the Regional Municipality of Durham to represent the Township of Brock. Board members introduced themselves and welcomed Councillor Pettingill to the Board.
- b) Director, Corporate Communications & Engagement, Kristen Yemm, provided an update on the Annual Conservation Awards, noting that similar to 2020, it is believed there will not be a physical event in 2021 due to the pandemic. Staff are working on developing a virtual awards celebration, and more details will be provided as they become available.
- c) Chief Administrative Office, Rob Baldwin, referenced the wave uprush event from a few years back that caused a lot of damage on the east side of the lake and was pleased to advise that a new webpage, the [Lake Simcoe Shoreline Status](#) has been added to the Authority's website, where a variety of information can be found on current weather-related conditions.

VI. Presentations

a) 4th Quarter Financial Report and 2021 Proposed Capital and Operating Budget

General Manager, Corporate Financial Services/CFO, Mark Critch, provided an overview of the Authority's 4th Quarter financial results and the 2021 Proposed Capital and Operating Budget, noting much more information can be found in the two staff reports that accompany this presentation.

Highlights and results of 2020 included an operational deficit of \$203K, which was much lower than anticipated at the end of the third quarter; an additional reserve draw of \$134K for work at Scanlon Creek Operations Centre; some surplus from the offsetting operational programming that enabled the return of \$212K to reserves; some capital budget variances, the majority of which were due to timing issues; and a decrease in return on investments due to lower interest rates. A procurement summary shows \$1.2M for 87 purchase orders; and an offsetting summary shows \$155K spent on offsetting projects in 2020, and a deferred balance anticipated

to be spent on offsetting projects in 2021 and beyond. He reviewed the status of major project work in 2020 and provided an update on reserves.

Moving on to 2021, GM Critch noted the audited financial statements will be coming to the Board in April, annual operating priorities for 2021 have been developed, and the 2021 Budget is ready to be approved by the Board of Directors. The 2021 Budget is within the guidelines approved by the Board in July 2020 and is in line with targets set by the funding municipalities. Budget presentations were provided to partner municipalities who requested a presentation, and our Budget-at-a-Glance document was provided to all partners. He noted that at this time, approval of the 2021 Budget has been received from eight of the nine funders, and approval from the ninth funder remains outstanding.

To view this presentation, please click this link: [2020 Results and 2021 Budget Presentation](#)

Moved by: A. Waters

Seconded by: E. Yeo

BOD-050-21 **Resolved That** the presentation by General Manager, Corporate and Financial Services / Chief Financial Officer, Mark Critch, regarding the Authority's 4th Quarter Financial Report and the 2021 Proposed Capital and Operating Budget be received for information. **Carried**

Staff Report No. 13-21-BOD regarding the Authority's 4th Quarter Unaudited Financial Report was included in the agenda.

Moved by: A. Waters

Seconded by: E. Yeo

BOD-051-21 **Resolved That** Staff Report No. 13-21-BOD regarding the Authority's Fourth Quarter Unaudited Financial Report for the period ending December 31, 2020 be received for information. **Carried**

Staff Report No. 14-21-BOD regarding the Authority's 2021 Proposed Capital and Operating Budget was included in the agenda.

Moved by: V. Hackson

Seconded by: B. Drew

BOD-052-21 **Resolved That** Staff Report No. 14-21-BOD regarding the Authority's 2021 Proposed Capital and Operating Budget be received; and

Further that the 2021 Proposed Capital and Operating Budget and all projects therein be adopted; and

Further that staff be authorized to enter into agreements and/or execute documents with private sector organizations, non-governmental organizations or governments and their agencies for the undertaking of projects for the benefit of The Authority and funded by the sponsoring organization or agency, including projects that have not been provided for in the approved budget; and

Further that as required by Ontario Regulation 139/96 (formerly O.S. 231/97), this recommendation and the accompanying budget documents, including the schedule of matching and non-matching levies, be approved by weighted vote. **Carried**

Representative	Partner Municipality	YEA	NAY	CVA
Councillor Keenan Aylwin	City of Barrie	X		8.38%
Mayor Dave Barton	Durham Region (Uxbridge)	X		1.91%
Mayor Bobbie Drew	Durham Region (Scugog)	X		1.91%
Councillor Avia Eek	York Region (King)	X		9.31%
Regional Chairman Wayne Emmerson	York Region (at Large)	X		9.31%
Councillor Ken Ferdinands	York Region (Whitchurch-Stouffville)	Absent		9.31%
Councillor Peter Ferragine	Town of Bradford West Gwillimbury	Absent		5.16%
Councillor Wendy Gaertner	York Region (Aurora)	X		9.31%
Councillor Randy Greenlaw	Township of Oro-Medonte	X		0.99%
Mayor Virginia Hackson	York Region (East Gwillimbury)	X		9.31%
Councillor Shira Harrison-McIntyre	Town of New Tecumseth	X		0.48%
Councillor Cria Pettingill	Durham Region (Brock)	X		1.91%
Mayor Margaret Quirk	York Region (Georgina)	X		9.31%
Councillor Clare Riepma	City of Barrie	X		8.38%
Regional Councillor Tom Vegh	York Region (Newmarket)	X		9.31%
Councillor Alex Waters	Town of Innisfil	X		4.46%
Councillor Emmett Yeo	City of Kawartha Lakes	X		0.36%
No representative appointed	Township of Ramara	Absent		0.90%
	Total			100.00%

VII. Hearings

There were no hearings at this meeting.

VIII. Deputations

There were no deputations at this meeting.

IX. Determination of Items Requiring Separate Discussion

No items were identified as items requiring separate discussion.

X. Adoption of Items not Requiring Separate Discussion

All items were identified under items not requiring separate discussion.

Moved by: T. Vegh

Seconded by: S. Harrison-McIntyre

BOD-053-21 **Resolved That** the following recommendations respecting the matters listed as “Items Not Requiring Separate Discussion” be adopted as submitted to the Board, and staff be authorized to take all necessary action required to give effect to same. **Carried**

1. Correspondence

BOD-054-21 **Resolved That** correspondence listed in the agenda as Items 1a) be received for information. **Carried**

2. BDO Canada LLP – Audit Planning Report for the 2020 Annual Audit

BOD-055-21 **Resolved That** Staff Report No. 15-21-BOD regarding the 2021 Audit Plan from BDO Canada LLP be received for information. **Carried**

3. Housekeeping Update to Planning and Development Fees Policy

BOD-056-21 **Resolved That** Staff Report No. 16-21-BOD regarding the Planning and Development Fees Policy be received; and

Further that the Planning and Development Fees Policy (Housekeeping Update) contained herein be approved for implementation effective April 1, 2021. **Carried**

4. Smoke-Free Conservation Area Policy

BOD-057-21 **Resolved That** Staff Report 17-21-BOD regarding a smoke-free policy within Authority properties and conservation areas be received; and

Further that staff be directed to implement a pilot project at Sheppard’s Bush Conservation Area; and

Further that staff be directed to pursue the possibility of implementing a smoke-free policy across all Authority properties. **Carried**

XI. Consideration of Items Requiring Separate Discussion

No items were identified under items requiring separate discussion.

XII. Closed Session

The Board moved to Closed Session to deal with confidential land and legal matters.

Moved by: A. Eek

Seconded by: W. Gaertner

BOD-058-21 **Resolved That** the Board move to Closed Session to deal with confidential land and legal matters; and

Further that the Chief Administrative Officer, members of the Executive Management Team, the Land Securement Officer, and the Coordinator BOD/CAO remain in the meeting for the discussion on Item a); and

Further that the Chief Administrative Officer, members of the Executive Management Team, and the Coordinator BOD/CAO remain in the meeting for the discussion on Items b) and c). **Carried**

The Board rose from Closed Session to report findings.

Moved by: A. Waters

Seconded by: A. Eek

BOD-059-21 **Resolved That** the Board rise from Closed Session and report findings. **Carried**

a) Confidential Land Matter

Moved by: C. Pettingill

Seconded by: D. Barton

BOD-060-21 **Resolved That** Confidential Staff Report No. 18-21-BOD regarding a confidential land matter be received; and

Further That the recommendations within the report be approved. **Carried**

b) Confidential Legal Matter

Moved by: S. Harrison-McIntyre

Seconded by: K. Aylwin

BOD-061-21 **Resolved That** the update on a confidential legal matter be received for information. **Carried**

c) Confidential Legal Matter

Moved by: S. Harrison-McIntyre

Seconded by: K. Aylwin

BOD-062-21 **Resolved That** the update on a confidential legal matter be received for information. **Carried**

XIII. Other Business

No other business was discussed.

XIV. Adjournment

Moved by: E. Yeo

Seconded by: D. Barton

BOD-063-21 **Resolved That** the meeting be adjourned at 1:32 p.m. **Carried**

Original to be signed by:

Original to be signed by:

Regional Chairman Wayne Emmerson
Chair

Rob Baldwin
Chief Administrative Officer

Staff Report

To: Board of Directors

From: Katherine Toffan, Manager of Finance

Date: April 6, 2021

Subject

2020 Draft Audited Financial Statements

Recommendation

That Staff Report No. 19-21-BOD regarding the Authority's 2020 Draft Audited Financial Statements be received; and

Further that the 2020 Draft Audited Financial Statements be approved; and

Further that the Appropriations to and from Reserves as outlined in Schedule 8 – Statement of Continuity of Reserves, of the 2020 Draft Audited Financial Statements be approved; and

Further that the pending 2020 Audited Financial Statements be distributed to the Minister of the Environment, Conservation and Parks and the Authority's banker, and be made available on the Authority's website.

Purpose of this Staff Report:

The purpose of this Staff Report No. 19-21-BOD is to update the Board of Directors regarding the review and adoption of the Authority's 2020 Draft Audited Statements and to receive approval for all recommended reserve appropriations.

Background:

The 2020 audit began with a preliminary review of the financial procedures in November 2020, followed by the final audit process taking place during March 2021 and final discussions in April. The audit process under the auditing standard CAS 560 – Subsequent Events will be completed upon approval by the Board of Directors of the final 2020 Audited Financial Statements. The Authority's auditors, BDO Canada LLP, will be in attendance to present the Audit Findings.

Issues:

The draft audited statements are presented in Attachment 1. There have been no financial changes to the information since the last board update and presentation on March 26, 2021.

Accounting standards require that an additional note disclosure related to the uncertainty due to COVID-19 be added to the statements for 2020.

Attachment 2 includes BDO Canada LLP's final audit report to the Board of Directors. This outlines the auditor's approach to the audit, materiality levels and the audit findings. It is important to note that there were no internal control deficiencies or unadjusted differences identified through the 2020 audit process. BDO Canada LLP's opinion is that the 2020 financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2020.

Relevance to Authority Policy:

It is a requirement under S.38 (1) of the *Conservation Authorities Act* that an annual audit on all accounts and transactions be carried out "by a person licensed under the *Public Accounting Act, 2004*". In keeping with the Authority's Policy, the audited financial statements have been prepared for the Board of Directors' review on April 23, 2021.

Impact on Authority Finances:

The detailed outline of the reserve (draws) and transfers that are summarized in Schedule 8 – Statement of Continuity of Reserves of the audited statements is below. This outline was previously provided in the Fourth Quarter 2020 Financial Update – Draft Unaudited Results report that was received by the Board on March 26, 2021.

	2020 Budget	2020 Results
Draft Appropriations to/(from) Reserve for 2020:		
Surplus/(Deficit) from Operations:		
Transfer Offsetting Program operational surplus – Restoration	-	138,919
Transfer Offsetting Program operational surplus - Corporate	-	72,801
Draw for additional work on Scanlon Creek Operation Centre Renovation	-	(133,559)
Operational (Deficit) - summary by Service Area in next section	-	(202,812)
Surplus/(Deficit) from Budgeted Reserve Decisions:		
Approved Draw for Purchase of Truck for Monitoring Program	(40,000)	-
Approved Draw for Purchase of Upgrades & Furniture - Scanlon Creek Operation Centre	(110,000)	-
Approved Draw for Scanlon Renovation - Approved in 2019	(600,000)	(600,000)
Approved Draw for Conservation Land Dump Truck	(70,000)	-
Approved Draw for Upgrades to HRIS – ADP Payroll System	(4,370)	-
Approved Draw for Computer Replacements	(26,000)	(18,205)

Draft Appropriations to/(from) Reserve for 2020:	2020 Budget	2020 Results
Surplus/(Deficit) from Budgeted Reserve Decisions (continued):		
Approved Draw for shortfall in Revenue due to Work to Rule	(4,300)	-
Approved Draw for Alcona Flood Relief Project	(26,221)	(4,970)
Approved Draw for Engagement Strategy Work	(30,000)	-
Approved Draw for Design Work for Signage	(10,000)	-
Approved Draw for OMERS buyback	(9,000)	(9,000)
Approved Draw for Purchase of Monitoring Equipment	(9,177)	-
Approved Transfer of Surplus from Solar Panel Revenue	7,500	9,308
Approved Transfer to Asset Management	178,135	118,503
Approved Transfer of Investment Interest	100,000	15,775
Sub-total: Changes from Budgeted Reserve Decisions	(653,433)	(488,588)
Net Change in Reserves	(653,433)	(613,240)

Summary and Recommendations:

It is therefore **Recommended That** Staff Report No. 19-21-BOD regarding the Authority's 2020 Draft Audited Financial Statements be received; and Further that the 2020 Draft Audited Financial Statements be approved; and Further that the Appropriations to and from Reserves as outlined in Schedule 8 – Statement of Continuity of Reserves, of the 2020 Draft Audited Financial Statements be approved; and Further that the pending 2020 Audited Financial Statements be distributed to the Minister of the Environment, Conservation and Parks and the Authority's banker, and be made available on the Authority's website.

Pre-Submission Review:

This Staff Report has been reviewed by the General Manager, Corporate & Financial Services/CFO and the Chief Administrative Officer.

Signed by:

Mark Critch

General Manager, Corporate and Financial Services, CFO

Signed by:

Rob Baldwin

Chief Administrative Officer

Attachments:

Appendix 1 – 2020 Draft Audited Financial Statements

Appendix 2 – Final Audit Report to the Board

**Lake Simcoe Region Conservation Authority
Financial Statements DRAFT
Year ended December 31, 2020**

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Independent Auditor's Report

To the Members of Lake Simcoe Region Conservation Authority

Opinion

We have audited the financial statements of Lake Simcoe Region Conservation Authority, which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lake Simcoe Region Conservation Authority as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Lake Simcoe Region Conservation Authority 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 these 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 Lake Simcoe Region Conservation Authority'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 Lake Simcoe Region Conservation Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Lake Simcoe Region Conservation Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Lake Simcoe Region Conservation Authority'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 Lake Simcoe Region Conservation Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Lake Simcoe Region Conservation Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants, Licensed Public Accountants

Newmarket, Ontario
April 12, 2021

**Lake Simcoe Region Conservation Authority
Statement of Financial Position DRAFT**

Year Ended December 31	2020	2019
Financial Assets		
Cash and cash equivalents	\$ 8,943,296	\$ 7,811,334
Accounts receivable and other assets (Note 4)	2,505,852	2,004,915
	<u>\$ 11,449,148</u>	<u>\$ 9,816,249</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 962,229	\$ 1,742,680
Obligations under capital lease (Note 5)	15,956	26,100
Deferred revenue (Note 6)	8,654,049	5,564,887
Vacation pay and lieu time accruals	88,442	132,787
	<u>9,720,676</u>	<u>7,466,454</u>
Net Financial Assets	<u>1,728,472</u>	<u>2,349,795</u>
Non Financial Assets		
Inventory of supplies and prepaid expenses	142,384	134,301
Tangible capital assets (net) (Schedule 10)	11,946,580	10,997,795
	<u>12,088,964</u>	<u>11,132,096</u>
Accumulated Surplus (Schedule 9)	<u>\$ 13,817,436</u>	<u>\$ 13,481,891</u>
Contingent liabilities (Note 10)	-	-

On behalf of the Board

Chair

Chief Administrative Officer/Secretary/Treasurer

See accompanying notes to the financial statements.

**Lake Simcoe Region Conservation Authority
Statement of Operations DRAFT**

Year Ended December 31	2020 Budget (Note 3)	2020 Actual	2019 Actual (Note 12)
Revenue:			
General Levy	\$ 4,008,822	\$ 4,008,823	\$ 3,898,491
Special Capital Levy & Municipal Partners	6,663,176	5,611,222	7,292,864
Provincial & Federal Funding	1,387,071	1,130,283	1,658,965
Revenue Generated by Authority	8,200,878	2,811,073	3,403,598
Other Revenue	194,775	143,300	368,452
Total Revenue	20,454,722	13,704,701	16,622,370
Expenses:			
Corporate Services	6,268,667	5,531,188	5,659,914
Ecological Management	5,031,970	2,041,187	2,849,728
Education & Engagement	664,893	559,634	575,189
Greenspace Services	821,515	936,198	894,229
Planning & Development Services	3,854,997	3,343,957	3,372,793
Water Risk Management	4,241,390	1,848,035	2,450,684
Watershed Studies & Strategies	1,412,744	1,097,018	1,804,257
Total Gross Expenses:	22,296,176	15,357,217	17,606,794
Expenses included above related to:			
Tangible Capital Assets	-	1,269,440	1,516,473
Internal Fee for Service	1,188,024	1,039,276	1,110,801
Expenses before Amortization	21,108,152	13,048,501	14,979,520
Amortization	-	320,655	343,920
	21,108,152	13,369,156	15,323,440
Net surplus (deficit) for the year	\$ (653,430)	\$ 335,545	\$ 1,298,930

See accompanying notes to the financial statements.

Lake Simcoe Region Conservation Authority
Statement of Changes in Net Financial Assets DRAFT

Year Ended December 31	2020 Budget (Note 3)	2020 Actual	2019 Actual
Net surplus (deficit) for the year	\$ (653,430)	\$ 335,545	\$ 1,298,930
Acquisition of tangible capital assets - net	-	(1,269,440)	(1,516,473)
Acquisition of capital leases	-	-	(13,206)
Disposal of tangible capital assets	-	-	1,378
Amortization of tangible capital assets	-	320,655	343,920
Change in inventory and prepaid expenses	-	(8,083)	12,619
Increase (decrease) in net financial assets	(653,430)	(621,323)	127,168
Net financial assets, beginning of year	2,349,795	2,349,795	2,222,627
Net financial assets, end of year	<u>\$ 1,696,365</u>	<u>\$ 1,728,472</u>	<u>\$ 2,349,795</u>

See accompanying notes to the financial statements.

Lake Simcoe Region Conservation Authority

Statement of Cash Flows DRAFT

Year Ended December 31	2020 Actual	2019 Actual
Operations:		
Net surplus for the year	\$ 335,545	\$ 1,298,930
Items not involving cash		
Amortization	320,655	343,920
Gain on disposal of Tangible Capital Assets	-	(3,153)
Change in non-cash operating balances		
(Increase) in Accounts Receivable and Other Assets	(500,937)	(352,390)
(Increase) Decrease in Inventory and Prepaid Expenses	(8,083)	12,619
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(780,451)	727,441
(Decrease) in Obligations under Capital Lease	(10,144)	(9,335)
(Decrease) in Security Deposits	-	(71,500)
(Decrease) in Vacation Pay and Lieu Time Accruals	(44,345)	(8,684)
Increase in Deferred Revenue	3,089,162	296,352
	<u>2,401,402</u>	<u>2,234,200</u>
Capital Transactions:		
Proceeds on disposition of Tangible Capital Assets	-	4,531
Addition to Tangible Capital Assets	(1,269,440)	(1,516,473)
	<u>(1,269,440)</u>	<u>(1,511,942)</u>
Net Increase in Cash and Cash Equivalents	1,131,962	722,258
Cash and Cash Equivalents, beginning of year	<u>7,811,334</u>	<u>7,089,076</u>
Cash and Cash Equivalents, end of year	<u>\$ 8,943,296</u>	<u>\$ 7,811,334</u>

See accompanying notes to the financial statements.

Lake Simcoe Region Conservation Authority

Notes to the Financial Statements DRAFT

December 31, 2020

1. Nature of operations

The Lake Simcoe Region Conservation Authority (the “Authority”) was established on September 6, 1951 by Order-in-Council No. OC-1723-51, in accordance with Section 3(1) of the Conservation Authorities Act of Ontario. The objectives of the Authority as stated in Section 20(1) of the Conservation Authorities Act R.S.O. 1990 are, “to provide, in the area over which it has jurisdiction, programs and services designed to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals.”

2. Summary of significant accounting policies

Management responsibility

The financial statements of the Authority are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

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.

Various revenue and expense items flow through the statement of financial activities based on their general nature in relation to operating activities. To the extent that these revenue and expense items relate to specific reserve balances, these items are reflected on Schedule 8 – Statement of Continuity of Reserves.

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.

Lake Simcoe Region Conservation Authority

Notes to the Financial Statements DRAFT

December 31, 2020

2. Summary of significant accounting policies (*continued*)

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. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and recognized as revenue. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives commencing once the asset is available for productive use as follows:

Land Improvements	20 years
Building and Building Improvements	20 to 40 years
Furniture and Fixtures	20 to 25 years
Machinery and Equipment	4 to 10 years
Vehicles	5 to 10 years
Computers and Computer Software	4 to 10 years
Infrastructure	20 to 55 years

Leased Tangible Capital Assets

A lease that transfers substantially all of the benefits and risks of ownership to the lessee is recorded as a tangible capital asset at the incurrence of a lease obligation. At inception, a tangible capital asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments, excluding executory costs, and the leased property's fair value at the beginning of the lease. The discount rate used to determine the present value of the lease payments is the lower of the rate of incremental borrowing or the interest rate implicit in the lease. Leased tangible capital assets are amortized on a straight-line basis as follows:

Office Equipment	4 years
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Cash and cash equivalents

The Authority considers deposits in banks and short-term investments with maturities of three months or less as cash and cash equivalents.

Lake Simcoe Region Conservation Authority

Notes to the Financial Statements DRAFT

December 31, 2020

2. Summary of significant accounting policies (*continued*)

Vacation pay and lieu time liability

Vacation credits earned but not taken and lieu time entitlements are accrued as earned.

Reserves

Reserves for future expenses and contingencies are established and approved for use as required at the discretion of the Board of Directors. Increases or decreases in these reserves are made by appropriations to or from operations.

Government transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Deferred revenue

The Authority receives certain restricted amounts, the proceeds of which may only be used in the conduct of certain programs or completion of specific work or for the purchase of tangible capital assets. These externally restricted amounts are recognized as revenue in the fiscal year the related expenses are incurred, assets are acquired or services are performed.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. The principal estimates used in the preparation of these financial statements include the useful life and valuation of tangible capital assets, significant accruals, and deferred revenue. Actual results could differ from management's best estimates as additional information becomes available in the future.

Lake Simcoe Region Conservation Authority

Notes to the Financial Statements DRAFT

December 31, 2020

2. Summary of significant accounting policies (*continued*)

Retirement benefits and other employee benefit plans

The Authority is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Authority has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Authority records the amount paid to OMERS during the year.

Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the Authority is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

3. Budget figures

The approved budget for 2020 is provided for comparison purposes on the statement of operations. Certain programs or specific projects budgeted for in the year were not completed as at December 31 and therefore a direct comparison of actual versus budget amounts for expenditures may not be appropriate.

The 2020 budget was approved by the Board of Directors when the municipal levy was set on April 3, 2020.

The budgeted numbers are unaudited.

**Lake Simcoe Region Conservation Authority
Notes to the Financial Statements DRAFT**

December 31, 2020

4. Accounts receivable and other assets

	2020	2019
Accounts receivable	\$ 2,438,414	\$ 1,686,147
Due from Lake Simcoe Conservation Foundation	67,438	204,786
HST receivable	-	113,982
	\$ 2,505,852	\$ 2,004,915

5. Obligations Under Capital Leases

	2020	2019
Obligation under a capital lease for a Sharp MX4070N Copier, maturing May 2022 with monthly payments of \$280.	\$ 4,480	\$ 7,846
Obligation under a capital lease for a Sharp MX4070N Copier, maturing February 2022 with monthly payments of \$290.	3,770	7,250
Obligation under a capital lease for a Sharp MX4071 Copier, maturing April 2023 with monthly payments of \$275.	7,706	11,004
	\$ 15,956	\$ 26,100

Future minimum lease payments under the capital leases for subsequent years are as follows:

2021	10,140
2022	4,710
2023	1,106
	\$ 15,956

**Lake Simcoe Region Conservation Authority
Notes to the Financial Statements DRAFT**

December 31, 2020

6. Deferred revenue

Deferred revenue consists of funds held for the following projects and programs:

	2020	2019
Government and Other Funding:		
Ministry of the Environment, Conservation and Parks	\$ 153,844	\$ 5,928
Cash in lieu and compensation funds	6,807,665	4,183,187
Holland Marsh Tile Outlet	-	208
Restoration Projects	6,444	30,321
Planning and Regulations	203,300	94,338
Macro-Economic Study	-	80,577
Conservation Area Maintenance	-	14,331
Watershed Planning	-	4,241
Special Capital Programs:		
Facility Management	138,249	343,803
Governance	18,070	32,845
Human Resource Management	62,307	59,991
Information Management	22,316	22,316
Ecosystem Science & Monitoring	40,407	42,850
Forestry Services	101,927	68,564
Ecological Restoration & Regeneration	213,927	126,391
Greenspace Maintenance & Management	12,129	-
Flood Management & Warning	352,940	193,144
Water Management & Restoration	209,534	92,171
Water Science & Monitoring	20,327	20,327
Climate Change Adaptation	56,658	18,008
Watershed & Subwatershed Planning	117,230	38,938
Research & Innovation	116,775	92,408
	\$ 8,654,049	\$ 5,564,887

Lake Simcoe Region Conservation Authority

Notes to the Financial Statements DRAFT

December 31, 2020

7. Financial instruments

The fair values of cash, and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and vacation pay and lieu time accruals approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

8. Pension agreement

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 pension plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

OMERS provide pension services to approximately 500,000 active and retired members and approximately 1000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2020. The results of this valuation disclosed total actuarial liabilities of \$113 billion in respect of benefits accrued for service with actuarial assets at that date of \$109.8 billion indicating an actuarial funding deficit of \$3.2 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the authority does not recognize any share of the OMERS pension surplus or deficit.

Contributions made by the Authority to OMERS for 2020 were \$902,983 (2019 - \$888,902).

9. Credit facility

The Authority maintains an operating line facility with an operating limit of \$500,000 that bears interest at the prime rate (2.45%) and is due on demand. As of December 31, 2020, no balance was payable under this facility.

Lake Simcoe Region Conservation Authority

Notes to the Financial Statements DRAFT

December 31, 2020

10. Contingent liabilities

Certain unresolved legal claims are outstanding against the Authority at December 31, 2020. No amounts have been accrued in the financial statements for any potential losses arising from these claims as the Authority anticipates any individual settlements will not exceed the limits of insurance coverage or the outcomes are not determined at this time.

11. Related party transactions

The Lake Simcoe Region Conservation Authority exercises economic interest over the Lake Simcoe Conservation Foundation as the Foundation was established to raise funds and obtain resources for the exclusive use of the Authority. During the year, the Authority received \$132,930 (2019 - \$568,127) from the Foundation towards specific program deliverables. Additionally, the Authority received from the Foundation \$305,770 (2019 - \$329,123) for expense reimbursement of Foundation related expenses. These transactions are measured at cost.

12. Comparative information

Certain comparative amounts have been re-classified to conform to the financial statement presentation adopted in the current year. Management has chosen to reclassify these amounts for better comparison with the Budgeted amounts.

13. Uncertainty Due to COVID-19

In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations.

Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

Lake Simcoe Region Conservation Authority
Schedule 1 – Corporate Services DRAFT

Year Ended December 31	2020 Budget (Note 3)	2020 Actual	2019 Actual (Note 12)
Revenue:			
General Levy	\$ 2,735,450	\$ 2,735,450	\$ 2,688,738
Special Capital Levy & Municipal Partners	1,368,203	1,296,037	2,120,727
Provincial & Federal Funding	-	1,962	1,962
Revenue Generated by Authority	306,838	165,017	122,849
Other Revenue	108,444	41,672	156,247
Total Revenue:	<u>4,518,935</u>	<u>4,240,138</u>	<u>5,090,523</u>
Expenses:			
Corporate Communications	731,912	637,611	650,099
Facility Management	1,929,694	1,591,278	1,703,653
Financial Management	1,275,609	1,039,637	1,097,445
Governance	673,532	668,746	623,716
Human Resource Management	509,431	462,019	450,271
Information Management	1,148,489	1,131,897	1,134,730
Total Gross Expenses:	<u>6,268,667</u>	<u>5,531,188</u>	<u>5,659,914</u>
Expenses included above related to:			
Tangible Capital Assets	-	1,192,077	1,066,075
Internal Fee for Service	1,064,974	895,908	887,131
Expenses before Amortization	5,203,693	3,443,203	3,706,708
Amortization	-	320,655	343,920
	<u>5,203,693</u>	<u>3,763,858</u>	<u>4,050,628</u>
Net surplus (deficit) for the year	<u>\$ (684,758)</u>	<u>\$ 476,280</u>	<u>\$ 1,039,895</u>

**Lake Simcoe Region Conservation Authority
Schedule 2 – Ecological Management DRAFT**

Year Ended December 31	2020 Budget (Note 3)	2020 Actual	2019 Actual (Note 12)
Revenue:			
General Levy	\$ 10,960	\$ 10,960	\$ 9,454
Special Capital Levy & Municipal Partners	1,899,868	1,500,438	1,860,627
Provincial & Federal Funding	360,165	258,699	239,021
Revenue Generated by Authority	2,796,643	139,363	491,540
Other Revenue	8,000	26,273	48,015
Total Revenue:	<u>5,075,636</u>	<u>1,935,733</u>	<u>2,648,657</u>
Expenses:			
Ecosystem Science & Monitoring	881,935	798,693	850,213
Forestry Services	605,252	414,973	516,308
Restoration & Regeneration	3,544,783	827,521	1,483,207
Total Gross Expenses:	<u>5,031,970</u>	<u>2,041,187</u>	<u>2,849,728</u>
Expenses included above related to:			
Tangible Capital Assets	-	39,777	401,899
Internal Fee for Service	4,000	37,909	87,493
	<u>4,000</u>	<u>37,909</u>	<u>87,493</u>
Expenses before Amortization	5,027,970	1,963,501	2,360,336
Amortization	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,027,970</u>	<u>1,963,501</u>	<u>2,360,336</u>
Net surplus (deficit) for the year	\$ 47,666	\$ (27,768)	\$ 288,321

**Lake Simcoe Region Conservation Authority
Schedule 3 – Education & Engagement DRAFT**

Year Ended December 31	2020 Budget (Note 3)	2020 Actual	2019 Actual (Note 12)
Revenue:			
General Levy	\$ 333,180	\$ 333,180	\$ 316,313
Revenue Generated by Authority	285,413	161,164	273,459
Other Revenue	-	-	6,102
Total Revenue:	618,593	494,344	595,874
Expenses:			
Community Programming	137,675	32,734	89,201
School Programming	527,218	526,900	435,076
Training & Development	-	-	50,912
Total Gross Expenses:	664,893	559,634	575,189
Expenses included above related to:			
Tangible Capital Assets	-	-	-
Internal Fee for Service	42,000	38,481	10,720
Expenses before Amortization	622,893	521,153	564,469
Amortization	-	-	-
	622,893	521,153	564,469
Net surplus (deficit) for the year	\$ (4,300)	\$ (26,809)	\$ 31,405

Lake Simcoe Region Conservation Authority
Schedule 4 – Greenspace Services DRAFT

Year Ended December 31	2020 Budget (Note 3)	2020 Actual	2019 Actual (Note 12)
Revenue:			
General Levy	\$ 336,758	\$ 336,758	\$ 304,692
Special Capital Levy & Municipal Partners	349,980	371,774	441,716
Revenue Generated by Authority	58,446	55,553	88,380
Other Revenue	18,331	31,591	10,618
Total Revenue:	<u>763,515</u>	<u>795,676</u>	<u>845,406</u>
Expenses:			
Management	637,026	771,885	703,316
Property Services	80,476	36,406	79,592
Securement	104,013	127,907	111,321
Total Gross Expenses:	<u>821,515</u>	<u>936,198</u>	<u>894,229</u>
Expenses included above related to:			
Tangible Capital Assets	-	31,731	-
Internal Fee for Service	58,000	53,139	65,796
	<u>-</u>	<u>31,731</u>	<u>-</u>
Expenses before Amortization	763,515	851,328	828,433
Amortization	-	-	-
	<u>763,515</u>	<u>851,328</u>	<u>828,433</u>
Net surplus (deficit) for the year	\$ <u>-</u>	\$ <u>(55,652)</u>	\$ <u>16,973</u>

Lake Simcoe Region Conservation Authority
Schedule 5 – Planning & Development Services DRAFT

Year Ended December 31	2020 Budget (Note 3)	2020 Actual	2019 Actual (Note 12)
Revenue:			
General Levy	\$ 485,438	\$ 485,438	\$ 484,763
Special Capital Levy & Municipal Partners	462,496	462,308	390,499
Provincial & Federal Funding	100,522	121,883	170,469
Revenue Generated by Authority	2,720,320	1,958,279	2,167,752
Other Revenue	60,000	30,000	71,500
Total Revenue:	<u>3,828,776</u>	<u>3,057,908</u>	<u>3,284,983</u>
Expenses:			
Development Planning	2,247,977	2,034,296	1,657,137
Environmental Compliance Approvals	-	-	132,162
Permitting & Enforcement	1,607,020	1,309,661	1,583,494
Total Gross Expenses:	<u>3,854,997</u>	<u>3,343,957</u>	<u>3,372,793</u>
Expenses included above related to:			
Tangible Capital Assets	-	-	-
Internal Fee for Service	-	-	-
Expenses before Amortization	3,854,997	3,343,957	3,372,793
Amortization	-	-	-
	<u>3,854,997</u>	<u>3,343,957</u>	<u>3,372,793</u>
Net surplus (deficit) for the year	<u>\$ (26,221)</u>	<u>\$ (286,049)</u>	<u>\$ (87,810)</u>

**Lake Simcoe Region Conservation Authority
Schedule 6 – Water Risk Management DRAFT**

Year Ended December 31	2020 Budget (Note 3)	2020 Actual	2019 Actual (Note 12)
Revenue:			
General Levy	\$ 98,144	\$ 98,144	\$ 94,531
Special Capital Levy & Municipal Partners	1,449,946	1,033,284	1,378,275
Provincial & Federal Funding	719,323	645,514	645,632
Revenue Generated by Authority	1,953,977	252,456	238,859
Other Revenue	-	5,924	5,700
Total Revenue:	<u>4,221,390</u>	<u>2,035,322</u>	<u>2,362,997</u>
Expenses:			
Flood Management & Warning	440,612	314,699	381,717
Source Water Protection	677,382	604,064	528,634
Water Management & Restoration	2,585,871	482,361	1,065,605
Water Science & Monitoring	537,525	446,911	474,728
Total Gross Expenses:	<u>4,241,390</u>	<u>1,848,035</u>	<u>2,450,684</u>
Expenses included above related to:			
Tangible Capital Assets	-	5,855	48,499
Internal Fee for Service	19,050	13,839	49,515
	<u>19,050</u>	<u>13,839</u>	<u>49,515</u>
Expenses before Amortization	4,222,340	1,828,341	2,352,670
Amortization	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4,222,340</u>	<u>1,828,341</u>	<u>2,352,670</u>
Net surplus (deficit) for the year	<u>\$ (950)</u>	<u>\$ 206,981</u>	<u>\$ 10,327</u>

Lake Simcoe Region Conservation Authority
Schedule 7 – Watershed Studies & Strategies DRAFT

Year Ended December 31	2020 Budget (Note 3)	2020 Actual	2019 Actual (Note 12)
Revenue:			
General Levy	\$ 8,892	\$ 8,893	\$ -
Special Capital Levy & Municipal Partners	1,132,683	947,381	1,101,020
Provincial & Federal Funding	207,061	102,225	601,881
Revenue Generated by Authority	79,241	79,241	20,759
Other Revenue	-	7,840	70,270
Total Revenue:	<u>1,427,877</u>	<u>1,145,580</u>	<u>1,793,930</u>
Expenses:			
Climate Change Adaptation	191,178	151,359	215,816
Research & Innovation	693,267	606,540	1,102,595
Watershed Subwatershed Planning	528,299	339,119	485,846
Total Gross Expenses:	<u>1,412,744</u>	<u>1,097,018</u>	<u>1,804,257</u>
Expenses included above related to:			
Tangible Capital Assets	-	-	-
Internal Fee for Service	-	-	10,146
	<u>-</u>	<u>-</u>	<u>10,146</u>
Expenses before Amortization	1,412,744	1,097,018	1,794,111
Amortization	-	-	-
	<u>1,412,744</u>	<u>1,097,018</u>	<u>1,794,111</u>
Net surplus (deficit) for the year	<u>\$ 15,133</u>	<u>\$ 48,562</u>	<u>\$ (181)</u>

Lake Simcoe Region Conservation Authority
Schedule 8 – Statement of Continuity of Reserves DRAFT

Year Ended December 31

Reserve Category	Opening Balance January 1, 2020	Appropriations to/(from) Reserve	Ending Balance December 31, 2020
Asset Management	\$ 1,094,778	(623,953)	\$ 470,825
Working Capital	\$ 550,318	-	\$ 550,318
Rate Stabilization	\$ 849,151	10,713	\$ 859,864
Restricted	\$ 33,787	-	\$ 33,787
Grand Total	\$ 2,528,034	(613,240)	\$ 1,914,794

Lake Simcoe Region Conservation Authority
Schedule 9 – Schedule of Accumulated Surplus DRAFT

Year Ended December 31	2020 Actual	2019 Actual
Opening Accumulated Surplus	\$ 13,481,891	\$ 12,182,961
Current Year Surplus	335,545	1,298,930
Ending Accumulated Surplus	<u>13,817,436</u>	<u>13,481,891</u>
Accumulated Surplus consists of:		
Tangible Capital Assets (net)	11,946,580	10,997,795
Unfunded Capital Leases	(43,938)	(43,938)
Reserves (Schedule 8)	<u>1,914,794</u>	<u>2,528,034</u>
Ending Accumulated Surplus	\$ 13,817,436	\$ 13,481,891

**Lake Simcoe Region Conservation Authority
Schedule 10 – Schedule of Tangible Capital Assets DRAFT**

December 31, 2020

	Land	Land Improvements	Building & Building Improvements	Computer & Computer Software	Furniture & Fixtures	Machinery & Equipment	Vehicles	Infrastructure	Work in Process	2020	2019
Cost											
Opening Balance	\$ 5,815,559	\$ 612,053	\$ 5,475,166	\$ 1,278,848	\$ 382,619	\$ 754,341	\$ 374,294	\$ 421,420	\$ 1,295,167	\$ 16,409,467	\$ 15,134,831
Additions	-	121,877	2,397,076	27,761	-	5,855	-	12,038	1,208,559	3,773,166	1,529,679
Disposals	-	-	-	(87,071)	-	-	-	-	(2,503,726)	(2,590,797)	(255,043)
Ending Balance	5,815,559	733,930	7,872,242	1,219,538	382,619	760,196	374,294	433,458	-	17,591,836	16,409,467
Accumulated Amortization											
Opening Balance	-	136,391	3,000,814	1,121,881	184,827	521,595	265,056	181,108	-	5,411,672	5,321,417
Amortization	-	30,620	109,929	79,004	18,808	51,690	21,339	9,265	-	320,655	343,920
Disposals	-	-	-	(87,071)	-	-	-	-	-	(87,071)	(253,665)
Ending Balance	-	167,011	3,110,743	1,113,814	203,635	573,285	286,395	190,373	-	5,645,256	5,411,672
Net Book Value	\$ 5,815,559	\$ 566,919	\$ 4,761,499	\$ 105,724	\$ 178,984	\$ 186,911	\$ 87,899	\$ 243,085	-	\$ 11,946,580	\$ 10,997,795



LAKE SIMCOE REGION CONSERVATION AUTHORITY

AUDIT FINAL REPORT TO THE BOARD OF DIRECTORS

April 23, 2021

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SUMMARY

Our audit and therefore this report will not necessarily identify all matters that may be of interest to the Board of Directors in fulfilling its responsibilities. This report has been prepared solely for the use of the Board of Directors and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.



Status of the Audit

As of the date of this report, we have substantially completed our audit of the 2020 financial statements, pending completion of the following items:

- ▶ Receipt of signed management representation letter
- ▶ Subsequent events review through to financial statement approval date
- ▶ Approval of financial statements by the Board of Directors

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement. See [Appendix A](#) for our draft independent auditor's report.

The scope of the work performed was substantially the same as that described in our Planning Report to the Board of Directors dated February 26, 2021.



Materiality

As communicated to you in our Planning Report to the Board of Directors, preliminary materiality was \$415,000. Final materiality was \$397,000.



Audit Findings

Our audit focused on the risks specific to your business and key accounts. Our discussion points below focus on areas of significant risks of material misstatement, or the following items:

- ▶ Management Override of Controls
- ▶ Grant Revenue Recognition and Pressure to Maintain Funding



Internal Control Matters

We are required to report to you in writing, any significant deficiencies in internal control that we have identified. The specifics of this communication are included in our report below. No control deficiencies were noted that, in our opinion, are of significant importance to discuss with those charged with governance.



Independence

Our annual letter confirming our independence was previously provided to you. We know of no circumstances that would cause us to amend the previously provided letter.



Adjusted and Unadjusted Differences

No unadjusted differences were identified through the course of our audit engagement. Should the Board of Directors agree with the assessment, we do not propose further adjustments.



Management Representations

During the course of our audit, management made certain representations to us. These representations were verbal or written and therefore explicit, or they were implied through the financial statements. Management provided representations in response to specific queries from us, as well as unsolicited representations. Such representations were part of the evidence gathered by us to be able to draw reasonable conclusions on which to base our audit opinion. These representations were documented by including in the audit working papers memoranda of discussions with management and written representations received from management.

A copy of the management representation letter which summarized the representations we have requested from management will be provided.



Fraud Discussion

Through our planning process, and current and prior years' audits, we have developed an understanding of your oversight processes. We are not currently aware of any fraud affecting the Authority.

If you are aware of changes to processes or are aware of any instances of actual, suspected or alleged fraud affecting the Authority since our discussions held at planning, we request that you provide us with this information.

Please refer to the Auditor's Responsibilities for Detecting Fraud in the Planning Report to the Board of Directors.

AUDIT FINDINGS

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Authority's accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In order to have a frank and open discussion, these matters will be discussed verbally with you. A summary of the key discussion points are as follows:

SIGNIFICANT RISKS OF MATERIAL MISSTATEMENT	RISKS NOTED	AUDIT FINDINGS
Management Override of Control	Management is in a unique position to perpetrate fraud because of management’s ability to directly or indirectly manipulate accounting records or prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	In accordance with auditing standards, BDO has performed specific procedures that include testing journal entries, reviewing accounting estimates for biases, and obtaining and evaluating the business rationale for transactions that are outside the normal course of business for the Authority, if any.
Grant Revenue Recognition and Pressure to Maintain Funding	Due to the nature of the Authority, there are many journal entries between deferred revenue and revenue, and with the government transfers standard requirement to meet specific criteria to be deferred or recognized as revenue this area has been determined to be a significant risk.	BDO performed substantive audit procedures on deferred revenue from grants. Thresholds for cut-off testing were lowered, completeness of accruals was examined, and journal entries recorded between projects were reviewed.

INTERNAL CONTROL MATTERS

During the course of our audit, we performed the following procedures with respect to the Authority's internal control environment:

- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.

The results of these procedures were considered in determining the extent and nature of substantive audit testing required.

We are required to report to you in writing, significant deficiencies in internal control that we have identified during the audit. A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

As the purpose of the audit is for us to express an opinion on the Authority's financial statements, our audit cannot be expected to disclose all matters that may be of interest to you. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

No control deficiencies were noted that, in our opinion, are of significant importance to discuss with those charged with governance.

OTHER REQUIRED COMMUNICATIONS

Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.

- BDO Response: No such items noted.

Material uncertainties related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern.

- BDO Response: No such items noted.

Disagreements with management about matters that, individually or in the aggregate, could be significant to the entity's financial statements or our audit report.

- BDO Response: No such instances noted.

Matters involving non-compliance with laws and regulations.

- BDO Response: No such instances noted.

Significant related party transactions that are not in the normal course of operations and which involve significant judgments made by management concerning measurement or disclosure.

- BDO Response: No such items noted.

Management consultation with other accountants about significant auditing and accounting matters.

- BDO Response: No such instances noted.

Other Matters

- BDO Response: No other matters noted.

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the attached table summarizes these additional required communications.

APPENDICES

Appendix A: Independent auditor's report

Appendix B: BDO resources

APPENDIX A: INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Members of Lake Simcoe Region Conservation Authority

Opinion

We have audited the financial statements of Lake Simcoe Region Conservation Authority, which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lake Simcoe Region Conservation Authority as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Lake Simcoe Region Conservation Authority 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 these 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 Lake Simcoe Region Conservation Authority'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 Lake Simcoe Region Conservation Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Lake Simcoe Region Conservation Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Lake Simcoe Region Conservation Authority'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 Lake Simcoe Region Conservation Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Lake Simcoe Region Conservation Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants, Licensed Public Accountants

Newmarket, Ontario
April 23, 2021

APPENDIX B: BDO RESOURCES

BDO is a leading provider of professional services to clients of all sizes in virtually all business sectors. Our team delivers a comprehensive range of assurance, accounting, tax, and advisory services, complemented by a deep industry knowledge gained from nearly 100 years of working within local communities. As part of the global BDO network, we are able to provide seamless and consistent cross-border services to clients with global needs. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

Outlined below is a summary of certain BDO resources, which may be of interest to the Board of Directors.

PSAS KNOWLEDGE CENTRE

BDO's national and global accounting and assurance departments issue publications on the application of Public Sector Accounting Standards (PSAS). These include PSAS at a glance Series of Publications, and PSAB Updates.

For additional information on PSAS and links to archived publications and model financial statements, please refer to the following link: https://www.bdo.ca/BDO/media/FRS/PSAS/NTL_AA_21Oct20_PSAS-Update_Final.pdf

COVID-19 UPDATES

<https://www.bdo.ca/en-ca/covid-19/home/>

Above is our BDO Canada home page for COVID-19 for all the latest news and updates.

BOARD OF DIRECTORS RESOURCE CENTRE

Board members are essential to the ongoing success of a not-for-profit organization. Their knowledge and guidance help ensure all the moving parts of the organization are functioning at optimal levels.

Supporting key activities is fundamental to a board member's role and for this reason, it's important to be proficient across the ongoing issues facing the sector—to confidently ask the right questions and make the appropriate recommendations.

BDO presents its Not-for-Profit Resource Centre focused on key areas of consideration for not-for-profit board members—with a focus on addressing key issues across the Not-for-Profit sector.

[Click here to visit our resource centre](#)

Some of the specific issues include:

- Fraud
- Financial Literacy
- Governance
- Strategic Planning
- Crisis Management



April 1, 2021

Via email @ minister.mecp@ontario.ca

The Honourable Jeff Yurek
Minister
Ministry of Environment, Conservation and Parks

Dear Minister Yurek:

Re: Lake Simcoe Region Conservation Authority Board of Directors' Composition

I am pleased to provide the following information in response to your request regarding Board of Directors' Composition. The LSRCA Board is currently comprised of 18 members, all of whom are members of their respective councils and/or Regional council. There are currently no private citizen appointees to the Board.

The Board membership was reduced significantly in 1991 at the request of the Minister of Natural Resources. The membership was reduced from 28 to 16, which included two provincial appointees at that time. Attached are the relevant Board reports, minutes, and correspondence with the Ministers in the latter part of 1991, which outlines the Board composition as a result. The two provincial appointees were eliminated in 1995 with changes to the *Conservation Authorities Act* at that time.

The LSRCA has gone through a series of jurisdictional expansions post 1991, which added additional members to the Board culminating in the current 18-member Board that exists today. A synopsis of the LSRCA's jurisdictional expansion is also attached for your reference.

Board Composition:

Regional Municipality of York

- The current membership consists of seven members. One member each representing the Towns of Aurora, Newmarket, King, East Gwillimbury, Whitchurch-Stouffville and Georgina. One member representing York Region at large is also appointed. All appointees are ratified by York Region Council. This membership is consistent with the 1991 Board reduction requested by the Minister of Natural Resources.

Regional Municipality of Durham

- The current membership consists of three members. One member each representing the Towns of Brock, Scugog and Uxbridge. All appointees are ratified by Durham Region Council. This membership is consistent with the 1991 Board reduction requested by the Minister of Natural Resources.

City of Kawartha Lakes

- The current membership consists of one member. Prior to the formation of the City of Kawartha Lakes, the recognized three lower tier municipalities of Woodville, Eldon and Mariposa shared a member. These lower tiers do not exist under the current municipal structure. This membership is consistent with the 1991 Board reduction requested by the Minister of Natural Resources.

Town of Innisfil

- The current membership consists of one member. This membership is consistent with the 1991 Board reduction requested by the Minister of Natural Resources.

Town of Bradford West Gwillimbury

- The current membership consists of one member. This membership is consistent with the 1991 Board reduction requested by the Minister of Natural Resources.

Town of New Tecumseth

- The current membership consists of one member consistent with the population requirements of the *Conservation Authorities Act*.

Town of Oro-Medonte

- The current membership consists of one member consistent with the population requirements of the *Conservation Authorities Act*. The Town of Oro-Medonte joined the LSRCA on September 27, 2001 by formal resolution.

Town of Ramara

- The current membership consists of one member consistent with the population requirements of the *Conservation Authorities Act*. The Town of Ramara joined the LSRCA on December 6, 2001 by formal resolution. The Town of Ramara is not presently appointing a member to the Board via formal resolution of the Town of Ramara at their choice. This Board seat sits vacant.

City of Barrie

- The current membership consists of two members. One Board appointee is consistent with the 1991 Board reduction requested by the Minister of Natural Resources. The northern portion of the City of Barrie joined the LSRCA on May 29, 2003 by formal resolution. This jurisdictional expansion would allow the City of Barrie to appoint potentially two members. The City at this time only appoints a total of two members at their choice and ensures the total Board members does not exceed a total of 18, which is the number established in 1991.

The LSRCA Board composition has gone through various iterations and reductions at the request of the Minister, as well as additions through jurisdictional expansion. In respect to the approval of the budget, York Region being the largest member is capped at 50% of the weighted vote to ensure a scenario in

which they may not fully control the budget approval. All other member municipalities have their respective weighted budget vote determined by CVA percentage.

I trust this clarifies the current LSRCA Board composition and some of the history as to how it was developed over the past thirty years. If you have any questions, please contact the undersigned at your convenience.

Yours sincerely,



Rob Baldwin
Chief Administrative Officer
r.baldwin@lsrca.on.ca

cc. Wayne Emmerson, LSRCA Chair
Peter Ferragine, LSRCA Vice Chair
Bonnie Fox, Conservation Ontario
Chloe Stuart, ADM, Land and Water Division, MECP

Attachments (not included)

- i) Correspondence to and from the Minister of Natural Resources of December 1991
- ii) Lake Simcoe Region Conservation Authority Minutes of November 21, 1991
- iii) Lake Simcoe Region Conservation Authority Minutes of December 6, 1991
- iv) Synopsis of Jurisdictional Expansion of the LSRCA

Please note these attachments have not been included due to non-compliance with the *Accessibility for Ontarians with Disabilities Act*. Please contact Trish Barnett at t.barnett@lsrca.on.ca to obtain copies.

Staff Report

To: Board of Directors

From: Ben Longstaff, GM, Integrated Watershed Management and Christa Sharp, Manager, Restoration Services

Date: April 8, 2021

Subject:

Summary of 2021 Provincial Funding Agreements - Lake Simcoe Protection Plan

Recommendation

That Staff Report No. 20-21-BOD regarding recently secured Provincial funding in support of the Lake Simcoe Protection Plan be received for information.

Purpose of this Staff Report:

The purpose of this Staff Report No. 20-21-BOD is to provide the Board of Directors with a summary of recently established funding agreements with the Ministry of Environment, Conservation, Parks in support of achieving outcomes of the Lake Simcoe Protection Plan.

Background:

Since 2012 the Authority has entered into numerous agreements with the Province for the delivery of projects that support implementation of the Lake Simcoe Protection Plan (LSPP). Projects funded typically support applied science and research, as well as the preparation of plans and strategies. In any given year, the Authority usually has four to five agreements in place, although fewer agreements were established in the 2018 to 2020 timeframe. In mid-2020 staff entered discussions with the Province in relation to establishing new agreements for the 2020/21 to 2022/23 fiscal years, resulting in the approval of seven new agreements and the extension of one existing agreement. These agreements will enable the continued advancement of existing initiatives such as improving winter salt management, stormwater management inspections, and maintenance and modernization of subwatershed plans. The agreements will also support critical new research questions related to the phosphorus - dissolved oxygen decoupling and phosphorus export. A notable change in this recent round of agreements is the Province's willingness to support restoration projects, which has not occurred in the past. It is important to note that some agreements are delivered collaboratively with external partners such as Ryerson University, the Sustainable Technologies Evaluation Program, private landowners, community groups and watershed municipalities.

Following is a summary of the agreements:

Urban Restoration Projects:

These projects will result in three designs for urban restoration projects which will improve tributary health, reduce the negative impacts of pollutant transport and loads, reduce stormwater volume and removal of total suspended solids. These projects include designs for low impact development projects and streambank restoration projects. Timeframe: April 2021 to March 2022. Provincial funding: \$138,000.

Rural Restoration Projects:

These projects will raise public awareness to the benefit of rural stormwater restoration projects and will result in plans and designs for rural restoration projects. These projects will reduce pollutant loads and stormwater volumes by developing rural restoration plans which will target a reduction in peak flow and removal of total suspended solids. Timeframe: April 2021 to March 2022. Provincial funding: \$152,545.

Phosphorus loads – dissolved oxygen decoupling:

This project will investigate the proposed hypotheses behind the disconnect in relationships between phosphorus loads and the dissolved oxygen target to begin to identify how changes in the lake ecosystem over the last 10 years may be affecting this relationship. Timeframe: April 2021 to March 2022. Provincial funding: \$77,770.

Stormwater Management Inspection and Maintenance:

The objective of the project is to improve the capacity of municipalities to manage existing municipally owned stormwater management features by providing technical services, training opportunities, and management tools. Timeframe: April 2021 to March 2022. Provincial funding: \$123,080.

Improving awareness of winter salt impacts and management options:

The first objective of this project is to improve public awareness of the environmental, social and economic benefits of using winter maintenance best practices through development of a communications strategy. A second objective is to raise awareness amongst municipal and private winter maintenance decision makers about the costs and benefits of adopting winter maintenance practices and associated road salt alternatives that ensure safety and reduce environmental impairment. Timeframe: April 2021 to March 2023. Provincial funding: \$199,907.

Run-off phosphorus coefficient research:

This project aims to answer key questions supporting the Authority's understanding of phosphorus loads. Specifically, the project will assess if catchment maturity is a key factor in predicting physical and chemical properties of stormwater flowing through an urban catchment

and into local receiving waterbodies. Timeframe: April 2021 to April 2023. Provincial funding: \$171,088.

System-wide stormwater management blueprint:

Extending from the recently completed stormwater management optimization study, this project aims to: (1) improve stakeholder understanding of the benefits of cost optimizing approaches to reduce stormwater pollutants and volumes in the East Holland River; and (2) encourage municipalities within the East Holland River subwatershed to adopt cost optimizing approaches to implementing comprehensive stormwater management planning. Timeframe: April 2021 to November 2022. Provincial funding: \$222,121.

Subwatershed plan modernization:

This project will update existing sub-watershed evaluation guidelines in an effort to improve the end user experience. It will encourage information sharing about sub-watershed evaluations and specific actions, targets and detailed guidance about local hydrological and natural heritage resource planning and management. Timeframe: April 2021 to March 2023. Provincial funding: \$149,694.

Simcoe Hydrology (amended):

The primary objective of this project is to undertake the sampling and data analysis to calculate phosphorus loads to Lake Simcoe. Agreements to undertake this work predate the LSPP, but the project is integral to tracking progress of the plan. An agreement extension was required as funds to complete the required work would have been exhausted by mid 2021. This revised agreement secures funds to March 2023. Timeframe: March 2020 to March 2023. Provincial funding: \$745,000.

Issues:

No issues identified.

Relevance to Authority Policy:

All agreements will be undertaken in compliance with any related Authority policy.

Impact on Authority Finances:

Total revenue from the new agreements is \$1,234,205, with an additional \$745,000 under the amended Simcoe Hydrology agreement. In accordance with the individual agreements, funds will be used to support expenses such as staff salary, equipment and consultant services. Staff salaries for all new agreements are charged at the new cost recovery rates that account for non-billable hours such as vacation. Each agreement also includes an overhead administration charge of 18% of the staff salary. Agreements have been incorporated into the approved 2021 budget in alignment with the anticipated expenses for the year.

Summary and Recommendations:

Negotiations with the Province have resulted in seven new agreements and one amended agreement in support of the LSPP. The agreements augment existing Authority programs such as our Restoration Services, Watershed Planning, Research and Innovation and Environmental Science and Monitoring, significantly increasing the capacity and outcomes.

It is therefore recommended that Staff Report No. 20-21-BOD regarding recently secured Provincial funding in support of the Lake Simcoe Protection Plan be received for information.

Pre-Submission Review:

This Staff Report has been reviewed by the Chief Administrative Officer.

Signed by:

Ben Longstaff

General Manager, Integrated Watershed
Management

Signed by:

Rob Baldwin

Chief Administrative Officer

Staff Report

To: Board of Directors

From: Ben Longstaff, GM, Integrated Watershed Management

Date: April 12, 2021

Subject:

Purchasing Policy – Stormwater Management Optimization Blueprint Preparation

Recommendation

That Staff Report No. 21-21-BOD regarding the Stormwater Management Optimization project procurement be received; and

Further That an agreement be established with Freeman Associates for delivery of services in accordance with a recently approved Lake Simcoe Protection Plan funding agreement with the Authority.

Purpose of this Staff Report:

The purpose of this Staff Report No. 21-21-BOD is to obtain approval from the Board of Directors to contract Freeman Associates to complete services in accordance with a recently approved Lake Simcoe Protection Plan funding agreement with the Authority.

Background:

The recently completed study entitled Equitable Responsibility for Transformational Design – optimization of stormwater management (SWM) within the East Holland River watershed, (Staff Report No. 44-20-BOD), demonstrated the multiple financial and environmental benefits of planning stormwater management at a watershed scale considering opportunities on both public and private lands. For example, the study showed that implementing integrated stormwater management planning on a watershed-scale, not restricted by municipal boundaries, provides a potential 27% cost savings compared to jurisdictional scale when aiming to achieve a 40% reduction in phosphorus loads.

With the study providing clear evidence for why a change in SWM planning and implementation is needed, the next logical stage of the overall initiative is to develop a blueprint (implementation plan) to facilitate this change. The blueprint will identify and make recommendations for the transition to cost-optimized watershed scale SWM planning and execution on both public and private lands. Recommendations will be related to governance, financing, policy and operational needs. Essential elements of this next phase will include: (1) research and evaluation into constraints and opportunities, options, mechanisms, tools and approaches for the efficient transition to system-wide implementation; (2) obtaining municipal

support of recommendations through formation of a Project Advisory Committee; and (3) considerations as to how the proposed blueprint would be transferable to other Lake Simcoe watersheds.

Given the potential implications this study has in supporting phosphorus loads reductions, the province is funding this new project phase through one of the recently secured LSPP agreements (see Staff Report No. 20-21-BOD, April 2021). This phase of the project is scheduled to occur between March 2021 and November 2022.

Issues:

Project management and delivery framework for this new phase has been mirrored off the past successful delivery model, whereby the Authority is the overall project manager, and Freeman Associates completes the project through an agreement established with the Authority. Staff propose a continuation of the successful partnership with Freeman Associates for the following reasons:

- Freeman Associates have consistently demonstrated significant value for money in delivering the preceding East Holland River subwatershed project.
- The initial project concept, research and study hypotheses originated from Freeman Associates based on work undertaken using their time and funding. After reaching out to the Authority, a partnership formed, ultimately resulting in securing funds from multiple grants and successful project delivery.
- The LSPP funding agreement supporting this work identifies Tracy Patterson (Principal, Freeman Associates) as project staff, rather than consultant, and this is due to the origins of the project idea, the long-standing partnership in place and Ms. Patterson's support in developing the funding proposal.
- Freeman Associates are effective project managers and have the proven technical knowledge, background research and track record to deliver the project.
- Freeman Associates have a personal commitment and dedication to this project that originates from the original research undertaken and a profound belief that a fundamental change is needed in how stormwater is managed. This commitment is also manifested by in-kind support Freeman Associates is providing to the project.

Relevance to Authority Policy:

Direct contracting of Freeman Associates to complete this study is classified as single source procurement under the Authority's purchasing policies, which requires a rationale and Board of Directors' approval. The rationale for single source has been provided above.

Impact on Authority Finances:

The proposed contract with Freeman Associates is fully funded by the recently established LSPP agreements and has also been included in the Authority's 2021 budget as consultant services. In accordance with the LSPP funding agreement, Freeman Associates will be funded to the value of \$109,120 and is also required to provide a minimum of \$6,080 in-kind support. In addition, the LSPP funding requires procurement of research, financial and economic services to the value of \$83,360. As project coordinator, Freeman Associates will be undertaking procurement of these services, complying with the *Broader Public Sector Accountability Act, 2010*.

Summary and Recommendations:

The Authority recently secured LSPP funding to complete development of a blueprint in support of watershed scale stormwater management within the East Holland River Watershed. The blueprint will identify and make recommendations for the transition to cost-optimized watershed scale SWM planning and execution on both public and private lands. Based on the current successful partnership with Freeman Associates on this overall project, staff propose securing their continued services in undertaking the research and development of the blueprint.

It is therefore **Recommended That** Staff Report No. 21-21-BOD regarding the Stormwater Management Optimization project procurement be received; and Further That an agreement be established with Freeman Associates for delivery of services in accordance with a recently approved Lake Simcoe Protection Plan funding agreement with the Authority.

Pre-Submission Review:

This Staff Report has been reviewed by the Chief Administrative Officer.

Signed by:

Ben Longstaff

General Manager, Integrated Watershed
Management

Signed by:

Rob Baldwin

Chief Administrative Officer