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Board of Directors Meeting

Thursday, April 22, 2021
6:30 pm

Meeting Will be Held Electronically due to COVID-19.

Please contact Michelle Paton at michelle.paton@rvca.ca or 1-800-267-3504 ext 1177 to join.

AGENDA

Meeting 3/21	Page
1.0 Agenda Review	
2.0 Adoption of Agenda	
3.0 Declaration of Interest	
4.0 Approval of Minutes from March 25, 2021	
5.0 Business Arising from Minutes	
6.0 2020 Audited Financial Statements and Report of the Auditor Staff Report Attached (Kathy Dallaire)	1
7.0 2020 Annual Report Staff Report Attached (Diane Downey)	36
8.0 Comprehensive Update of Development Review Policies Staff Report Attached (Phil Mosher).....	58
9.0 Minister Zoning Orders Staff Report Attached (Sommer Casgrain-Robertson)	64

**Proudly working in partnership
with our 18 watershed municipalities**

Athens, Augusta, Beckwith, Central Frontenac, Clarence-Rockland,
Drummond/North Elmsley, Elizabethtown-Kitley, Merrickville-Wolford, Montague,
North Dundas, North Grenville, Ottawa, Perth, Rideau Lakes, Smiths Falls, South Frontenac, Tay Valley, Westport

10.0 Meetings

- a) Mississippi-Rideau Source Protection Committee Meeting: April 8, 2021
- b) Conservation Ontario Council Meeting: April 12, 2021
- c) RVCA Audit Committee Meeting, April 16, 2021
- d) RVCF Board of Directors Meeting: April 22, 2021

Upcoming

- e) RVCA Board of Directors Meeting: May 27, 2021

11.0 Member Inquiries

12.0 New Business

13.0 Adjournment



**6.0 2020 Audited Financial Statements and Report of the Auditor
Report #: 1-210422**

To: RVCA Board of Directors
From: Kathy Dallaire, CPA
Manager of Finance
Date: April 16, 2021

<input type="checkbox"/>	For Information
<input type="checkbox"/>	For Direction
<input checked="" type="checkbox"/>	For Adoption
<input checked="" type="checkbox"/>	Attachments – 34 pages

Recommendation:

That the Board of Directors of the Rideau Valley Conservation Authority approve the attached Draft 2020 Audited Financial Statements and receive the Report of the Auditor.

Purpose

To review and approve the audited financial statements for the year 2020 and receive the Report of the Auditor.

Background

The firm of MNP LLP completed an audit of the RVCA in April 2021 and met with RVCA's Audit Committee on April 16, 2021 to review the attached draft Financial Statements and Report of the Auditor. Ian Murphy of MNP will attend our April Board meeting to present the draft Financial Statements and answer questions.

Analysis

At RVCA's March 25, 2021 Board meeting (staff report # 07-210325) staff presented a detailed internal statement of operations. There were two entries made by staff subsequent to the presentation of the statements presented on March 25, 2021 to reduce deferred revenue by \$52,030 and increase post-retirement benefits expense by \$2,140. There was also one audit adjustment posted to reduce amortization by \$2,032. The net effect of these entries is to increase the surplus by \$51,922. Operations for 2020 therefore yielded a surplus of \$889,701.

This surplus was the result of lower than anticipated expenses in many program areas as staff made a concerted effort to reduce both staff and non-staff costs where possible on an interim basis to mitigate against the unknown financial impact of the COVID-19 pandemic, and the pandemic also limited program delivery in some areas resulting in lower expenditures

At RVCA's March 25, 2021 Board meeting (staff report # 08-210325) the Board also approved net transfers to reserves of \$574,798.

Input From Other Sources

The Financial Statements were audited by MNP LLP and will be circulated to all municipalities in the watershed, the Minister of Environment, Conservation and Parks and will be posted on RVCA's website.

Financial Considerations

Ending the year with an operational surplus provided the RVCA with an opportunity to increase both its capital and program reserves which had been recommended by the Auditor in previous years. These reserve contributions will enable the RVCA to leverage external funding opportunities in 2021 by providing matching funding to undertake key infrastructure initiatives (e.g. installation of weather stations, LiDAR data acquisition, replacement of pedestrian bridges at Baxter and Chapman Mills Conservation Areas).

Legal Considerations

The RVCA's 2020 financial audit is in accordance with the *Conservation Authorities Act*. Specifically, Section 38 of the Act states:

Annual audit

38 (1) Every authority shall cause its accounts and transactions to be audited annually by a person licensed under the Public Accounting Act, 2004 and shall ensure that the annual audit is prepared in accordance with generally accepted accounting principles for local governments recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as they exist from time to time. 2020, c. 36, Sched. 6, s. 24 (1).

Auditor

(2) No person shall be appointed as auditor of an authority who is or during the preceding year was a member of the authority or who has or during the preceding year had any direct or indirect interest in any contract or any employment with the authority other than for services within his or her professional capacity. R.S.O. 1990, c. C.27, s. 38 (2).

Auditor's report

(3) An authority shall, upon receipt of the auditor's report of the examination of its accounts and transactions, forthwith forward a copy of the report to each participating municipality and to the Minister. R.S.O. 1990, c. C.27, s. 38 (3).

Report made publicly available

(4) Within 60 days of receiving the auditor's report, an authority shall make the report available to the public on its website and by any other means that the authority considers appropriate. 2020, c. 36, Sched. 6, s. 24 (2).

Adherence to RVCA Policy

The RVCA's 2020 financial audit is in accordance with RVCA's Administrative By-law. Specifically, Sections B.7, B.11 and C.10 of RVCA's Administrative By-law state:

B.7. Appointment of Auditor

The General Membership shall appoint an auditor for the coming year at the Annual Meeting in accordance with Section 38 of the Act.

B.11. Financial Statements and Report of the Auditor

The General Membership shall receive and approve the Audited Financial Statements and Report of the Auditor by March 31 of each year for the previous year.

The Authority shall forward copies of the Audited Financial Statements and Report of the Auditor to Participating Municipalities and the Minister in accordance with Section 38 of the Act and will make the Audited Financial Statements available to the public.

C.10. Electronic Participation

During any circumstance that may prevent the General Membership from meeting in person, any date or timeline requirement established under any Section in this By-law may be postponed until such time as the General Membership can reasonably address the issue.

As the Board is currently unable to meet in person due to the COVID-19 pandemic, timeline requirements to receive and approve the Audited Financial Statements and Report of the Auditor by March 31 can be postponed until the membership can reasonably address the issue.

Attachments:

- Draft Audited Financial Statements Dec 31 2020
- 2020 Management Letter
- 2020 Audit Findings

DRAFT FOR DISCUSSION PURPOSES ONLY

RIDEAU VALLEY CONSERVATION AUTHORITY

FINANCIAL STATEMENTS

December 31, 2020

RIDEAU VALLEY CONSERVATION AUTHORITY

December 31, 2020

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RIDEAU VALLEY CONSERVATION AUTHORITY

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the Rideau Valley Conservation Authority are the responsibility of the Authority's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the financial statements. The preparation of financial statements necessarily involved the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Authority's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of financial statements. These systems are monitored and evaluated by management.

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

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

Sommer Casgrain-Robertson, General Manager

RIDEAU VALLEY CONSERVATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

	2020	2019
NET FINANCIAL ASSETS		
Assets		
Cash	\$ 4,779,834	\$ 4,081,823
Short-term investments (Note 3)	300,007	350,468
Accounts receivable (Note 4)	2,358,179	1,588,744
Long-term investments (Note 3)	1,450,913	1,400,000
	8,888,933	7,421,035
Liabilities		
Accounts payable and accrued liabilities	1,922,319	1,227,562
Vacation pay and other leave entitlements	226,099	229,582
Deferred revenue (Note 6)	1,665,577	1,601,550
Non pension post-retirement benefits obligation (Note 7)	446,677	435,406
Obligation under capital lease (Note 9)	2,310,431	2,565,999
	6,571,103	6,060,099
Net Financial Assets	2,317,830	1,360,936
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 10)	10,860,453	10,930,490
Prepaid expenses	60,031	57,186
Non-Financial Assets	10,920,484	10,987,676
Contingent Liabilities (Note 11)		
ACCUMULATED SURPLUS		
Accumulated Surplus	\$ 13,238,313	\$ 12,348,612

RIDEAU VALLEY CONSERVATION AUTHORITY

STATEMENT OF OPERATIONS

For the year ended December 31, 2020

	(Note 17) BUDGET 2020	ACTUAL 2020	ACTUAL 2019
REVENUE			
Municipal levies	\$ 6,037,522	\$ 6,037,522	\$ 5,833,355
Special municipal levies			
Rideau River Ice Management	946,215	912,334	1,329,002
Water Control infrastructure			
Reserve	10,000	10,000	10,000
Operation and maintenance	40,000	40,000	40,000
Water Quality Monitoring	158,696	110,974	161,084
Britannia Water Control Structure	21,500	21,500	21,500
Provincial Funding			
Ministry of Natural Resources			
Operating grant	354,751	125,286	125,286
Drinking Water Source Protection (Note 14)	-	180,745	200,590
Program revenues (Schedule 2)			
Watershed Sciences and Engineering Services	213,288	157,267	773,696
Planning Advisory and Regulatory Services	1,183,336	1,342,349	1,451,167
Stewardship Services	962,230	833,567	785,117
Conservation Land Management Services	367,000	307,954	344,675
Corporation Services	41,800	121,791	134,594
Other Income			
Capital projects	400,000	449,538	648,042
Total Revenues	10,736,338	10,650,827	11,858,108
EXPENDITURES			
Program expenditures (Schedule 3)			
Watershed Sciences and Engineering Services	3,679,686	3,328,878	4,672,369
Planning Advisory and Regulatory Services	2,179,399	2,267,352	2,177,742
Stewardship Services	1,628,131	1,359,268	1,420,415
Conservation Land Management Services	1,330,005	1,120,304	1,275,748
Corporate Services	1,863,083	1,647,591	1,542,922
Non Pension Post Retirement Benefit Obligation	56,034	37,733	14,562
Total Expenditures	10,736,338	9,761,126	11,103,758
NET SURPLUS FOR THE YEAR	-	889,701	754,350
ACCUMULATED SURPLUS, beginning of year	12,348,612	12,348,612	11,594,262
ACCUMULATED SURPLUS, end of year	\$ 12,348,612	\$ 13,238,313	\$ 12,348,612

See Accompanying Notes

RIDEAU VALLEY CONSERVATION AUTHORITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2020

	(Note 17) BUDGET 2020	ACTUAL 2020	ACTUAL 2019
Net surplus for the year	\$ -	\$ 889,701	\$ 754,350
Amortization of tangible capital assets	146,313	289,477	293,892
Amortization of buildings under capital lease	273,877	146,313	146,313
Acquisition of tangible capital assets	(45,000)	(399,011)	(175,143)
Change in prepaid expenses	-	(2,845)	778
Gain on disposal of tangible capital assets	-	(5,644)	(12,057)
Proceeds on disposal of tangible capital assets	-	38,903	21,855
Increase in net financial assets	375,190	956,894	1,029,988
Net financial assets, beginning of year	1,360,936	1,360,936	330,948
Net financial assets, end of year	1,736,126	\$ 2,317,830	\$ 1,360,936

RIDEAU VALLEY CONSERVATION AUTHORITY

STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

	2020	2019
CASH USED IN OPERATING ACTIVITIES		
Net surplus for the year	\$ 889,701	\$ 754,350
Items not affecting cash or equivalent		
Amortization of tangible capital assets	289,482	293,892
Amortization of buildings under capital lease	146,313	146,313
Gain on disposal of tangible capital assets	(5,644)	(12,057)
Changes in non-cash working capital balances		
Accounts receivable	(769,435)	(644,601)
Accounts payable and accrued liabilities	694,757	456,912
Vacation pay and other leave entitlements	(3,483)	46,278
Deferred revenue	64,027	38,132
Non pension post retirement benefit obligation	11,271	14,562
Prepaid expenses	(2,845)	778
	1,314,144	1,094,559
CASH USED IN CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	38,898	21,855
Acquisition of tangible capital assets	(399,011)	(175,143)
	(360,113)	(153,288)
CASH FROM INVESTING ACTIVITIES		
(Purchase) redemption of short-term investments	50,461	(50,468)
Redemption (purchase) of long-term investments	(50,913)	50,468
	(452)	-
CASH FROM FINANCING ACTIVITIES		
Capital lease payments	(255,568)	(274,666)
INCREASE IN CASH	698,011	666,605
CASH, beginning of year	4,081,823	3,415,218
CASH, end of year	\$ 4,779,834	\$ 4,081,823

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

1. STATUS OF THE AUTHORITY

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

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

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

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

Revenue Recognition

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

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

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

Cash and Cash Equivalents

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

Investments

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

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible Capital Assets

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

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

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

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

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

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

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

Leases

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

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension and Employee Benefits

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

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

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

Deferred Revenues

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

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

Reserves

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

Financial Instruments

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

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

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

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

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Uncertainty

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

Contributed services

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

Corporate Services Program Revenues and Expenditures

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

Contaminated Sites

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

3. INVESTMENTS

Short-term investments consist of GIC's at 1.6% (2019 - 1.4%) maturing in July 2021. Long-term investments consist of GIC's with interest rates between 1.6% - 3.2% (2019 - 1.6% - 3.2%) maturing between July 2022 and July 2025.

4. ACCOUNTS RECEIVABLE

	2020	2019
Trade and other	\$ 460,689	\$ 379,918
Rideau Valley Conservation Foundation (Note 14)	310,241	229,134
City of Ottawa	1,587,249	979,692
	\$ 2,358,179	\$ 1,588,744

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

5. CREDIT FACILITY

The Authority maintains an operating line facility with the Bank of Montreal of \$750,000 which bears interest at prime + 0.25% and is due on demand. As of December 31, 2020, no balance (2019 \$Nil) was payable under the facility.

6. DEFERRED REVENUES

	2020	2019
Conservation Land Management Services	\$ 6,000	\$ 12,859
Watershed Sciences and Engineering Services	131,569	170,736
Planning Advisory & Regulatory Services	173,056	175,832
Stewardship Services	1,354,952	1,242,123
	\$ 1,665,577	\$ 1,601,550

7. NON PENSION POST RETIREMENT BENEFIT OBLIGATION

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

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

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

The accrued benefit obligation as at December 31, 2020 consists of the following components:

	2020	2019
Accrued benefit obligation, beginning of year	\$ 435,406	\$ 420,844
Current service cost	21,771	20,883
Benefits paid during the year	(25,000)	(19,853)
Interest accrued	16,753	20,015
Experience Gain/(Loss)	-	(46,079)
Unamortized Gain/(Loss)	(2,253)	39,596
Expected accrued benefit obligation, end of year	\$ 446,677	\$ 435,406

8. PENSION CONTRIBUTIONS

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

The amount contributed to OMERS was \$391,864 (2019 \$387,951) for current services and is included as an expenditure on the Statement of Operations classified under the appropriate functional expenditure.

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

9. OBLIGATION UNDER CAPITAL LEASE

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

2021	\$ 322,793
2022	322,793
2023	322,793
2024	322,793
2025	322,793
and thereafter	\$ 1,857,328

The Authority has entered into a twenty year lease agreement with the City of Ottawa for the new office building located in Beryl Gaffney Park which expires August 2030. Minimum annual payments are based on the annual debt charges that the City will incur on a twenty year debenture of \$4,735,000. The effective interest rate as of December 31, 2020 was 5.16% (2019 - 4.35%). In addition, an annual park development fee of \$32,000 will be paid to the City for the term of the lease. Rent and park development fees (excluding HST) in the amount of \$415,835 were paid for 2020 (2019 \$446,611). Interest on the obligation was paid in the amount of \$128,267 (2019 \$139,944).

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

The present value of the obligation at December 31, 2020, under the terms of the capital lease, is \$2,310,431 (2019 \$2,565,999).

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

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

10. TANGIBLE CAPITAL ASSETS

Cost	Opening	Additions	Transfers	Disposals	Closing
Land	\$ 1,971,309	\$ 6,514	\$ -	\$ -	\$ 1,977,823
Buildings	1,720,797	155,345			1,876,142
Building Under Capital Lease	7,315,669	-	-	-	7,315,669
Infrastructure					
Dams/Berms/Dykes	9,399,096	-	-	-	9,399,096
Bridges/Boardwalks	538,212	-	-	-	538,212
Vehicles	783,717	43,147	-	(35,148)	791,716
Machinery and Equipment	416,644	96,311	-	(8,293)	504,662
Computers and IT equipment	385,251	50,003	-	-	435,260
Office and Audio Visual					
Equipment	106,555	47,691	-	-	154,246
Assets Under Construction	25,760				25,760
	\$ 22,663,010	\$ 399,011	\$ -	\$ (43,441)	\$ 23,018,586

Accumulated Amortization	Opening	Additions	Disposals	Closing
Buildings	\$ 1,153,565	\$ 30,522	\$ -	\$ 1,184,087
Building Under Capital Lease	1,767,953	146,313	-	1,914,266
Infrastructure				
Dams/Berms/Dykes	7,345,955	106,777	-	7,452,732
Bridges/Boardwalks	335,875	19,165	-	355,040
Vehicles	506,063	66,382	(6,911)	565,534
Machinery and Equipment	282,160	30,060	(3,271)	308,949
Computers and IT equipment	277,843	29,466	-	307,309
Office and Audio Visual				
Equipment	63,106	7,110	-	70,216
	\$ 11,732,520	\$ 435,795	\$ (10,182)	\$ 12,158,133

Net Book Value	2020	2019
Land	\$ 1,977,823	\$ 1,971,309
Buildings	692,055	567,232
Buildings Under Capital Lease	5,401,403	5,547,716
Infrastructure		
Dams/Berms/Dykes	1,946,364	2,053,141
Bridges/Boardwalks	183,172	202,337
Vehicles	226,182	277,654
Machinery and Equipment	195,713	134,484
Computers and IT equipment	127,951	107,408
Office and Audio Visual		
Equipment	84,030	43,449
Assets Under Construction	25,760	25,760
	\$ 10,860,453	\$ 10,930,490

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

11. CONTINGENT LIABILITIES

The nature of conservation authority activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2020 management believes that the Authority has valid defenses and appropriate insurance coverages in place. In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the financial statements.

12. ACCUMULATED SURPLUS

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

	2020	2019
Unrestricted Surplus	191,838	62,467
Invested in Tangible Capital Assets		
Tangible capital assets	\$ 10,860,453	\$ 10,930,490
Obligation under capital lease	(2,310,431)	(2,565,999)
	8,550,022	8,364,491
Reserves		
Capital Reserves	1,101,952	832,994
Building Life Cycle Reserve	713,550	798,895
Working Fund Reserve	1,103,104	910,000
Program Reserves		
Stewardship	93,065	63,065
Part VIII Program	420,284	307,525
LRC Production Centre	100,800	100,800
ORWC	180,724	125,402
Conservation Lands	91,443	91,443
Planning and Regulations	483,017	483,016
Watershed Science and Engineering	117,500	117,500
Corporate Communications	90,491	90,491
Part IV	523	523
Total reserves	4,496,453	3,921,654
Accumulated Surplus	\$ 13,238,313	\$ 12,348,612

13. SPECIAL LEVY ON MEMBER MUNICIPALITIES

The Authority's share of the cost of the Rideau River Ice Management - City of Ottawa was funded by a special levy on the benefiting municipality for 2020 of \$912,334 (2019 \$1,392,002). Other special levies in 2020 from the City of Ottawa include Water Control Infrastructure \$10,000 (2019 \$10,000), Water Control Infrastructure Operation and Maintenance \$40,000 (2019 \$40,000), Water Quality Monitoring \$110,974 (2019 \$161,084), and Britannia Water Control Structure Reserve \$21,500 (2019 \$21,500).

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

14. SOURCE WATER PROTECTIONS

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

15. RELATED PARTY

The Authority has an economic interest in the Rideau Valley Conservation Foundation. During the year, the Rideau Valley Conservation Foundation transferred donations of \$17,579 (2019 \$35,455), grant revenue of \$40,346 (2019 \$31,775), Species at Risk program revenue of \$100,805 (2019 \$71,440) and Shoreline program revenue of \$138,378 (2019 \$90,464) in addition, expense reimbursements of \$13,133 (2019 \$3,849) to the Authority. Of these transfers, \$310,241 (2019 \$229,134) is outstanding at year end. Amounts owing are due on demand, non-interest-bearing and have no specific terms of repayment but are expected to be paid after the Foundation's Annual General Meeting, held annually in June.

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

16. LIABILITIES FOR CONTAMINATED SITES

The Authority reports environmental liabilities related to the management and remediation of contaminated sites where the Authority is obligated or likely obligated to incur such costs. A contaminated site liability of \$Nil (2019 \$Nil) has been recorded based on environmental assessments or estimations for those sites where an assessment has not been conducted. The Authority's ongoing efforts to assess contaminated sites may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the Authority's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

17. BUDGET AMOUNTS

The 2020 budget amounts that were approved on April 23, 2020 were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as program expenses, but the actual expenses have been removed in the Statement of Operations. The revenues attributable to these items continue to be included in the Statement of Operations, resulting in a significant positive variance.

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

	Approved	
	Budget	Actual
Surplus for the year per Statement of Operations	\$ -	\$ 889,701
Assets capitalized as tangible capital assets	(45,000)	(399,011)
Gain on disposal of tangible capital assets	-	(5,644)
Amortization	420,190	435,790
Proceeds on disposal of tangible capital assets	-	38,903
Repayment of obligation under capital lease	(255,568)	(255,568)
Transfers from reserves	30,000	286,509
Transfers to reserves	(70,000)	(861,307)
Adjusted surplus for the year	\$ 79,622	\$ 129,373

18. SEGMENTED INFORMATION

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

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

Watershed Sciences and Engineering Services

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

Planning Advisory and Regulatory Services

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

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

18. SEGMENTED INFORMATION (Continued)

Stewardship Services

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

Conservation Land Management Services

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

Corporate Services

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

19. SIGNIFICANT EVENT

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

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

20. SEGMENTED DISCLOSURES

	Watershed Sciences & Engineering Services	Planning Advisory & Regulatory Services	Stewardship Services	Conservation Land Management Services	Corporate Services & Internal Recoveries	2020	2019
Revenues							
Levies	\$ 2,640,144	\$ 986,482	\$ 665,801	\$ 963,004	\$ 1,876,900	\$ 7,132,330	\$ 7,394,940
User fees, program revenues & other	900,551	1,353,957	679,543	245,657	42,392	3,222,100	4,202,613
Interest revenue	-	-	-	-	79,401	79,401	125,277
Donations	674	-	140,561	75,761	-	216,996	135,278
	3,541,369	2,340,439	1,485,905	1,284,422	1,998,693	10,650,827	11,858,108
Expenses							
Amortization	115,460	2,736	2,667	46,234	268,693	435,790	440,205
Charge - common cost	194,871	280,296	88,583	81,193	196,172	841,115	857,669
Charge - vehicle & equipment	29,827	45,617	22,335	61,688	11,502	170,969	239,407
Operating expenses	1,774,406	136,413	670,143	389,680	749,253	3,719,895	4,705,843
Interest on capital lease	-	-	-	-	167,023	167,023	139,946
Recovery - common costs	-	-	-	-	(831,539)	(831,539)	(856,077)
Recovery - LRC	-	-	-	-	(17,540)	(17,540)	(23,984)
Recovery - vehicle & equipment	-	-	-	-	(176,839)	(176,839)	(239,446)
Salaries, wages & benefits	1,210,783	1,805,833	575,541	541,499	1,280,866	5,414,519	5,825,633
	3,325,347	2,270,895	1,359,269	1,120,294	1,647,591	9,723,393	11,089,196
Non Pension Retirement Benefits	-	-	-	-	37,733	37,733	14,562
Net Surplus	\$ 216,022	\$ 69,544	\$ 126,636	\$ 164,128	\$ 313,369	\$ 889,701	\$ 754,350

RIDEAU VALLEY CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2020

21. RISK MANAGEMENT

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

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

The Authority's exposure to and management of risk has not changed materially from December 31, 2019.

Credit Risk

Credit Risk arises from the possibility that the entities to which the Authority provides services to may experience difficulty and be unable to fulfil their obligations. The Authority is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Authority has a large outstanding receivable from the City of Ottawa that totals to 67% (2019 - 62%) of the Authority's entire receivable balance. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

Interest Rate Risk

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

Liquidity Risk

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

RIDEAU VALLEY CONSERVATION AUTHORITY

RESERVES

Schedule 1

For the year ended December 31, 2020

CONTINUITY OF RESERVES

	2020	2019
Reserves and reserve fund balances, beginning of year	3,921,654	3,129,290
Net transfers from operations approved by board	574,798	792,364
Reserves and reserves fund balances, end of year	\$ 4,496,452	\$ 3,921,654

COMPOSITION OF RESERVES

	2020	2019
Capital Reserves	\$ 1,101,952	\$ 832,994
Building Life Cycle Reserve	713,550	798,895
Working Fund Reserve	1,103,104	910,000
Program Reserves	93,065	63,065
Stewardship	420,284	307,525
Part VIII Program	100,800	100,800
LRC Production Centre	180,724	125,402
ORWC	91,443	91,443
Conservation Lands	483,016	483,016
Planning and Regulations	117,500	117,500
Watershed Science and Engineering	90,491	90,491
Corporate Communications	523	523
Part IV		
Total	\$ 4,496,452	\$ 3,921,654

RIDEAU VALLEY CONSERVATION AUTHORITY

PROGRAM REVENUES

Schedule 2

For the year ended December 31, 2020

	(Note 17) Budget	2020	2019
Watershed Sciences and Engineering Services			
Watershed Report Cards	-	\$ -	\$ 786
Drinking Water Sources Protection	-	-	750
Surface Water Quality Monitoring	-	15,335	14,009
Hydrometric Monitoring and Forecasting	-	-	131
Flood Erosion and Drought Studies	169,488	134,058	607,092
Ground Water Monitoring	-	-	75,409
Aquatic and Terrestrial Habitat Monitoring	43,800	7,874	74,450
Water Control Operations	-	-	1,069
	213,288	157,267	773,696
Planning Advisory and Regulatory Services			
Plan Review	346,800	371,595	426,281
Section 28 Conservation Authorities Act	284,800	294,994	300,056
Septic Re-Inspection Program	38,108	24,055	68,033
Part VIII Building Code Act	505,828	651,705	652,967
Part IV Clean Water Act	7,800	-	3,830
	1,183,336	1,342,349	1,451,167
Stewardship Services			
Private Land Forestry	605,932	489,474	497,575
Clean Water Program	206,000	124,437	80,523
Other	150,298	219,656	207,019
	962,230	833,567	785,117
Conservation Land Management Services			
Program Management and Land Donations	25,000	100	1,766
Baxter	200,000	141,285	171,421
Foley Mountain	72,000	79,874	96,770
Other Developed Conservation Areas	30,000	46,037	43,181
Other Conservation Areas	8,000	9,903	100
Lease and Management Agreements	32,000	30,755	31,437
	367,000	307,954	344,675
Corporate Services			
Administration and Finance	40,000	119,596	131,537
Communications	1,800	2,195	2,435
Watershed Information Management System	-	-	622
	41,800	121,791	134,594
Total Program Revenues	\$ 2,767,654	\$ 9,723,393	\$ 11,089,196

RIDEAU VALLEY CONSERVATION AUTHORITY

PROGRAM EXPENDITURES

Schedule 3

For the year ended December 31, 2020

	(Note 17) Budget	2020	2019
Watershed Sciences and Engineering Services			
Program Management	\$ 91,483	\$ 105,159	\$ 94,085
Watershed Report Cards	161,195	94,592	141,836
Drinking Water Source Protection (Note 13)	223,017	183,310	201,340
Surface Water Quality Monitoring	434,223	424,518	435,097
Hydrometric Monitoring and Forecasting	257,129	259,224	294,081
Flood, Erosion and Drought Studies	388,792	337,139	745,346
Ground Water Monitoring	108,965	47,961	162,202
Aquatic and Terrestrial Habitat Monitoring	405,301	208,458	346,280
Water Control Infrastructure			
Operations	181,866	104,583	69,544
Capital Maintenance	431,500	486,140	696,331
Rideau River Ice Management	996,215	962,334	1,379,002
Amortization	-	115,460	107,225
	3,679,686	3,328,878	4,672,369
Planning Advisory and Regulatory Services			
Program Management	129,580	143,569	153,333
Plan Review	813,463	688,042	675,860
Section 28 Conservation Authorities Act	677,400	841,142	702,236
Part IV Clean Water Act	5,020	750	3,830
Part VIII Building Code Act	516,668	561,576	569,935
Septic Re-Inspection Program	37,268	29,537	69,812
Amortization	-	2,736	2,736
	2,179,399	2,267,352	2,177,742
Stewardship Services			
Program Management	153,019	157,787	137,435
Private Land Forestry	718,021	585,293	623,299
Clean Water Program	451,585	370,322	322,803
Shoreline Stewardship Program	230,908	204,828	274,524
Other	74,598	38,371	59,687
Amortization	-	2,667	2,667
	1,628,131	1,359,268	1,420,415
Conservation Land Management Services			
Program Management and Land Donations	104,668	43,732	108,997
Baxter Conservation Area	368,363	253,681	345,927
Foley Mountain Conservation Area	305,880	219,952	280,990
Other Developed Conservation Areas	298,156	352,940	252,838
Other Conservation Areas	238,150	188,367	204,383
Lease and Management Agreements	14,788	15,398	33,184
Amortization	-	46,234	49,429
	1,330,005	1,120,304	1,275,748

RIDEAU VALLEY CONSERVATION AUTHORITY

PROGRAM EXPENDITURES

Schedule 3 continued

For the year ended December 31, 2020

	(Note 17) Budget	2020	2019
Corporate Services			
Management and Members	316,099	279,513	284,262
Finance and Administration	459,336	463,348	410,146
Communications	285,418	215,413	210,320
Foundation	92,736	82,114	83,825
Headquarter Lease and Maintenance	492,591	167,023	179,242
Watershed Information Management System	244,690	213,045	214,245
	1,890,870	1,420,456	1,382,040
Internal Cost - Expenditures (Recoveries)			
Gain on Disposal	-	(5,644)	(12,057)
Common Cost	(35,000)	5,488	16,247
Vehicles and Equipment	7,213	(41,273)	(121,456)
Amortization	-	268,564	278,148
	(27,787)	227,135	160,882
Total Corporate Services	1,863,083	1,647,591	1,542,922
Total Program Expenditures	\$ 10,680,304	\$ 9,723,393	\$ 11,089,196

Ms. Sommer Casgrain-Robertson
Rideau Valley Conservation Authority
3889 Rideau Valley Drive PO Box 599
Manotick, ON K4M 1A5

Dear Ms. Casgrain-Robertson:

Management letter for the year ended December 31, 2020

We have recently completed our audit of Rideau Valley Conservation Authority in accordance with Canadian generally accepted auditing standards (“GAAS”). The objective of our audit was to express an opinion on the financial statements, which have been prepared in accordance with Canadian public sector accounting standards. Included in our audit was the consideration of internal control relevant to the preparation and fair presentation of the financial statements. This consideration of internal control was for the purpose of designing audit procedures that were appropriate in the circumstances. It was not for the purpose of expressing an opinion on the effectiveness of internal control or for identifying all significant control deficiencies that might exist.

An audit is not specifically designed to identify all matters that may be of interest to management in discharging its responsibilities, however, during the course of our audit, we did, identify some areas for improvement that we are bringing to your attention with this letter. It is our responsibility to communicate any significant deficiencies identified to those charged with governance. A significant deficiency in internal control 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.

Deferred Revenue

Observation:

The underlying assumptions used in calculating deferred revenues should be updated to better reflect actuals.

Impact:

This could cause actual surplus/deficit to be misstated.

Recommendation:

Review with each department manager the underlying assumptions used in developing the deferred revenue estimate. Programs which are no longer active but have a deferred revenue balance should be brought into income.

Management’s response:

Management has been reviewing the process for adjusting deferred revenue balances.

HST rebate calculation

Observation:

Errors have been identified on the calculation of the HST rebate.

Impact:

This results in potential ITC's that remain unclaimed by the Organization.

Recommendation:

Management should review how HST is calculated and inputted into the general ledger. Specifically, management should implement a policy to calculate the implicate HST rate on all mileage that is claimed on a per KM basis. Per diem mileage claims are not entitled to ITC's.

Management's response:

Management is aware of our audit findings and will be taking a closer look at the calculation.

We have discussed the matters in this letter with Kathy Dallaire and received her comments thereon.

We would like to express our appreciation for the co-operation and assistance we have received during the course of our audit from Kathy Dallaire.

We would be pleased to discuss with you further any matters mentioned in this letter at your convenience. This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to any third party who uses this communication.

Sincerely,

MNP LLP

**Chartered Professional Accountants
Licensed Public Accountants**

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Rideau Valley Conservation Authority

2020 Audit Findings

Report to the Audit Committee

December 31, 2020

Ian Murphy, CPA, CA
T: (613) 209-8252
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OVERVIEW

We are pleased to submit to you this Audit Findings Report (the "Report") for discussion of our audit of the financial statements of Rideau Valley Conservation Authority (the "Authority") as at December 31, 2020 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of the Audit Committee.

As auditors, we report to the board on the results of our examination of the financial statements of the Authority as at and for the year ended December 31, 2020. The purpose of this Report is to assist you, as members of the Audit Committee, in your review of the results of our audit.

This Report is intended solely for the information and use of the Audit Committee and management and should not be distributed to or used by any other parties than these specified parties.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

ENGAGEMENT STATUS

We have substantially completed our audit of the financial statements of the Authority which has been carried out in accordance with Canadian generally accepted auditing standards and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Receipt of the remaining outstanding legal confirmations;
- Receipt of the signed management representation letter;
- Discussion of subsequent events with the Audit Committee;
- The Audit Committee's review and approval of the financial statements.

No significant limitations were placed on the scope or timing of our audit.

INDEPENDENT AUDITOR'S REPORT

We expect to have the above procedures completed and to release our Independent Auditor's Report on April 9, 2021.

Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the board of the Authority. A draft copy of our proposed Independent Auditor's Report has been included with this report. The matters disclosed in the Independent Auditor's Report are discussed further in the relevant sections of the Report.

AUDIT REPORTING MATTERS

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

AREA	COMMENTS
 CHANGES FROM AUDIT SERVICE PLAN	There were no deviations from the Audit Service Plan previously presented to you.
 FINAL MATERIALITY	Final materiality used for our audit was \$395,000 for December 31, 2020, and \$280,000 for December 31, 2019.

AREA	COMMENTS
 IDENTIFIED OR SUSPECTED FRAUD	<p>While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.</p>
 IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS	<p>Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.</p>
 MATTERS ARISING IN CONNECTION WITH RELATED PARTIES	<p>No significant matters arose during the course of our audit in connection with related parties of the Authority.</p>
 GOING CONCERN	<p>No events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern.</p>
 AUDITOR'S VIEWS OF SIGNIFICANT ACCOUNTING PRACTICES, ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES	<p>The application of Canadian public sector accounting standards allows and requires the Authority to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.</p> <p>As auditors, we are uniquely positioned to provide open and objective feedback regarding your Authority's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.</p> <p>The accounting policies used by the Authority are appropriate and have been consistently applied.</p>
 FINANCIAL STATEMENT DISCLOSURES	<p>The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.</p>
 SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL	<p>While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency we have detected significant deficiencies in internal controls, which are included with this report and in the Management Letter provided.</p>
 MATTERS ARISING FROM DISCUSSIONS WITH MANAGEMENT	<p>There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.</p>

SIGNIFICANT RISK AREAS AND RESPONSES

SIGNIFICANT RISK AREA	RESPONSE AND CONCLUSION
<p>Program revenue</p> <p>Risk that revenue is not complete due to management</p>	<p>Reconcile recognized deferred revenue from deferred revenue continuity schedule to the revenues section.</p> <p>Test the inflows and outflows at a high risk factor to</p>

bias to defer revenue	increase sampling.
Expenses Risk in existence of payables due to management bias to reduce surplus	Test cut off at a high risk factor for pre-year end purchases.
Accounts receivable Risk of understating receivables to decrease surplus due to bias	Test cut off of revenues at a high risk factor for post-year and receipts through examination of subsequent bank deposits.

OTHER AREAS

AREA	COMMENTS
AUDITOR INDEPENDENCE	We confirm to the Audit Committee that we are independent of the Authority. Our letter to the Audit Committee discussing our independence is included as part of the additional materials attached to this report.
MANAGEMENT REPRESENTATIONS	We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.
SUMMARY OF SIGNIFICANT DIFFERENCES	Some significant differences were proposed to management with respect to the December 31, 2020 financial statements.
OTHER INFORMATION	Pursuant to our responsibilities under Canadian generally accepted auditing standards, we have reviewed other financial and non-financial information included in documents containing the financial statements and our auditor's report thereon. We review these documents for the purpose of ensuring their content does not contradict information derived from our audit procedures.

We appreciate having the opportunity to meet with you and respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,



**Chartered Professional Accountants
Licensed Public Accountants**

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APPENDIX A - SUMMARY OF SIGNIFICANT DIFFERENCES

Description of Differences	Proposed Adjustments DR (CR)				
	EARNINGS		BALANCE SHEET		
	Identified	Likely Aggregate (Net of Tax)	ASSETS	LIABILITIES	EQUITY
To adjust amortization to agree to client schedule	\$ (2,040)	\$ (2,040)	\$ 2,040	\$ -	\$ (2,040)
Revenue that should have been recorded as an receivable accrual.	\$ (50,995)	\$ (50,995)	\$ 50,995	\$ -	\$ (50,995)
to record cut off error for 2019 payables that were recorded in 2020	\$ (53,539)	\$ (53,539)	\$ -	\$ -	\$ -
To clear deleted balances from vacation liability	\$ (20,004)	\$ (20,004)	\$ -	\$ 20,004	\$ (20,004)
Total	\$ (126,578)	\$ (126,578)	\$ 53,035	\$ 20,004	\$ (73,039)
Differences corrected by management	\$ -	\$ -	\$ -	\$ -	\$ -
Total differences net of corrections	\$ (126,577)	\$ (126,577)	\$ 53,035	\$ 20,004	\$ (73,038)
Uncorrected opening differences	\$ -	\$ -	\$ -	\$ -	\$ -
Current period differences	\$ (126,577)	\$ (126,577)	\$ 53,035	\$ 20,004	\$ (73,038)
Final overall materiality	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000
Excess (shortfall)	\$ 268,423	\$ 268,423	\$ 341,965	\$ 374,996	\$ 321,962

MNP LLP – Wherever Business Takes You

Assurance › Consulting › Tax

About MNP LLP

MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.





**7.0 2020 Annual Report
Report #: 2-210422**

To: RVCA Board of Directors
From: Diane Downey
Director of Communications and Outreach
Date: April 13, 2021

<input type="checkbox"/>	For Information
<input type="checkbox"/>	For Direction
<input checked="" type="checkbox"/>	For Adoption
<input checked="" type="checkbox"/>	Attachment – 20 pages

Recommendation:

That the Board of Directors of the Rideau Valley Conservation Authority approve RVCA's 2020 Annual Report.

Purpose

To seek Board approval of RVCA's Annual Report for the year 2020.

Background

Each year, the RVCA produces an Annual Report to highlight key accomplishments and special activities across all program areas for the prior year. The report also summarizes revenues and expenditures based on the audited financial statements.

This year a series of graphs and maps have been added throughout the report to visually represent the type of information that was previously provided in our 18 accompanying Municipal Information Sheets. Based on questions from municipal Councils when presenting previous annual report, staff felt it may be of more value to visually represent the data. It is also more user friendly for residents and other audiences to have all information in one product rather than have two products for each municipality. This approach will be reevaluated late in 2021 in anticipation of next year's deliverable.

Once the Board of Directors has approved the Annual Report, electronic copies will be provided to municipalities for review by council members and municipal staff. Staff would also encourage members to arrange a time for the General Manager or other RVCA staff to present a summary of the Annual Report to their municipal council (e.g. at an electronic meeting).

Copies of the Annual Report will also be circulated to all watershed MPs and MPPs, local partners, other conservation authorities and RVCA's mailing list. It will also be posted on RVCA's website and distributed at meetings and events throughout the year.

Analysis

Annual Reports are an important tool for public sector organizations to be transparent and accountable to taxpayers and other partners. An Annual Report is a way for member municipalities, stakeholders and the public to see what was accomplished in relation to the budget that was approved for that year and the workplan that was set out. It is also a way for the RVCA to increase public understanding of its mandate and support for its programs by illustrating the value provided to the watershed and those who live, work and play in it.

Input From Other Sources

N/A

Financial Considerations

Costs associated with creating and distributing the Annual Report are accounted for in RVCA's annual operating budget.

Legal Considerations

N/A

Adherence to RVCA Policy

N/A

Link to Strategic Plan

N/A

Attachment

- 2020 Annual Report



Annual Report 2020



Your Rideau Valley Conservation Authority

RVCA is one of Ontario's 36 conservation authorities and a member of Conservation Ontario. We work closely with municipal, provincial and federal government partners, landowners and community groups to maintain and improve natural resources in the Rideau watershed. The RVCA looks to build resilient communities by promoting an integrated watershed approach — one that balances human, environmental and economic needs. Our success is based on partnerships that accomplish local initiatives at the watershed scale.

Our Vision: A thriving watershed with clean abundant water, natural shorelines, rich forests and wetlands, diverse habitat and sustainable land use that is valued and protected by all.

Our Mission: To understand, manage, protect, restore and enhance the Rideau watershed through science, stewardship, education, policy and leadership.

2020 RVCA Board of Directors

Pieter Leenhouts, Chair	Ottawa
Judy Brown, Vice Chair	Perth
Andy Jozefowicz	Athens
Dale McLenaghan	Augusta
Brian Dowdall	Beckwith
Victor Heese	Central Frontenac
Jamie Crawford	Ottawa
George Darouze	Ottawa
Julie Graveline	Ottawa
Scott Moffatt	Ottawa
Anne Robinson	Ottawa
Guy Desjardins	Clarence-Rockland
George Sachs	Drummond/North Elmsley
Rob Rothgeb	Elizabethtown-Kitley
Don Halpenny	Merrickville-Wolford
Vince Carroll	Montague
Gerry Boyce	North Dundas
Barclay Cormack	North Grenville
Carolyn Bresee	Rideau Lakes
Shawn Pankow	Smiths Falls
Pat Barr	South Frontenac
Gene Richardson	Tay Valley
Melissa Sullivan	Westport



Message from the Chair & General Manager

The year 2020 was like no other. It required resilience as families, businesses, and government responded to the global pandemic. We are pleased with how quickly and effectively RVCA staff were able to pivot, continuing to serve the watershed while keeping staff, clients, and visitors safe.

Staff faced these new challenges head on, without a reduction in service. In fact, we were busier than ever! Development review services processed a record number of development files in 2020, while continuing to meet deadlines and provide efficient, streamlined approvals.

Our stewardship programs were delivered as planned under modified protocols, planting 261,000 trees, continuing to naturalize shorelines, providing clean water grants and reinspecting waterfront septic systems.

More than 300,000 residents turned to local conservation areas in 2020 to access the many mental and physical benefits of being outdoors, an increase of 50%.

Our education programs were quickly reinvented. Online resources for teachers and parents were developed and promoted during the school closure and our outdoor educators provided Forest School at both Baxter and Foley Mountain conservation areas in the fall in lieu of school field trips.

Our science and engineering work continued with modifications in place, monitoring flood and drought conditions, completing new or updated floodplain mapping, and monitoring water quality and aquatic health across the watershed.

But the pandemic wasn't the only challenge we faced last year. Significant changes to the *Conservation Authorities Act* were introduced in late 2020, and the RVCA worked hard to raise awareness about how these changes could impact those we serve. The strong show of support for conservation authorities resulted in improved amendments and encouraged the province to create a working group to work more collaboratively with conservation authorities and municipalities moving forward. This was a very positive outcome, and we are grateful for your support.

In a year like 2020, it is especially important to recognize the many partners that help us achieve our goals. For the RVCA, that includes our municipalities as well as countless individuals, organizations and businesses who live and work across the watershed. We also benefit greatly from the work of the Rideau Valley Conservation Foundation, which celebrated its 50th anniversary in 2020!

As we head into 2021, the RVCA will continue to adapt to the changing realities of the pandemic and will work closely with member municipalities to implement legislative changes in a way that continues to provide the programs and services that municipalities and residents want from their local conservation authority.

Yours in conservation,

Pieter Leenhouts,
Chair

Sommer Casgrain-Robertson,
General Manager/Secretary-
Treasurer



The Rideau Valley Watershed



4 RVCA Baseline sampling at Fish Creek near Parham



Storybook Trail Adventure at Foley Mountain Conservation Area

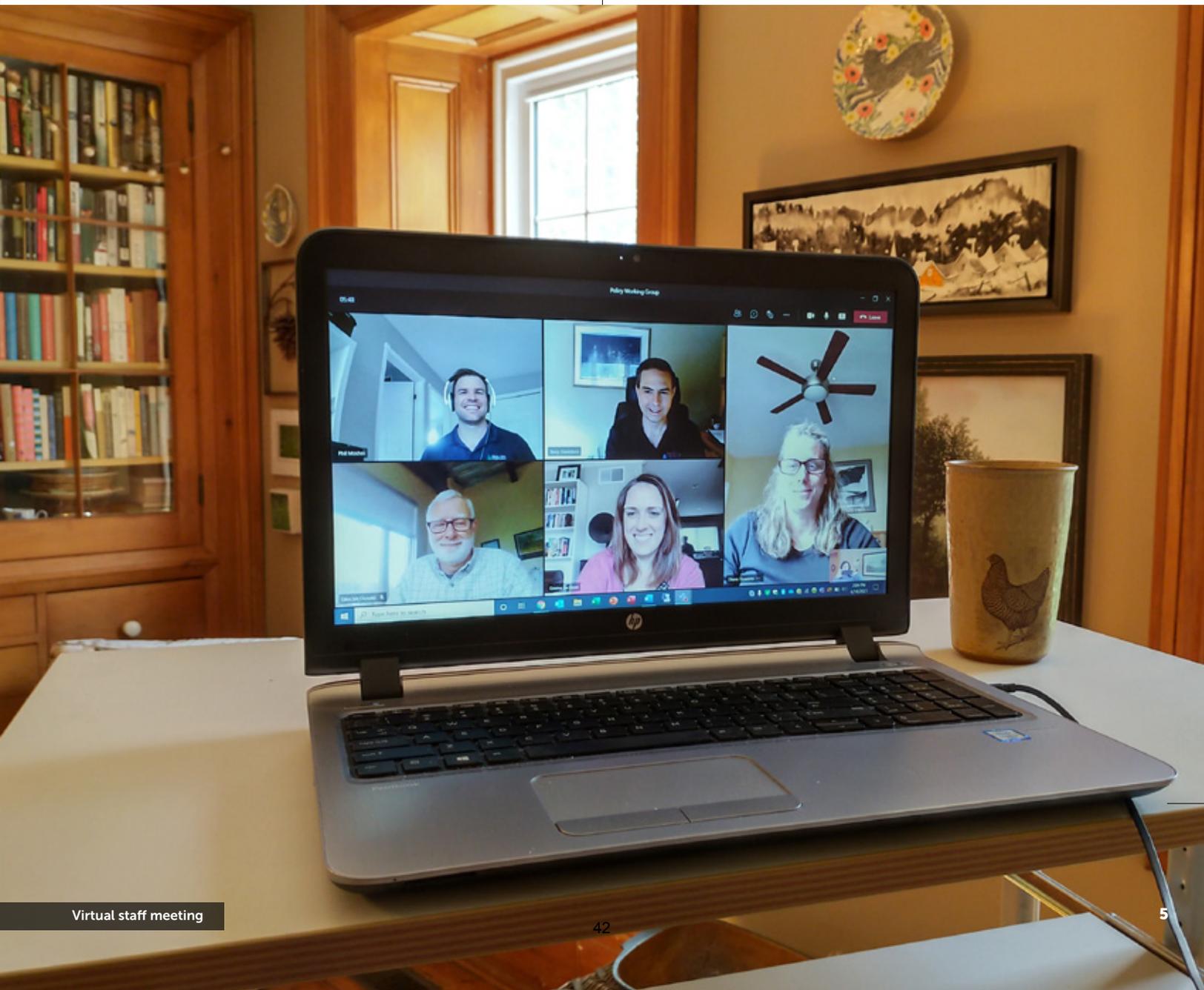
Corporate Services

Corporate Services supports the whole authority, enabling it to perform its functions and deliver programs in an efficient and cost-effective manner. The department is responsible for strategic planning, budgeting, financial reporting, business improvement, human resources, communications, GIS, member services, foundation support and administration.

Corporate Services

- **\$10.74** million budget
- **70** staff plus **8** summer students
- **23** board members representing **18** member municipalities

- Municipal Engagement Session hosted in January for Council members and municipal staff
- Managed RVCA's response to the COVID-19 pandemic (policies, procedures, budget impacts, remote working, virtual Board meetings)
- Responded to provincial changes to the *Conservation Authorities Act* (municipal and public awareness, presentations, press releases, media interviews, written comments to the province)
- General Manager appointed to Minister Yurek's Conservation Authorities Working Group



Virtual staff meeting



Conservation Land Management Services

The RVCA manages more than 3,000 hectares of conservation land for the strategic protection of vulnerable habitats and valuable natural resources. This land includes 11 developed conservation areas that are available for public use and enjoyment – two of which offer outdoor education programs. Conservation areas provide affordable recreation, education and tourism opportunities to watershed communities.

Land Management

- Own **2,210** hectares of conservation land across the watershed; **0.6** hectares donated in 2020
- Manage **3,000+** hectares of conservation land (inspected and assessed annually)
- **52** nest boxes monitored at nine conservation areas
- **23** Species at Risk monitoring and/or habitat feature projects completed at six conservation areas (in support of bobolink, butternut and barn swallow)
- **3** memorial benches installed at Baxter and W.A. Taylor Conservation Areas

Conservation Areas

- **11** developed conservation areas
- **300,000** visitors in 2020 (up from 200,000 annually)
- **42** kilometres of trails maintained for public use

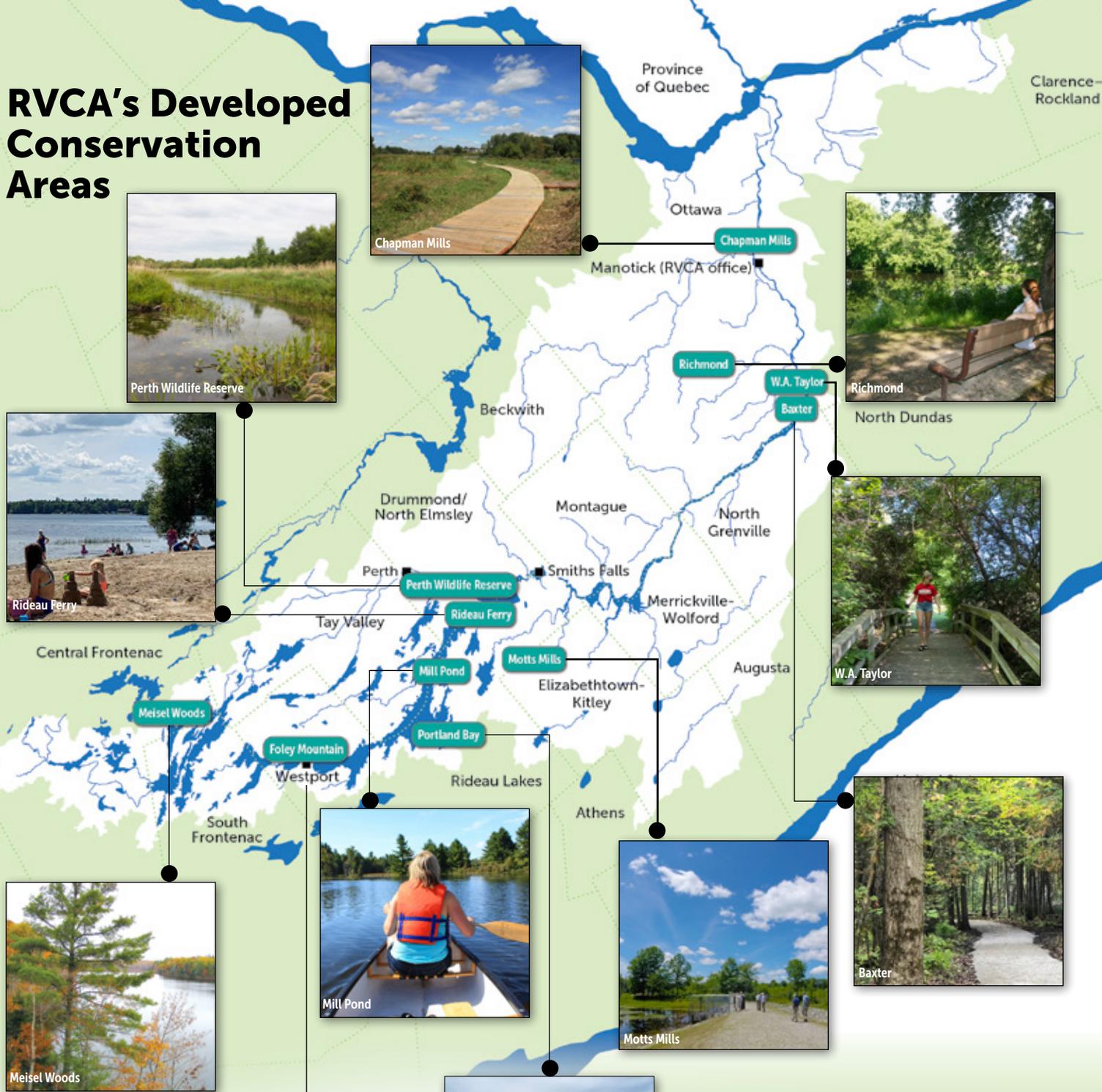
- **1,200** people enjoyed rental facilities at Foley Mountain and Baxter Conservation Areas in 2020 (interpretive centres, group camping areas and the Baxter river cabin)
- Completed public consultations for Foley Mountain Conservation Area's Management Plan
- Continued successful partnership with Cabinscape to host a tiny cabin at Mica Mines Conservation Area to give visitors a special opportunity to experience nature

Outdoor Education

- **1,844** students participated in curriculum-based outdoor education programs at Baxter and Foley Mountain Conservation Areas in 2020 (down from 11,000 annually due to the pandemic)
- **78** students participated in the new fall Forest School Program at Baxter Conservation Area
- Installed a self-directed "Storybook Trail Adventure" featuring "The Gruffalo" by Julia Donaldson at Foley Mountain
- Developed the online "#FreshAirFun" activity series to encourage families to embrace the outdoors



RVCA's Developed Conservation Areas



Baxter Marsh



Planning & Regulatory Services

The RVCA brings watershed science, provincial policies and individual municipal needs together to meaningfully assist municipal decision-makers in building and sustaining local communities. The RVCA is also the approval authority for development on hazard lands affected by flooding, steep slopes or unstable soil and in environmentally-sensitive areas like wetlands, shorelines and watercourses. Staff also approve the construction, enlargement or alteration of septic systems in the City of Ottawa and Tay Valley Township and provide septic re-inspection services in several other municipalities.

Planning Advisory Reviews

- **438** severances
- **355** minor variances
- **245** pre-consultation meetings
- **152** site plan control
- **156** zoning by-law amendments
- **25** Official Plan amendments
- **18** subdivision reviews
- **10** condominium applications
- **7** Part Lot Control
- **5** *Environmental Assessment Act* reviews
- **5** lifting of Holding By-law

- **5** lifting of 30 cm reserve
- **1** Aggregate Resource Reviews
- Participated in a Technical Advisory Committee for wetland compensation projects in Stillwater Creek catchment for transportation projects within the City of Ottawa

2020 Planning Activities by Municipality

0	Athens
3	Augusta
5	Beckwith
14	Central Frontenac
0	Clarence Rockland
49	Drummond/North Elmsley
23	Elizabethtown-Kitley
20	Merrickville-Wolford
24	Montague
2	North Dundas
80	North Grenville
961	Ottawa
28	Perth
110	Rideau Lakes
29	Smiths Falls
14	South Frontenac
55	Tay Valley
5	Westport
Total: 1,422	



Planning & Regulatory Services

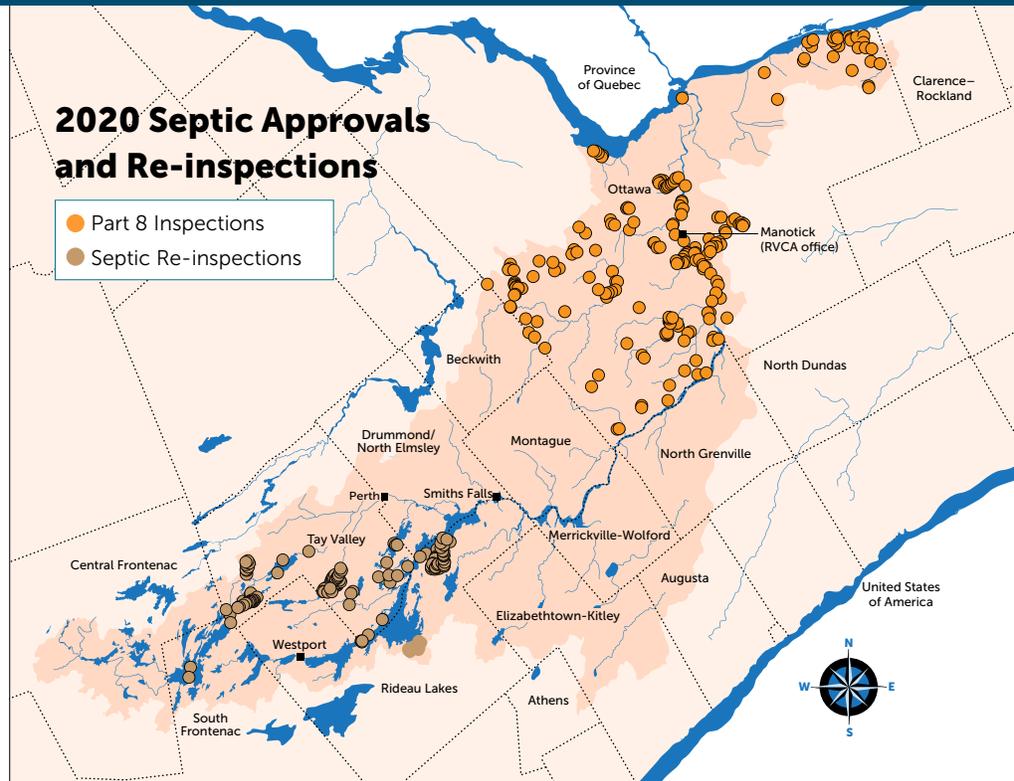
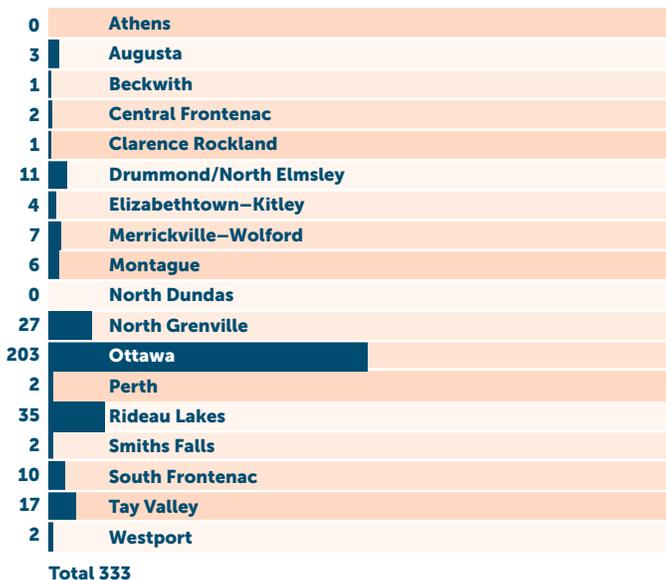
Septic System Approvals and Re-inspections

- **216** file search requests (Ottawa)
- **724** applications for new or replacement septic systems (**644** in Ottawa and **80** in Tay Valley)
- **431** septic re-inspections completed (**299** in Rideau Lakes, **124** in Tay Valley and **8** in North Frontenac)
- **77** applications for septic renovations or alterations (**68** in Ottawa and **9** in Tay Valley)
- **27** complaints (Ottawa)
- Distributed educational material to landowners about the care and maintenance of their septic systems
- Prepared to deliver *Ontario Building Code Part 8 Installers Course* online in 2021

Section 28 Conservation Authorities Act Approvals

- **1,099** property inquiries
- **333** applications
- **125** clearance letters
- **118** complaints/occurrences
- **90%** of permits issued
- **10%** of applications on hold or withdrawn
- **15** violations

2020 Section 28 Applications by Municipality



Source Water Protection Approvals

- Newly trained and appointed Risk Management Inspector/Official
- Renegotiated Part IV Risk Management Agreements with Partner Municipalities
- Renewed contract with the City of Ottawa to assist with Risk Management work



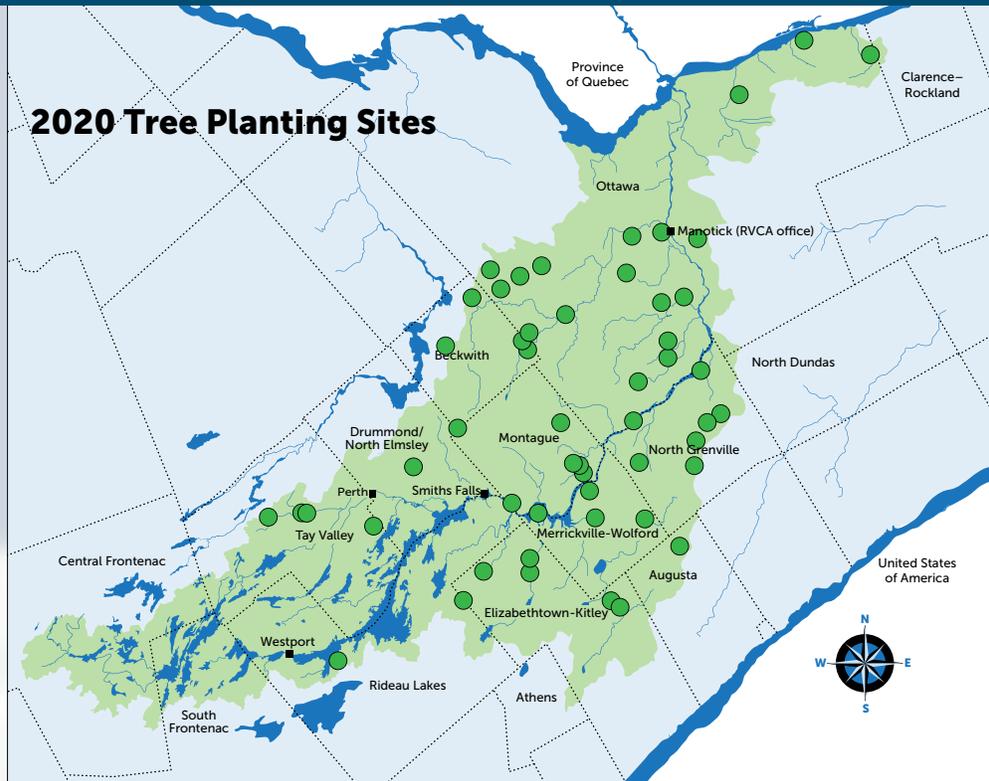
New septic system installation

Stewardship Services

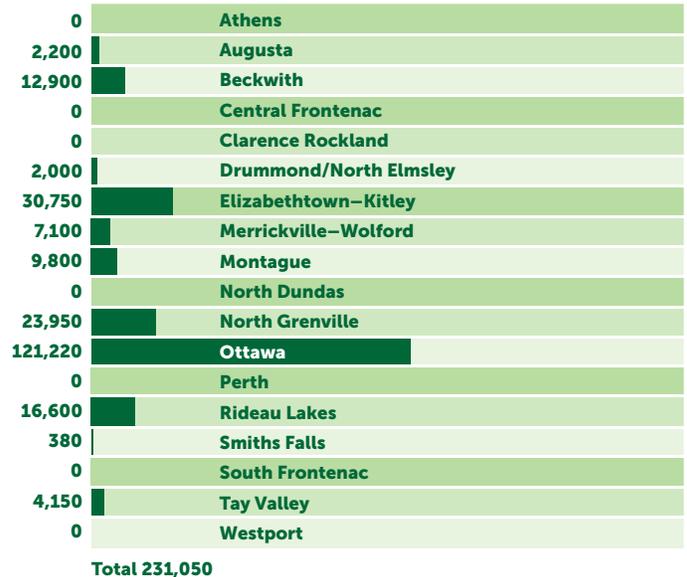
The RVCA works with landowners, farmers, lake associations, NGOs, businesses, government agencies and the public to undertake on-the-ground projects that directly improve the health of the watershed. Programs such as reforestation, landowner incentive programs, shoreline restoration, wetland enhancement and Species At Risk habitat creation help protect and enhance the watershed's natural resources.

Tree Planting

- **6.6** million trees planted since 1984
- **231,050** trees planted in the Rideau Valley watershed 2020
- **33,200** trees planted in Mississippi Valley watershed in support of Ottawa's Green Acres Tree Planting Program
- **\$369,097** fundraised to offset landowner costs
- More than **1,000** trees underplanted in Baxter Conservation Area to offset the loss of ash trees



2020 Tree Planting by Municipality

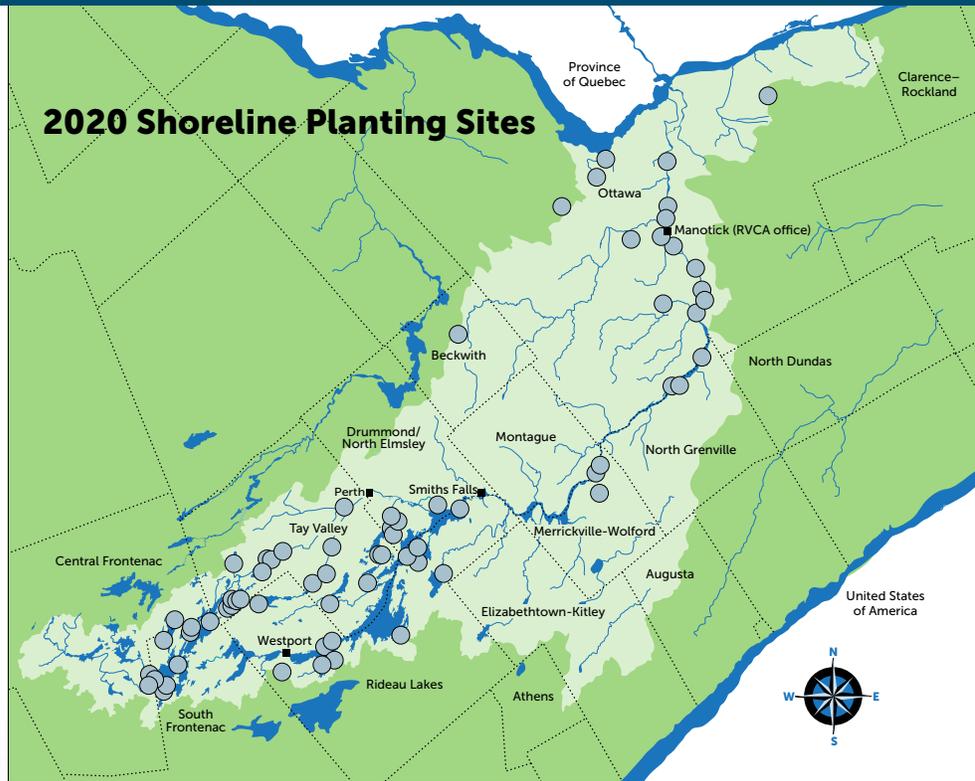




Stewardship Services

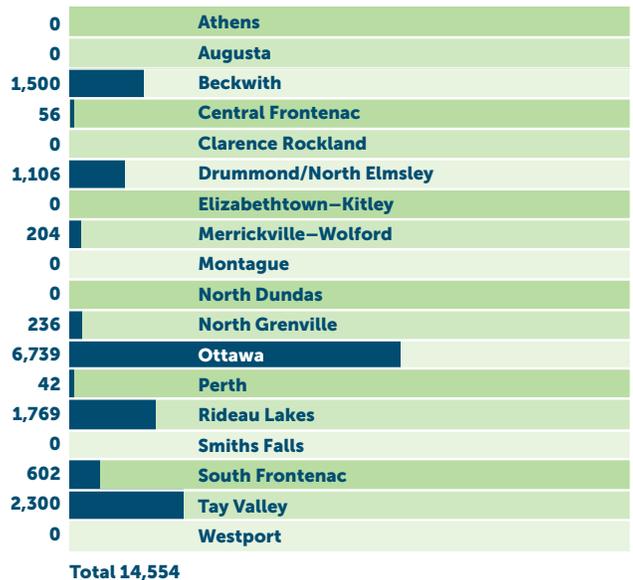
Shoreline Naturalization

- **100,000th** shoreline plant installed at Chapman Mills Conservation Area
- **14,554** trees and shrubs planted on **92** properties
- **3.1** km of shoreline naturalized
- **2,750** potted trees planted in partnership with the City of Ottawa and Hydro Ottawa
- **1,500** trees distributed to landowners through partnership with Lanark County
- **17** projects completed on Farren Lake thanks to outreach partnership with the Farren Lake Association
- **3** lake associations worked with us to distribute **948** trees, shrubs and wildflowers to lake residents through an over-the-counter plant sale (Upper Rideau Lake Association, Oty Lake Association and Otter Lake Association)
- Free shoreline planting projects provided to Bobs and Crow Lake residents thanks to top-up partnerships with Bobs and Crow Lake Association Foundation



Naturalizing Rideau River shoreline

2020 Shoreline Plantings by Municipality

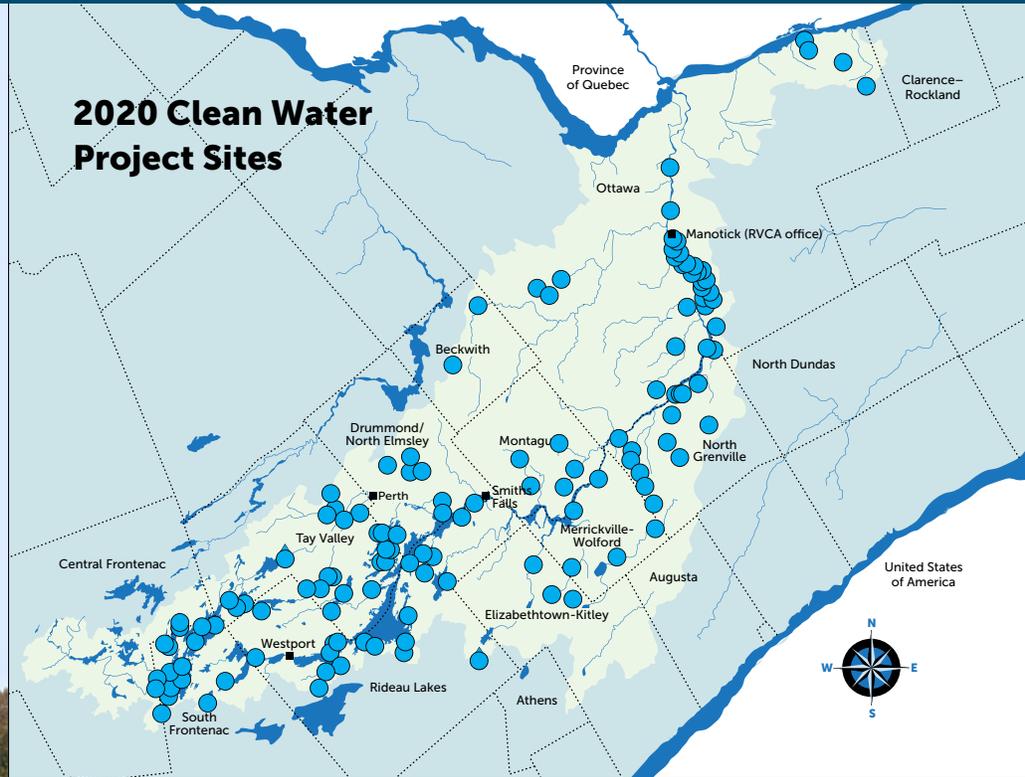




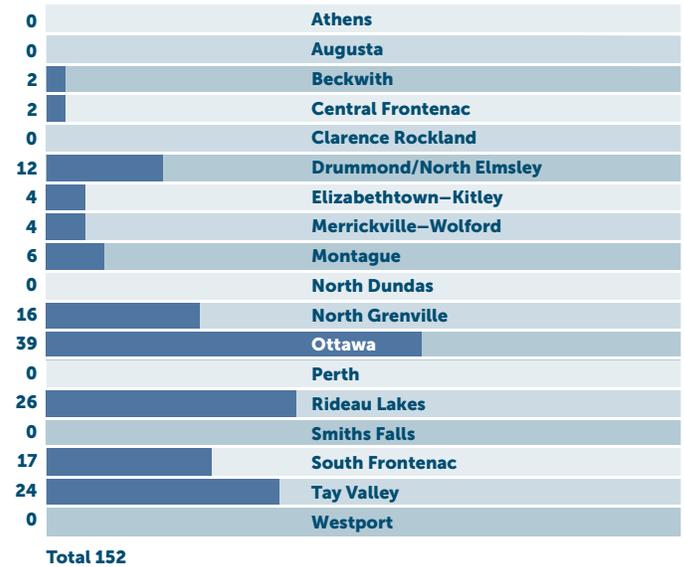
Stewardship Services

Clean Water Projects

- **113** projects were approved through the Rideau Valley Rural Clean Water Program, allocating **\$200,665** in grants; these grants will support a total project value of **\$669,657**
- **39** projects were approved through the Ottawa Rural Clean Water Program, allocating **\$195,823** in grants; these grants will support a total project value of **\$642,370**
- RVCA also delivered the Ottawa Rural Clean Water Program in the Mississippi watershed in partnership with Mississippi Valley Conservation Authority



2020 Clean Water Projects by Municipality



Stewardship Services

Lake Planning

- Participated in the 19th Annual Lake Links Workshop, which went online for 2020 and was attended by **150** local lake stewards and residents

Butternut Stewardship

- **1,385** free butternut seedlings distributed in spring 2020 to help replace dead and dying butternut trees in Eastern Ontario
- **15,850** seeds collected from healthy butternut trees to grow seedlings for future planting

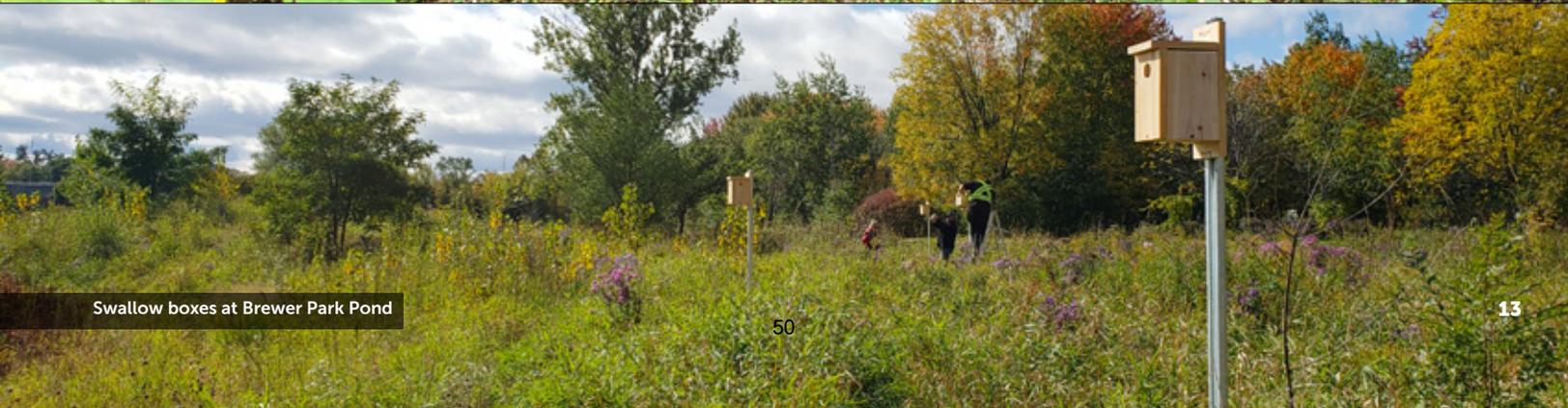
- Continued effort to locate and assess healthy trees and track survival and health of planted butternut

Habitat Enhancement

- **1,000** pollinator-friendly perennials distributed through over-the-counter plant sale
- Fish Creek walleye spawning bed enhancement project proposal was drafted for implementation in 2021 with the Bobs and Crow Lake Association



Butternut site inspection



Swallow boxes at Brewer Park Pond



Benthic sampling in Grants Creek

The RVCA collects, monitors and analyses watershed information to understand our watershed and help us better manage and protect its resources and the people who live in it. Failure to adequately recognize and incorporate the value of natural areas into decisions about the use and management of land and water will reduce the net benefits that societies receive from watersheds.

Source Water Protection

- Sixth year implementing the *Mississippi Rideau Source Protection Plan*
- Continued support provided to municipalities including policy interpretation and implementation tools

- Completed our third annual Source Protection Annual Report
- Continued work on an update to our Source Protection Plan and Assessment Reports

Flood Forecasting and Warning

- **8** flood messages for Rideau River
- **3** flood messages for Ottawa River
- **5** low water messages
- **23** sites monitored for water levels
- **10** sites monitored for precipitation
- **6** sites monitored for snowpack

Science & Engineering Services

Stream Characterization Monitoring

- **44** sites sampled throughout the watershed in the spring and fall for the Ontario Benthic Biomonitoring Network (OBBN)
- Stream thermal data was inputted into RVCA's WISKI data management tool for easy sharing with internal and external partners
- Staff prepared OBBN and fish community data sets and complete data analysis in support of the Integrated Watershed Monitoring Program review

Surface Water Quality Monitoring

- **117** sites sampled for RVCA Baseline Monitoring Program, City Baseline Monitoring Program and Provincial Water Quality Monitoring Program, which monitors the water chemistry of major rivers and tributaries
- **51** water quality parameters monitored annually
- **39** lakes sampled from June to November to monitor levels of nutrients, *E. coli* and other

chemical parameters through the Watershed Watch Program

- **22** participants facilitated lake sampling by offering lake access from their properties
- Volunteer participation in sampling was limited due to COVID-19
- Through partnership with Township of Rideau Lakes and Upper Rideau Lake Association (URLA) additional monitoring was carried out in Adrains Creek to examine poor water quality ratings. Two volunteers from URLA provided support including sample collection and observational data.

Watershed Reporting

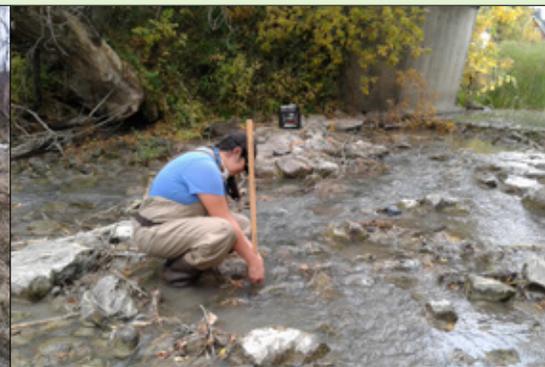
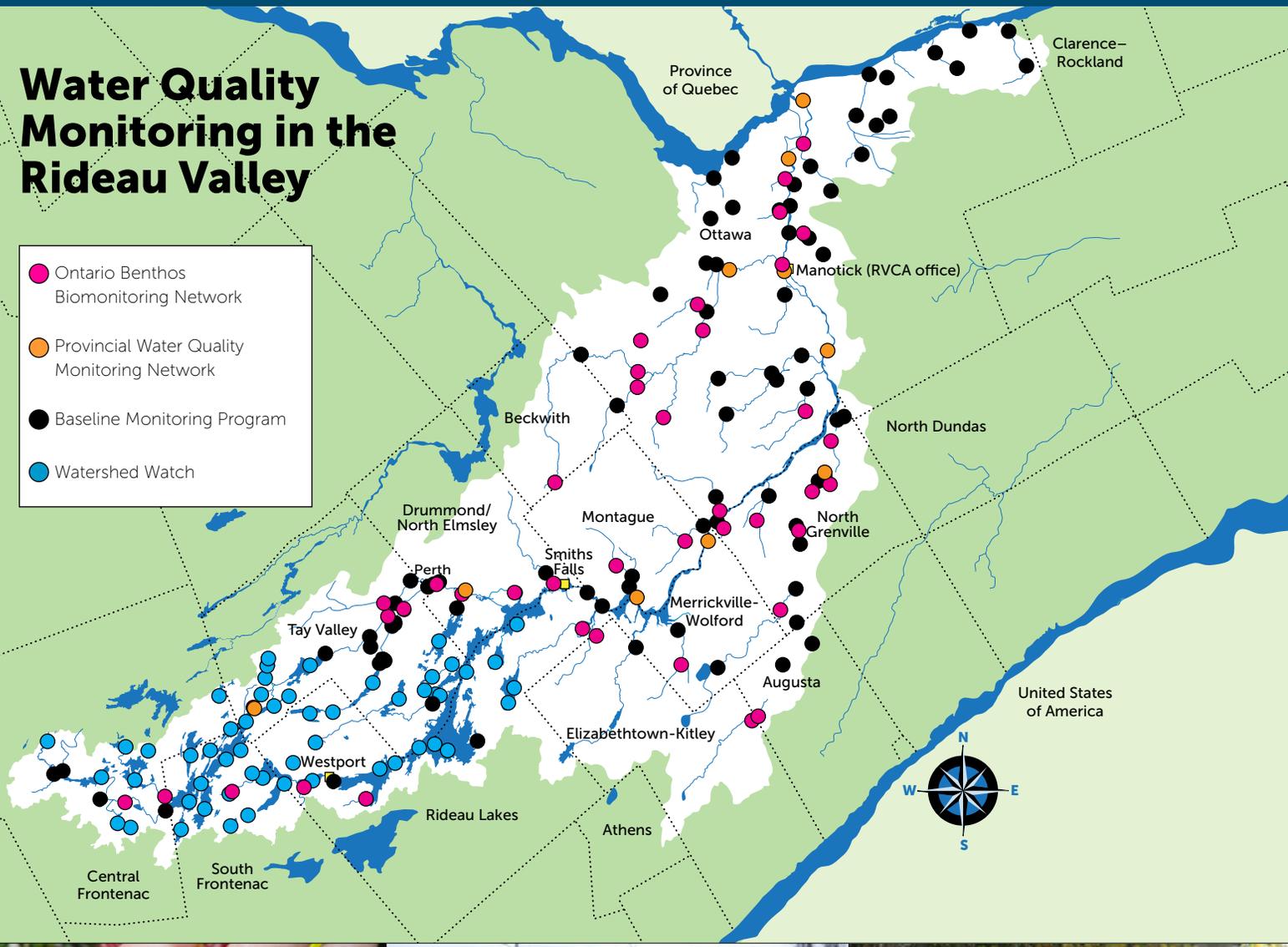
- Monitoring and reporting results for **6** subwatershed and **66** catchment reports are available online at watersheds.rvca.ca
- Ongoing review of monitoring and reporting programs to guide future activity





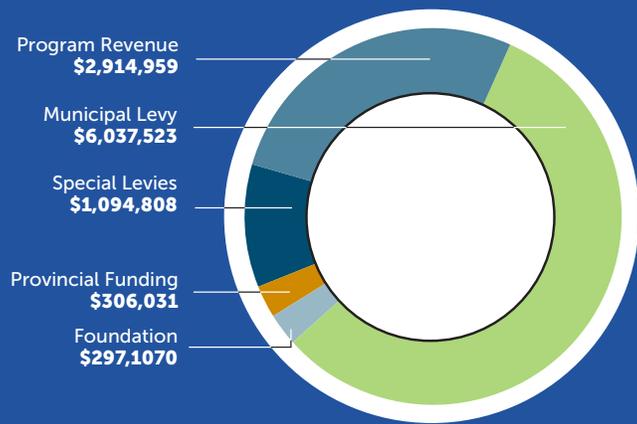
Water Quality Monitoring in the Rideau Valley

- Ontario Benthos Biomonitoring Network
- Provincial Water Quality Monitoring Network
- Baseline Monitoring Program
- Watershed Watch

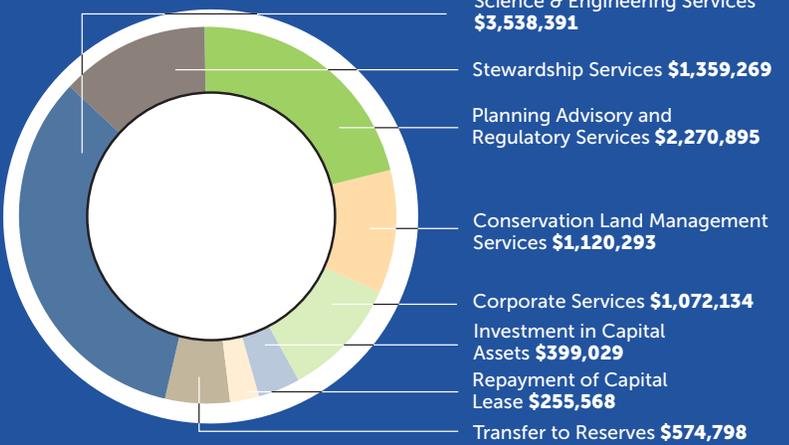


Financing Conservation

2020 Revenues \$10,650,428



2020 Expenditures \$10,590,377



2020 marked the 50th Anniversary for our small but industrious foundation. We had big plans to celebrate this momentous milestone, but instead we were met with a global pandemic. It's been a tough year for everyone, but if we've learned anything from the pandemic, it's that the health and resiliency of our watershed communities matter – to people, to businesses and to the planet. Investing in clean water, healthy habitats, accessible open-air spaces and outdoor learning is critical to our collective well-being.

And so, our conservation work continues – with more drive and purpose than ever!

I thank our generous, like-minded donors who continue to invest in practical and sustainable programs that protect our local environment. With your support, we will continue to plant trees, naturalize shorelines, conserve natural spaces, protect species at risk, educate our youth and so much more. A thank you, as well, to the staff and board of directors at the Rideau Valley Conservation Authority for their dedication and support.

We are pleased to share this snapshot of our accomplishments. With 50 years behind us, we are more excited than ever about the future of conservation in our beautiful watershed. Thank you for making your local natural environment a priority. Together we can make it our legacy.

Yours in conservation,
Jason W. M. Kelly, RVCF Chair

Board of Directors

Jason W. M. Kelly, Chair
Andrew Harkness, Vice Chair
Kathy Dallaire, Secretary-Treasurer
Allison Brown
Matthew Frye
Allison Gibbons
Gary Howard
Bob Ryerson
Tom Scott
Anne Simmering
R.E. (Bob) Smith
Kathy Thomas
Cynthia Wagner
Richmond Wilson



2020 Highlights



24 hectares
donated for
conservation



276,550
trees and
shrubs planted



935 metres
of shoreline
publically protected



484 tonnes
of carbon offset
through agreements



79
ongoing species
at risk restoration/
enhancement projects



6.8 million
dollars raised for
conservation since 1970

- Celebrated our 50th year as the watershed's best little environmental charity
- Continued our 2020 Conservation Campaign to protect our conservation lands through the Steve Simmering Conservation Land Endowment Fund and gratefully accepted donations from our valued private donors.
- Raised more than \$10,000 on Giving Tuesday for the Steve Simmering Fund thanks to private donors and matching funds from Enbridge Gas.
- Celebrated and acknowledged the continuing support of more than 330 watershed businesses and private donors who are recognized on our "Partners in Conservation" wall at our office in Manotick.
- Raised funds to reduce or eliminate bus and registration fees for students attending outdoor education programs at Foley and Baxter Conservation Areas. Thank you to the Ottawa Community Tree Foundation Community Grants Program, The North Face Canada Explore Fund, Starbucks Foundation Green Apron Grant and BOGS[®] Outdoor Fund for their support
- Partnered with One Tree Planted to plant 70,000 tree seedlings in spring 2020, with a continued partnership for planting in 2021
- Planted trees thanks to Hulse, Playfair and McGarry who have supported tree planting in the watershed since 2003
- Welcomed new and returning Carbon Neutral individuals, businesses and events including LIVE 88.5, CIBC Wood Gundy - McCooeye Financial Group, Evergreen Window Solutions and vélofix
- Completed phase 1 of the restoration of Hutton Marsh thanks to a dedicated group of local stakeholders and funders who made this project possible, including Ducks Unlimited Canada, Leeds and

- Grenville Stewardship Council, Ontario Federation of Anglers and Hunters Zone F, the United Counties of Leeds and Grenville (UCLG), Wildlife Habitat Canada and the Rideau Valley Conservation Authority
- Participated in the Nature for All Committee as we look to increase accessibility features at Baxter Conservation Area
- Enjoyed the continued confidence of several land development companies who use the Foundation's Species at Risk Compensation Program to compensate for unavoidable loss of butternut, barn swallow habitat or bobolink habitat during their business activities. We are currently managing 78 projects
- Continued delivery of Special Occasion Trees, Memorial Tree and Memorial Bench Programs
- Supported the Royal Canadian Legion Branch 314 Manotick by accepting donations directed to maintaining Remembrance Park's Memory Gardens
- Accepted two new land donations of ecologically sensitive lands from willing landowners, adding another 24 hectares (including 935 metres of shoreline) to the Foundation's current complement of conservation lands
- Remained a proud and practicing member of both the Ontario and Canada Land Trust Alliances
- Supported donors through CanadaHelps.com for safe and easy acceptance of donations to RVCF's special programs and services
- Maintained accreditation from Imagine Canada's Standards Program – providing public confidence in the RVCF that has demonstrated excellence in board governance, financial accountability and transparency, ethical fundraising, staff management and volunteer involvement.

Rideau Valley Conservation Foundation

Box 988
3889 Rideau Valley Drive
Manotick, ON K4M 1A8

613-692-3571 ext. 1126
info@rvcf.ca
www.rvcf.ca

The RVCF is proudly accredited under Imagine Canada's Standards Program having demonstrated excellence in board governance, financial accountability and transparency, ethical fundraising, staff management and volunteer involvement.





Rideau Valley Conservation Authority

Box 599, 3889 Rideau Valley Drive

Manotick, ON K4M 1A5

613-692-3571 or 1-800-267-3504

www.rvca.ca



Facebook: [RideauValleyConservationAuthority](https://www.facebook.com/RideauValleyConservationAuthority)



Twitter: [RideauValleyCA](https://twitter.com/RideauValleyCA)



Instagram: [rideauvalleyca](https://www.instagram.com/rideauvalleyca)



Youtube: [@RideauValleyCA](https://www.youtube.com/@RideauValleyCA)



**8.0 Comprehensive Update of Development Review Policies
Report #: 3-210422**

To: RVCA Board of Directors
From: Phil Mosher, RPP, MCIP
Planner
Date: April 12, 2021

<input type="checkbox"/>	For Information
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Recommendation:

That the Board of Directors of the Rideau Valley Conservation Authority receives this report for information and approves the process outlined in the report to undertake a comprehensive review and update of RVCA's policies related to plan review and Section 28.

Purpose

To seek approval from the Board to undertake a comprehensive review and update of policies related to plan review and Section 28 following the process in this report.

Background

Section 28 of the *Conservation Authorities Act* prohibits certain types of activities in regulated areas without a permit from a conservation authority.

These regulated areas are:

- Hazard Lands (floodplains, unstable soils, steep slopes)
- Watercourses (rivers, streams, drains)
- Shorelines (lakes)
- Wetlands and other areas where development could interfere with the hydrologic function of wetlands

The activities requiring a permit in these regulated areas are:

- The construction, reconstruction, erection or placing of a building or structure of any kind
- Any change to a building or structure that would have the effect of altering the use or potential use of the building or structure, increasing the size of the building or structure or increasing the number of dwelling units in the building or structure
- Site grading
- The temporary or permanent placing, dumping or removal of any material originating on the site or elsewhere

- Straightening, changing, diverting or interfering in any way with the existing channel of a river, creek, stream or watercourse
- Changing or interfering with a wetland in any way

If a property owner wants to undertake any of these activities in a regulated area, they must apply to their local conservation authority for a permit. Conservation authorities can issue permits for prohibited development, if in the opinion of the authority:

- The activity is not likely to affect the control of flooding, erosion, dynamic beaches or pollution or the conservation of land;
- The activity is not likely to create conditions or circumstances that, in the event of a natural hazard, might jeopardize the health or safety of persons or result in the damage or destruction of property; and
- Any other requirements that may be prescribed by the regulations are met.

The RVCA currently has two Board approved policy documents that outline what development activities are permitted in regulated areas within the Rideau valley watershed, they are:

- Policies Regarding Development Including the Construction / Reconstruction of Buildings and Structures, Placing of Fill and Alterations to Waterways (last updated February 22, 2018)
- Wetland Policies (approved September 27, 2018).

These policy documents provide direction to applicants, developers and RVCA staff. If an applicant applies for work that meets the policies, RVCA staff can issue a permit. If the proposed work does not meet the policies, the applicant can request a hearing before the Executive Committee who can grant exceptions. Decisions of the Executive Committee are appealable to the Mining and Lands Tribunal.

In addition to regulating development under Section 28 of the *Conservation Authorities Act*, the Province also made conservation authorities responsible for commenting on planning files with respect to natural hazards. Under the *Planning Act*, municipalities must circulate official plans, comprehensive zoning bylaws and site-specific planning applications to conservation authorities who then provide comments on behalf of the province relating to natural hazards (Section 3.1 of the Provincial Policy Statement). As directed by the Ministry of Municipal Affairs and Housing and the Ministry of Natural Resources and Forestry, conservation authorities provide comments with respect to flooding, riverine erosion and unstable slopes, soils and bedrock. Through MOUs with the City of Ottawa, the County of Lanark and the United Counties of Leeds and Grenville, the RVCA also provides comments to municipalities relating to natural heritage (Section 2.1 of the Provincial Policy Statement), stormwater management (Section 1.6.6.7 of the Provincial Policy Statement) and water quality and quantity (Section 2.2 of the Provincial Policy Statement).

Analysis

Much has changed since the RVCA last updated its policy documents in 2018 so a comprehensive review and update of all policies related to plan review and Section 28 is required. This task was prioritized in RVCA's 2021 workplan and is a priority in RVCA's Strategic Plan. It is anticipated that this process will result in revisions, additions and deletions to RVCA's current policies.

The Need for Updated Policies

RVCA's Board of Directors, Executive Committee and staff have identified certain policy areas in recent years that need to be reviewed or added. These include:

- The addition of plan review policies
- The addition of Section 28 policies pertaining to:
 - boathouses
 - agricultural drains
 - headwater drainage features
- A comprehensive review and update of RVCA's current Section 28 policies which pertain to construction, alteration to waterways, interference with wetlands, placement of fill and other regulated activities.

The RVCA also needs to update its policies to align or conform with recent legislative and regulatory amendments undertaken by the Province including the following.

- In 2020, the Provincial Policy Statements were amended by the Province. These statements guide all land use development within Ontario. Key changes included an emphasis on ensuring that developments and the infrastructure supporting them will be resilient to a changing climate through promotion of green infrastructure in communities.
- In 2021, the Province amended policies under the *Ontario Water Resources Act* to adopt a Consolidated Linear Infrastructure Permissions Approach for low-risk projects related to sewage collection and stormwater management. This means municipalities will no longer need to apply for project specific permits (and in certain circumstances developers constructing infrastructure on behalf of municipalities can receive pre-authorization) as long as projects are undertaken in accordance with new design criteria and other required conditions.
- In 2020, the Province also amended the *Conservation Authorities Act* and in 2021 we anticipate amendments to regulations under Section 28 of the Act that could include:
 - New or updated definitions for key regulatory terms
 - Reduction of regulatory restrictions between 30m and 120m of a wetland and where a hydrological connection has been severed
 - Exempting low-risk development activities from requiring a permit

There is also a need to review and update RVCA's policies to:

- Ensure they adequately address the steadily increasing development pressure in RVCA's watershed as well as the changing nature of local development. It is important to ensure that policies are current and provide appropriate guidance for the level and type of development occurring in the watershed today.

- Ensure all policies related to plan review and section 28 are consolidated into one comprehensive easy to interpret policy document for ease of use by staff, as well as ease of use by property owners, developers and the public.

A Process to Update Policies

In September 2019, the Board formed an Ad Hoc Policy Committee made up of seven members of the Board. This Committee had two meetings to review preliminary draft policies prepared by staff. The current status of policy work is:

Policy	Scope	Current Status
Plan Review	New Policy	<ul style="list-style-type: none"> • Draft Policy Prepared • Reviewed by Policy Committee
Current Section 28 Policies	Policy Update	<ul style="list-style-type: none"> • To be initiated
Boathouses	New Policy	<ul style="list-style-type: none"> • Draft Policy Prepared • Reviewed by Policy Committee
Agricultural Drains	New Policy	<ul style="list-style-type: none"> • Draft Policy Prepared • Reviewed by Policy Committee
Headwater Drainage Features	New Policy	<ul style="list-style-type: none"> • Draft Policy Prepared

Moving forward, staff are proposing the following process to continue and complete RVCA's comprehensive review and update of plan review and section 28 policies:

Timeline	Steps	Role
May to October	Staff	<ul style="list-style-type: none"> • Prepare draft policies
	Policy Working Group	<ul style="list-style-type: none"> • Review draft policies & provide input
	Policy Committee	<ul style="list-style-type: none"> • Review next draft of policies and provide input
Fall	Legal Counsel	<ul style="list-style-type: none"> • Review next draft of policies and provide input
Fall / Winter	Public Consultation	<ul style="list-style-type: none"> • Review next draft of policies and provide input
Early 2022	Board	<ul style="list-style-type: none"> • Review next draft of policies and provide input • Approve final draft of policies

- **Staff** would be responsible for preparing initial draft policies for review by a multi-stakeholder technical working group.
- **Policy Working Group** would provide input and advice on initial draft policies.
 - This technical working group would be made up of municipal staff as well as members representing developers, agriculture and aggregates. Indigenous communities would also be invited to participate.
 - It is anticipated that 5 working group meetings would be held between May and October.
 - Staff would provide an agenda in advance of each meeting containing draft policies for review.

- Staff would compile input and advice from the group and consider this feedback when updating policies.
- **Ad Hoc Policy Committee** of the Board would then review revised draft policies and provide input. Staff would update policies based on this feedback.
- **Legal Counsel** would then undertake a thorough review of a consolidated draft policy document and recommend revisions to ensure legal conformity and compliance with legislation.
- **Public Consultation** would then be undertaken to provide all stakeholders, affected property owners and the public with an opportunity to provide feedback.
 - Draft policy document would be posted on the website for review and comment and made available in hard copy as requested.
 - The consultation process and timeline would be advertised and promoted across the watershed through multiple means.
 - Online or in-person information sessions would be held depending on the state of the pandemic to solicit input.
 - Staff would prepare a summary of the comments received and consider this feedback when updating the policy document.
- **Board of Directors** would then be provided with the summary of comments and an updated draft policy document for review and input. Staff would then revise the document based on this feedback and bring it back to the Board for consideration and approval.

Having meaningful dialogue and consultation with a broad range of partners and stakeholders throughout the development of policies is the most important aspect of this project. While this type of approach results in a longer timeline, it also results in a better policy document long-term.

Letters were recently sent to municipal CAOs to make them aware of this workplan priority and inviting them to identify municipal staff who may be available and suited to participating on the Policy Working Group. Following Board approval, staff would reach out to other groups and stakeholders and begin the process outlined above.

Input From Other Sources

This process to review and update policy will involve RVCA staff from Planning and Science, Engineering and Regulations, and Communications as well as input from Indigenous communities as well as partners and stakeholders including neighbouring conservation authorities, municipalities, agriculture, developers, aggregate producers, lake and community associations and the public. RVCA's Ad Hoc Policy Committee will also provide input in advance of a review by the full Board prior to seeking Board approval of updated policies.

Financial Considerations

This project was identified in RVCA's 2021 workplan and has been budgeted for in RVCA's 2021 operations budget.

Legal Considerations

Updating policies is necessary to comply with amendments to the *Conservation Authorities Act*, regulations made under Section 28 of the Act and other related legislation.

Adherence to RVCA Policy

If the Board approves updated policies, they will supersede all existing RVCA policies related to plan review and Section 28.

Link to Strategic Plan

This decision supports the following priorities in RVCA's *Strategic Plan 2020*:

- *Update development review policies to guide development away from natural hazards (areas prone to flooding, erosion or slope failure) and natural features (wetlands, shorelines and watercourses). Ensure updated policies are effective, balanced and user-friendly.*
- *Help municipalities implement their environmental policies, strategies, projects and initiatives.*



**9.0 Minister Zoning Orders
Report #: 4-210422**

To: RVCA Board of Directors
From: Sommer Casgrain-Robertson
General Manager / Secretary-Treasurer
Date: April 13, 2021

<input type="checkbox"/>	For Information
<input type="checkbox"/>	For Direction
<input checked="" type="checkbox"/>	For Adoption
<input type="checkbox"/>	Attachments – x pages

Recommendation:

That the Board of Directors of the Rideau Valley Conservation Authority receive this report for information and direct staff to undertake the following action items:

- **Work with member municipalities and neighbouring conservation authorities to be prepared for any potential MZOs or MZO requests;**
 - **Prepare a fee schedule update for Board consideration; and**
 - **Prepare compensation guidelines for Board consideration.**
-

Purpose

To provide the Board with an update on recent changes related to Minister Zoning Orders (MZOs) and seek endorsement of three priority action items.

Background

The *Planning Act* gives the Minister of Municipal Affairs and Housing the authority to zone and thereby control the use of any land in Ontario. This includes the ability to issue a zoning order to permit a development project anywhere in Ontario. Currently, any decision by the Minister that affects a planning matter such as issuing a MZO must be consistent with policy statements issued under the *Planning Act* such as the Provincial Policy Statement.

In recent months, there has been an increase in the number of MZOs being issued, primarily in the Greater Toronto Area. There are also two recent legislative changes that have or will have an affect on the scope and impact of MZOs.

Analysis

Recent Changes to the *Conservation Authorities Act*

When Bill 229 received Royal Assent on December 8, 2020 it amended the *Conservation Authorities Act* including a new section that was added by the Standing Committee just before Third Reading. This new section requires conservation authorities to issue a Section 28 permit for any development project authorized by a MZO despite what may or may not be permitted under Section 28 of the *Conservation Authorities Act* or Section 3 (5) of the *Planning Act*. The amendment stipulates that this new section does not apply to lands in certain sections of the Greenbelt Area.

Under the newly adopted [Section 28.0.1 of the *Conservation Authorities Act*](#):

- A conservation authority shall not refuse to grant permission for a development project that has been authorized through a zoning order made by the Minister of Municipal Affairs and Housing despite anything in section 28 or in a regulation made under section 28 or anything in subsection 3 (5) of the *Planning Act*.
- A conservation authority can attach conditions to a Section 28 permit that is required as a result of a MZO, including conditions to mitigate:
 - Any effects the development project is likely to have on the control of flooding, erosion, dynamic beaches or pollution or the conservation of land
 - Any conditions or circumstances created by the development project that, in the event of a natural hazard, might jeopardize the health or safety of persons or result in the damage or destruction of property
- Conditions can only be attached if the applicant has been given the opportunity for a Hearing in front of the Executive Committee.
- Any conditions can be appealed by the applicant to the Minister or LPAT.
- If the conditions conflict with the terms of a MZO, the terms of the MZO prevail.
- A conservation authority also has to enter into an agreement with the permit holder that sets out actions or requirements that the permit holder must complete or satisfy in order to compensate for ecological impacts and any other impacts that may result from the development project.

Proposed Changes to the *Planning Act*

Bill 257 (*Supporting Broadband and Infrastructure Expansion Act*) was introduced on March 4, 2021 and received Royal Assent on April 12, 2021 following a 30 day posting on the Environmental Registry. Previously, a decision by the Minister of Municipal Affairs and Housing that affects a planning matter such as a MZO had to be consistent with policy statements issued under the *Planning Act* such as the Provincial Policy Statement. Through Bill 257, the *Planning Act* was amended so that a MZO does not have to be consistent with the Provincial Policy Statement and any existing MZO never had to be consistent with the Provincial Policy Statement. The amendment stipulates that land in the Greenbelt Area is exempt from this new amendment.

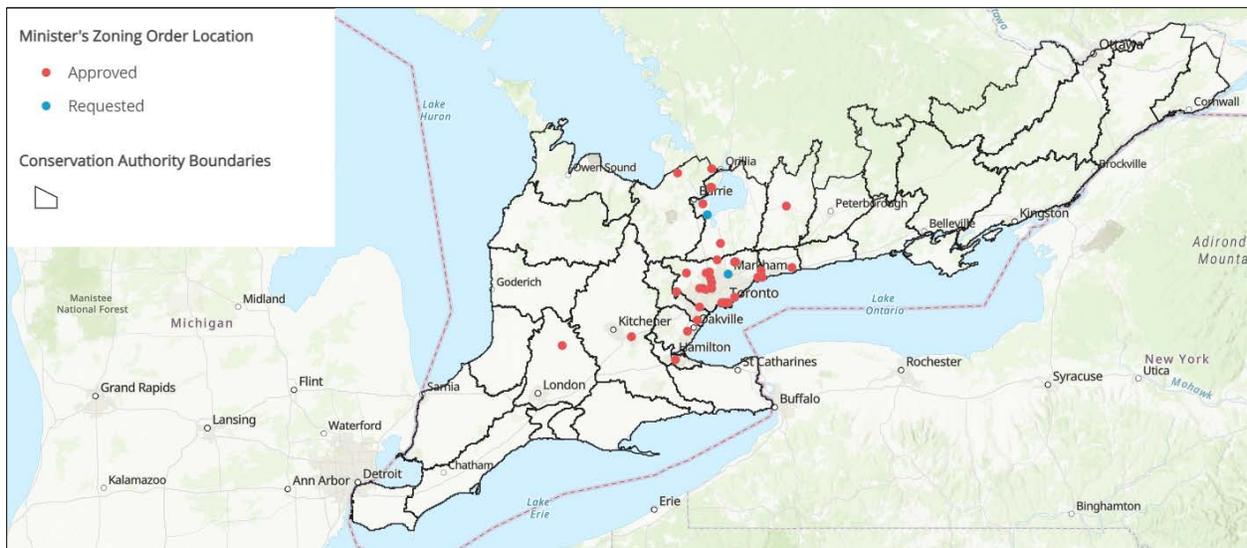
Recent Use of MZOs

According to Conservation Ontario, a total of 41 MZOs have been issued by the Minister of Municipal Affairs and Housing since April 2019. The Minister has indicated that he will only consider issuing a MZO if the local municipal council asks the provincial government to allow the development.

These MZOs were issued in the jurisdictions of the following conservation authorities:

- 25 in Toronto Region
- 3 in Lake Simcoe Region
- 1 in Toronto and Lake Simcoe Region (split)
- 3 in Nottawasaga Valley
- 2 in Central Lake Ontario
- 2 in Hamilton
- 1 in Halton
- 1 in Credit Valley
- 1 in Kawartha
- 1 in Upper Thames
- 1 in Grand River

Below is a map showing the location of MZOs across Ontario.



Source: Conservation Ontario based on data from *Ontario Yours to Protect*

Required Action Items

In order for the RVCA to be prepared to respond to potential MZOs in the Rideau watershed, the following actions should be undertaken in the coming months:

- Conservation authorities should engage in discussions with member municipalities to request that if a municipal Council is asked to support a MZO application that the municipality first seek input from the local conservation

authority to understand any issues related to natural hazards or natural features. This would ensure Council has a complete understanding of the property and any public safety or environmental concerns prior to making a decision. Conservation authorities would commit to providing this information in a timely manner.

- Conservation authorities should collaborate on a fee structure to process Section 28 permits related to MZOs.
- Conservation authorities should also collaborate on a set of compensation guidelines to inform agreements with permit holders that are required under the Act to outline actions or requirements that the permit holder must complete or satisfy in order to compensate for ecological impacts and any other impacts that may result from the development project.

Input from Other Sources

Conservation authorities are working closely with one another and Conservation Ontario to review recent legislative amendments and develop resources and tools to address MZOs. Conservation authorities will also engage member municipalities to ensure all partners involved in local development review are prepared for potential MZOs.

Conservation Ontario also hosted a valuable training session for all conservation authorities on March 30, 2021 to provide information and guidance on processing permits under Section 28.0.1 of the *Conservation Authorities Act*. A further training session is being planned for staff to learn more about compensation guidelines currently in use at some conservation authorities.

Financial Considerations

Amendments will be proposed to RVCA's fee schedule to cover the cost of processing Section 28 permits related to MZOs.

Legal Considerations

RVCA will have to comply with amendments to the *Conservation Authorities Act* and new or updated regulations as they are proclaimed.

Adherence to RVCA Policy

Amendments will be proposed to RVCA's Section 28 Policies to reflect changes to the *Conservation Authorities Act* and regulations under Section 28 of the Act.

Link to Strategic Plan

N/A