



Finance and Administration Advisory Committee

MVCA Board Room

1:00 pm

February 7, 2020

AGENDA

ROLL CALL

Adoption of Agenda

Declaration of Interest (written)

1. Approval of Minutes – Finance and Administration Advisory Committee, November 15, 2019, see attached.
2. Business Arising from Minutes
3. 2019 Draft Financial Statements, see attached. (Glenn Street)
4. 2019 Per Diem and Mileage Rates, Report 3040/20. (Angela Millar)
5. Land disposition, purchase, and easements IN CAMERA (Sally McIntyre)
6. Update – 2019 WECl Projects, Report 3041/20. (Sally McIntyre)
7. Update – Draft 2020 Budget (Sally McIntyre)
8. Update – Procurement Review, Report 3042/20. (Angela Millar)
9. Mill of Kintail Museum Update, Report 3043/20. (Christa Lowry and Jeff Atkinson)

Other Business

ADJOURNMENT

MISSISSIPPI VALLEY CONSERVATION AUTHORITY
FINANCE AND ADMINISTRATION ADVISORY COMMITTEE

Mississippi Valley Conservation Centre
Carleton Place

MINUTES

November 15, 2019

MEMBERS PRESENT:

E. Burke;
T. Fritz;
J. Hall;
J. Karau;
C. Lowry;
J. Mason;
G. McEvoy;
P. Sweetnam.

MEMBERS ABSENT:

E. El-Chantiry;
P. Kehoe.

STAFF PRESENT:

S. McIntyre, General Manager;
A. Millar, Secretary-Treasurer;
S. Lickley, Recording Secretary.

VISITORS PRESENT:

S. McIntyre called the meeting to order at 2:07 p.m.

BUSINESS:

1. Minutes – Finance & Administration Advisory Committee Meeting – Feb 14, 2019

FAAC11/15/19-1

MOVED BY: J. Mason

SECONDED BY: P. Sweetnam

Resolved, That the Minutes of the Finance & Administration Advisory Committee meeting held February 14, 2019 be received and approved as printed.

“CARRIED”

2. Appointment of Committee Chair and Vice-Chair

S. McIntyre started the election process by acting as chairman for the election process.

FAAC11/15/19-2

MOVED BY: J. Mason

SECONDED BY: T. Fritz

Resolved, That Sally McIntyre be appointed as Chairman for the Election of Chairman of the Finance and Administration Advisory Committee for 2019.

“CARRIED”

S. McIntyre called for nomination for the position of Chairman. J. Mason nominated C. Lowry. T. Fritz seconded the nomination. S. McIntyre called for additional nominations and there were none.

S. McIntyre called for the nominations for the position of Chairman be closed.

FAAC11/15/19-3

MOVED BY: P. Sweetnam

SECONDED BY: J. Hall

Resolved, That nominations for the position of Chairman be closed and that C. Lowry is now Chairman for the Finance and Administration Advisory Committee.

“CARRIED”

C. Lowry called for nominations for the position of Vice-Chairman. J. Hall nominated P. Sweetnam. G. McEvoy seconded the nomination. C. Lowry called for additional nominations and there were none.

C. Lowry called for the nominations for the position of Vice-Chairman to be closed.

FAAC11/15/19-4

MOVED BY: T. Fritz

SECONDED BY: G. McEvoy

Resolved, That nominations for the position of Vice-Chairman be closed and that P. Sweetnam is now Vice-Chairman for the Finance and Administration Advisory Committee.

“CARRIED”

3. **Draft 2020 Budget**

See attached report 3034/19.

S. McIntyre reviewed budget process and timeline. She explained that she is offering presentations to municipalities about the current budget and future of conservation authorities in setting of Bill 108. A. Millar then reviewed the 10-Year Capital Plan.

P. Sweetnam suggested that MVCA should inquire with WECI funders about reimbursement for Shabomeka Lake Dam Design Study done this year. S. McIntyre noted that all capital programs failed to make the expected progress this year due to flooding issues taking priority. They are rescheduled for 2020, however if there are problems with staff capacity, we will look into hiring a consultant to ensure capital projects are completed

S. McIntyre described a new capital project proposed for 2020: on the K&P Trail there is a historic bridge that requires inspection and likely replacement of railing. There are logging trucks and private vehicles that use this bridge. This trail has also had disputes with landowners, which MVCA has incurred legal fees to maintain ownership of the trail.

J. Mason asked if there is any revenue from K&P. S. McIntyre responded that there is no real revenue that comes from the K&P Trail. J. Hall suggested that for bridge repairs and trail maintenance MVCA could approach snowmobile clubs for funding. C. Lowry advised that

municipal roads with bridges have to be inspected bi-annually, so it is a concern that the bridge has been unassessed for more than a decade. Discussion continued regarding a possible future transfer of the K&P Trail to Lanark County, and that any known risks, such as the bridge repair, be identified and shared with Lanark County.

A. Millar and S. McIntyre reviewed details of budget. S. McIntyre noted that the 2020 budget excludes the well monitoring program at a cost of \$3000 because the data is not useful to MVCA and the province doesn't subsidize the program.

J. Mason asked why the Conservation Foundation operates as a separate entity and if they ever report on the finances of the foundation to the board of directors. She suggested that in 2020 there would be a presentation to the board about the foundation and its finances in order to investigate how the foundation could be a more effective fundraising arm. P. Sweetnam added that it would also be great to know what the foundation contributes to MVCA's budget.

J. Mason suggested that Ontario Power Generation (OPG) is a great organization to ask for funding. S. McIntyre reported that OPG is already funding our water safety program.

J. Mason advised that on the subject of eliminating an FTE position, to ensure clear communications about why staffing changes will create resiliency within the organization, when more than one individual has working knowledge of other areas of the organization.

On the subject of staffing S. McIntyre explained that all staff will get cost of living increase 1.9%, and some staff will receive a bonus or extra step increase as well for an increase of up to 3.5% total. She explained that MVCA was supposed to conduct a salary review in 2019, however it was not completed. She advised that MVCA is currently reviewing the professional positions that are open before starting our competition process.

FAAC11/15/19-5

MOVED BY: J. Mason

SECONDED BY: T. Fritz

Resolved, That the 2020 Draft Budget, as presented, be recommended to the Board of Directors for consideration and circulation to member municipalities for comment.

“CARRIED”

ADJOURNMENT

The meeting was adjourned at 3:52 p.m.

FAAC11/15/19-6

MOVED BY: P. Sweetnam

SECONDED BY: J. Hall

Resolved, That the Finance and Administration Advisory Committee meeting be adjourned.

“CARRIED”

C. Lowry, Chair”

S. Lickley, Recording Secretary

January 31, 2020

Board of Directors
Mississippi Valley Conservation Authority
10970 Hwy 7
Carleton Place, ON K7C 3P1

Dear Board of Directors

Re: Audit Findings

This letter has been prepared to assist you with your review of the financial statements of Mississippi Valley Conservation Authority for the period ending **December 31, 2019**. I look forward to meeting with you and discussing the matters outlined below.

Audit Status

I have completed the audit of the financial statements, with the exception of the following items:

1. Receipt of a signed representation letter by management
2. Completing my discussions with the Board of Directors
3. Obtaining evidence of the Board's approval of the financial statements

I will date and sign my auditor's report when these items have been completed.

**Significant Matters Arising
*Changes to Audit Plan***

There were no changes to the audit plan as previously presented to you.

Other Matters

I identified the following matters that I wish to bring to your attention at this time:

As noted in last year's letter, there were some employees carrying excess vacation and/or overtime inconsistent with the guidelines set out in the Employee Manual. With recent retirements of long-term employees, these inconsistencies have been resolved.

As noted in last year's letter, the Authority registered for HST effective December 1, 2018. Our firm provided consulting services during this process and issued a report to assist the Authority in managing this transition. The HST report issued by us provided recommendations to identify which revenue transactions could be subject to HST. This was an assessment of transactions at a specific time. The Authority should continue to monitor revenue transactions and HST regulations to identify potential HST transactions. During the audit, certain revenue transactions were identified from which HST had not been collected. An adjustment was booked to correct this.

Significant Difficulties Encountered

As noted in last year's letter, internet connectivity was improved with only minor issues observed during the audit. The experience in the current year audit was similar with several short-term disconnections in internet service.

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by the entity are outlined in Note 2 to the financial statements.

- There were no significant changes in accounting policies.
- I did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- I did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

The following significant estimates/judgments are contained in the financial statements:

- *Allowance for doubtful accounts*
- *Accrued liabilities*
- *Deferred revenue*
- *Book value of capital assets*
- *Deferred contributions*

Based on audit work performed, I am satisfied with the estimates made by management.

Significant Financial Statement Disclosures

I did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that I believe should be specifically drawn to your attention.

Audit Adjustments

I accumulated adjustments that I identified during my audit and communicated them to management. I then requested that management accept these audit adjustments. All audit adjustments for the current period have been accepted. A copy of these adjustments is attached for reference.

Significant Deficiencies in Internal Control

A deficiency in internal control exists when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

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.

To identify and assess the risks of material misstatement in the financial statements, I am required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, I do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during my audit.

I did not identify any control deficiencies that, in my judgment, would be considered significant deficiencies.

Written Representations

In a separate communication, I will request a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Other Audit Matters of Governance Interest

I would like to thank management and staff for the assistance they provided to me during the audit. This was the first audit under the leadership of Sally McIntyre and Angela Millar in their new roles. The audit went smoothly with excellent records, supporting documentation and assistance that we have always experienced with the Authority. I had an opportunity to work with Angela during the year as questions arose so I trust the continuity I was able to contribute proved beneficial.

I hope the information in this audit findings letter will be useful. I would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of those charged with governance of Mississippi Valley Conservation Authority to carry out and discharge their responsibilities. The content should not be disclosed to any third party without my prior written consent, and I assume no responsibility to any other person.

Yours truly,

A handwritten signature in blue ink, appearing to read "Cross Street", with a long horizontal flourish extending to the right.

Cross Street Professional Corporation

Client: **00315 - MISSISSIPPI VALLEY CONSERVATION AUTHORITY**
 Engagement: **2019 wpf - Mississippi Valley Conservation Authority - 2019 wpf**
 Period Ending: **2019-12-31**
 Trial Balance: **150 - Trial Balance**
 Workpaper: **160 - Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
MUNICIPAL LEVY RE: CAPITAL			
4200	Contributions Deferred	527,005.00	
2200	Def Contrib of Capital Assets		527,005.00
Total		527,005.00	527,005.00

Adjusting Journal Entries JE # 2			
AMORTIZATION EXPENSE			
5040	Amortization of Capital Assets	303,755.00	
1301	Capital Assets:Buildings:Buildings - Accum Amort		152,805.00
1303	Capital Assets:Computer Hardware:Computer Hardware - Accum Amort		11,030.00
1307	Capital Assets:Equipment:Equipment - Accum Amort		32,373.00
1309	Capital Assets:Furniture & Fixtures:Furniture & Fix - Accum Amort		25,233.00
1315	Capital Assets:Roads & Bridges:Roads & Bridges - Accum Amort		2,428.00
1317	Capital Assets:Vehicles:Vehicles - Accum Amort		34,164.00
1319	Capital Assets:Water Control Structures:Wat Con Struct - Accum Amort		45,722.00
Total		303,755.00	303,755.00

Adjusting Journal Entries JE # 5			
AMORTIZATION OF DEFERRED CONTRIBUTIONS			
2210	Def Contrib Cap - Accum Amort	216,282.00	
4000	Amortization of Deferred Contr		216,282.00
Total		216,282.00	216,282.00

Adjusting Journal Entries JE # 6			
POST-RETIREMENT BENEFITS			
2400	Retirement benefit liability	16,616.00	
5020	Administration:Salaries/Benefits:Salaries & Benefits	424.00	
5027	Post-retirement benefits: Current service cost	8,509.00	
5028	Post-retirement benefits: Interest on obligation & accrual	6,524.00	
5028.2	Amortize (gain) and losses	2,954.00	
2400	Retirement benefit liability		424.00
2400	Retirement benefit liability		17,987.00
5020	Administration:Salaries/Benefits:Salaries & Benefits		5,517.00
5020	Administration:Salaries/Benefits:Salaries & Benefits		11,099.00
Total		35,027.00	35,027.00

Adjusting Journal Entries JE # 8			
MORTGAGE PRINCIPAL			
2150	Mortgage on Admin Office	135,320.13	
5034	Administration Office - New Fac:A - Annual Financing Charge CP		135,320.13
Total		135,320.13	135,320.13

Adjusting Journal Entries JE # 11			
REALLOCATE RESERVE			
3003	Retained Earnings	10,182.89	
3000	Allocation to Reserves		10,182.89
Total		10,182.89	10,182.89

Adjusting Journal Entries JE # 12

GIC INTEREST		
1003	GIC cash account	0.27
1250	BNS - Long-term investments	501,446.58
1101	Accounts Receivable - Other	1,671.37
1200	BNS - Investments	482,780.09
4049.1	GIC interest	16,995.39
Total		501,446.85 501,446.85

Adjusting Journal Entries JE # 16		
HST simplified method		
2010	GST/HST Payable	1,194.29
4151	Sundry:General	1,194.29
Total		1,194.29 1,194.29

Adjusting Journal Entries JE # 17		
Reallocate Investment in Capital		
3004	Investment in Capital Assets	611,979.00
3003	Retained Earnings	611,979.00
Total		611,979.00 611,979.00

Adjusting Journal Entries JE # 18		
Reallocate HST rebate		
1102	HST rebate receivable	76,950.56
5400	Rebate - HST - 86.5%	76,950.56
Total		76,950.56 76,950.56

Adjusting Journal Entries JE # 20		
Correct HST		
4040.3	Grants - Special:MNR-Preventative Mtce - 5 Dams	793.81
4044.2	Grants - Special:Ottawa - Carp Erosion Control	4,537.43
4150	Sundry:Bell Canada - Ann Ease - K&P Tr	189.83
4160.2	Sundry:Rentals - MVCA Cons Centre	9.78
4180	UF&Sales - Cons Areas:UF&Sales - MOK:Cons Area/Land Rental/Weddings	705.20
4180.1	UF&Sales - Cons Areas:UF&Sales - MOK:Conservation Area Pass	779.10
4184	UF&Sales - Cons Areas:UF&Sales - MOK:Education Program:School Programs	2,122.57
4186	UF&Sales - Cons Areas:UF&Sales - MOK:Gatehouse Exhibit Hall Rental	204.21
4187	UF&Sales - Cons Areas:UF&Sales - MOK:Gift Shop Profit	29.64
4189.3	UF&Sales - Cons Areas:UF&Sales - MOK:Parking Meter MOK Revenue	1,783.21
4190.3	UF&Sales - Cons Areas:UF&Sales - Morris:Parking Metre Morris Island Rev	709.00
2010	GST/HST Payable	11,863.78
Total		11,863.78 11,863.78

Adjusting Journal Entries JE # 21		
RVCA shared staff		
1102	HST rebate receivable	995.13
5253	Section 28 Reg Enforcement:Salaries/Benefits:Salaries & Benefits	9,004.87
2000.1	Accounts Payable - Other	10,000.00
Total		10,000.00 10,000.00

Adjusting Journal Entries JE # 22		
CP Trail Development		
1314	Capital Assets:Roads & Bridges:Roads & Bridges - Cost	7,006.08
5169	Land Management Program Capital:Capital Improvements - CP Trail	7,006.08
Total		7,006.08 7,006.08

Adjusting Journal Entries JE # 23		
WSIB overpayment		
1101	Accounts Receivable - Other	2,185.82

	5030	Administration - Miscellaneous	2,185.82
Total			<u>2,185.82</u> <u>2,185.82</u>

Adjusting Journal Entries JE # 24

Capital - Dams			
	1318	Capital Assets:Water Control Structures:Wat Con Struct - Cost	6,316.48
	1318	Capital Assets:Water Control Structures:Wat Con Struct - Cost	15,263.25
	5240.33	Prev Mtce Flood Cont St - WECl:Shab Lake Dam Design	6,316.48
	5240.92	Prev Mtce Flood Cont St - WECl:Widow L Dam	15,263.25
Total			<u>21,579.73</u> <u>21,579.73</u>

Adjusting Journal Entries JE # 25

Stream gauges			
	1306	Capital Assets:Equipment:Equipment - Cost	5,230.49
	5090	Flood Fore & Warning:Equip Rent Pur Repair & Mtce	1,897.97
	5091.5	Flood Fore & Warning:Equip Rent Pur Repair & Mtce:Stream Gauges Expenses	1,401.92
	5092	Flood Fore & Warning:Mat/Supp/Equip/Gen Exp:General Expenses	34.66
	5093	Flood Fore & Warning:Mat/Supp/Equip/Gen Exp:Materials & Supplies	1,895.94
Total			<u>5,230.49</u> <u>5,230.49</u>

Adjusting Journal Entries JE # 26

Audit accrual			
	5000	Administration:Audit/Legal Fees:Audit Fees	7,000.00
	2000.1	Accounts Payable - Other	7,000.00
Total			<u>7,000.00</u> <u>7,000.00</u>

Adjusting Journal Entries JE # 27

Supplementary programs			
	5301	Suppl Prog:Canada Summer Job (Challenge)	8,859.00
	5309	Supp Prog:Project Learning Tree	10,276.44
	5309.1	Supp Prog:Canadian Parks & Recreation	3,088.53
	5096	Flood Fore & Warning:Salaries/Benefits:Salaries & Benefits	8,859.00
	5164	Property Management:Salaries & Benefits	3,088.53
	5164	Property Management:Salaries & Benefits	4,961.04
	5253	Section 28 Reg Enforcement:Salaries/Benefits:Salaries & Benefits	5,315.40
Total			<u>22,223.97</u> <u>22,223.97</u>

MISSISSIPPI VALLEY CONSERVATION AUTHORITY
Financial Statements

Year Ended December 31, 2019

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MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Index to the Financial Statements
Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Directors and Members of MISSISSIPPI VALLEY CONSERVATION AUTHORITY

I have audited the accompanying financial statements of MISSISSIPPI VALLEY CONSERVATION AUTHORITY, which comprise the statement of financial position as at December 31, 2019 and the statements of net assets, operations and cash flow for the year ended December 31, 2019 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of MISSISSIPPI VALLEY CONSERVATION AUTHORITY as at December 31, 2019 and the results of its operations and its cash flow for the year ended December 31, 2019 in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Cross Street Professional Corporation
Authorized to practise public accounting by Chartered Professional Accountants of Ontario

tbd
Perth, Ontario

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

(Incorporated under the Laws of Ontario)

Statement of Financial Position as at December 31,

2019

2018

ASSETS

Current

Cash	\$	973,835	1,081,397
Term deposits (note 3)		1,096,421	1,071,454
Accounts receivable, trade and other (note 4)		401,631	200,052
Prepaid expenses and other assets		3,048	-
		<u>2,474,935</u>	<u>2,352,903</u>

Term deposits (note 3)

501,447 -

Capital assets (note 5)

6,720,642 6,985,150

7,222,089 6,985,150

\$ 9,697,024 9,338,053

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued liabilities	\$	191,988	155,167
Current portion of long-term debt (note 7)		139,960	135,320
Deferred revenue (note 6)		365,509	120,505
		<u>697,457</u>	<u>410,992</u>

Long-term

Long-term debt (note 7)		3,925,464	4,065,424
Deferred contributions for capital assets (note 8)		2,493,214	2,182,491
Retirement benefit liability (note 9)		150,916	149,121
		<u>6,569,594</u>	<u>6,397,036</u>
		7,267,051	6,808,028

Net assets

Invested in capital assets		162,003	601,914
Reserves (note 10)		1,349,001	1,208,700
Unrestricted		918,969	719,411
		<u>2,429,973</u>	<u>2,530,025</u>

\$ 9,697,024 9,338,053

See accompanying notes to the financial statements

Approved by:

Director: _____

Director: _____

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Statement of Net Assets for the year ended December 31,				2019	2018
	Invested in Capital Assets	(note 10) Reserves	Unrestricted	Total	Total
Net assets, beginning of the year	\$ 601,914	1,208,700	719,411	2,530,025	2,550,214
Excess (Deficiency) of revenue over expenses	(229,158)	-	129,106	(100,052)	(20,189)
Investment in capital assets	(20,253)	-	20,253	-	-
Reserve transfers	(190,500)	140,301	50,199	-	-
Net assets, end of the year	<u>\$ 162,003</u>	<u>1,349,001</u>	<u>918,969</u>	<u>2,429,973</u>	<u>2,530,025</u>

See accompanying notes to the financial statements

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MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Statement of Operations for the year ended December 31,

2019

2018

Revenue

Municipal levy - general	\$ 3,027,850	2,798,554
Municipal levy - special	55,961	-
Deferred for capital contributions	(527,005)	(277,005)
	<u>2,556,806</u>	<u>2,521,549</u>

Other revenue (Schedule 1)	879,574	657,096
Government grant - Ministry of Natural Resources	128,438	248,792
Government grant - other provincial	13,445	13,445
Conservation area - fees, sales and rental	80,180	68,339
Supplementary programs	22,224	50,900
Donations	8,582	1,325
	<u>3,689,249</u>	<u>3,561,446</u>

Expenses

Corporate services (Schedule 2)	705,061	568,534
Watershed management (Schedule 2)	1,515,467	1,410,001
Flood and erosion control (Schedule 2)	672,624	688,228
Conservation services (Schedule 2)	644,767	630,858
Supplementary programs (Schedule 2)	22,224	50,900
	<u>3,560,143</u>	<u>3,348,521</u>

Excess of revenue over expenses before capital items

129,106 212,925

Capital items

Amortization of capital assets	(303,755)	(304,305)
Amortization of deferred contributions	216,282	210,362
Gain on disposal of assets	-	7,000
Interest on loan	(141,685)	(146,171)
	<u>(229,158)</u>	<u>(233,114)</u>

Deficiency of revenue over expenses

\$ (100,052) (20,189)

See accompanying notes to the financial statements

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Statement of Cash Flow for the year ended December 31,	2019	2018
Cash flow from operating activities		
Deficiency of revenue over expenses	\$ (100,052)	(20,189)
Items not affecting cash:		
Amortization of capital assets	303,755	304,305
Amortization of deferred contributions	(216,282)	(210,362)
Gain on disposal of assets	-	(7,000)
Retirement benefit expense	1,795	17,987
	<u>(10,784)</u>	<u>84,741</u>
Changes in non-cash working capital:		
Accounts receivable, trade and other	(201,579)	(39,603)
Prepaid expenses and other assets	(3,048)	-
Accounts payable and accrued liabilities	36,821	(4,607)
Deferred revenue	245,004	50,221
Net cash provided by operating activities	<u>66,414</u>	<u>90,752</u>
Cash flow from investing activities		
Purchase of capital assets	(39,247)	(154,441)
Proceeds from disposal of capital assets	-	7,000
Purchase of term deposits	(1,597,868)	(1,000,000)
Proceeds from redemption of term deposits	1,071,454	1,501,687
Net cash provided by (used in) investing activities	<u>(565,661)</u>	<u>354,246</u>
Cash flow from financing activities		
Repayment of long-term debt	(135,320)	(130,834)
Proceeds from deferred contributions for capital assets	527,005	277,005
Net cash provided by financing activities	<u>391,685</u>	<u>146,171</u>
Net increase (decrease) in cash and equivalents	<u>(107,562)</u>	<u>591,169</u>
Cash and equivalents at the beginning of the year	<u>1,081,397</u>	<u>490,228</u>
Cash and equivalents at the end of the year	<u><u>\$ 973,835</u></u>	<u><u>1,081,397</u></u>
Supplemental disclosure of cash flow information:		
Cash received (paid)		
Interest expense	\$ (141,685)	(146,171)
Interest revenue	56,697	25,217

See accompanying notes to the financial statements

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Schedule 1 - Other Revenue for the year ended December 31,

2019

2018

Other revenue

Bell Canada - K&P	\$ 1,460	1,650
Busing grants - MVCF	1,950	1,200
Carp River action plan	-	7,449
Carp River Planting	-	14,501
Conservation Centre rentals	325	125
Eastern Region Safety Committee	450	-
Federation of Cdn Municipalities - Asset Management	77,330	-
Freedom of information	335	-
Grants - Special:County of Lanark Forestry Program	11,470	12,378
Grants - Special:Federal - Harwood Creek Study	44,521	21,199
Grants - Special:Floodplain Mapping Grant - Ottawa	48,785	48,785
Grants - Special:MNRD-Drought & Low Water Grant	-	2,000
Grants - Special:MOK - Mississippi Mills	11,716	5,771
Grants - Special:Ontario Wildlife Foundation	2,000	-
Grants - Special:Ottawa - Baseline WQ Monitor	-	36,821
Grants - Special:Ottawa - Carp Erosion Control	31,693	36,313
Grants - Special:Ottawa Rural Clean Water Project	3,100	-
Grants - Special:Prov Grant - Miss R FI PI Map S	-	8,858
Grants - Special:TD Planting Program Grant	2,655	-
Insurance claim	61,146	-
Interest	48,609	33,305
MNR - Water & erosion control infrastructure	17,825	44,942
MNR dams - preventative maintenance	8,106	9,300
Ontario Hydro Operating	48,402	29,549
Planning and regulation fees	264,343	244,407
Poole Creek study	45,590	-
R. Tait McKenzie sculpture	2,550	-
RTM trust fund	1,173	1,150
Septic inspection program	110,963	75,276
Sundry revenue	9,077	22,117
WISKI contributions	24,000	-
	\$ 879,574	657,096

See accompanying notes to the financial statements

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Schedule 2 - Expenses for the year ended December 31,

2019

2018

Corporate services

Administration	\$ 646,176	496,205
Communications	93,197	95,797
Operations	(34,312)	(23,468)
	<u>\$ 705,061</u>	<u>568,534</u>

Watershed management

Information management	\$ 249,396	185,189
Plan review	216,024	207,772
Section 28 regulation enforcement	283,662	273,077
Septic inspection program	111,342	75,333
Surveys and studies	134,391	130,074
Watershed monitoring	213,204	221,896
Watershed planning	307,448	316,660
	<u>\$ 1,515,467</u>	<u>1,410,001</u>

Flood and erosion control

Flood forecasting and warning	\$ 224,597	222,646
Operation/maintenance flood control structures	292,460	309,327
Preventative maintenance flood control structures	155,567	156,255
	<u>\$ 672,624</u>	<u>688,228</u>

Stewardship services

Conservation education	\$ 105,419	103,886
Stewardship services	94,405	83,664
Property management	313,066	311,221
Visitor services	131,877	132,087
	<u>\$ 644,767</u>	<u>630,858</u>

Supplementary programs

Canada summer job	\$ 8,859	25,668
Canadian Parks & Recreation	3,089	-
Clean Tech Internship program	-	13,352
Learning Tree	10,276	-
MNR - summer experience program	-	7,609
Youth Canada Works	-	4,271
	<u>\$ 22,224</u>	<u>50,900</u>

See accompanying notes to the financial statements

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
Year Ended December 31, 2019

1. Description of Organization

The Authority is established under the Conservation Authorities Act - Ontario. It acts as the agent for water and land conservation and management for its member municipalities. The Authority is a registered charity which is exempt from income tax and may issue tax receipts to donors.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Cash and cash equivalents

Cash and cash equivalents consist primarily of bank balances and cash on hand.

Financial instruments

Initial and subsequent measurement

The Authority initially measures its financial assets and liabilities at fair value except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Authority subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost on a straight-line basis include cash, term deposits, and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and long term debt.

Transaction costs

Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Authority determines whether there are indications of possible impairment. When there is an indication of impairment, and the Authority determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Capital assets

Capital assets are accounted for at cost and amortized on the basis of their useful life using the following methods and rates or duration.

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
 Year Ended December 31, 2019

	<u>Years</u>
Roads and bridges	40
Water control structures	40
Buildings	40
Leasehold improvements	lease term
Equipment	10
Motor vehicles	5
Computer equipment	5
Furniture and fixtures	10

Revenue recognition

The Authority follows the deferral method of accounting for government contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from conservation areas, supplementary programs and other revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recognized when received.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to impairment of financial assets, the useful life of capital assets and retirement benefit assumptions.

3. Term Deposits

Guaranteed Investment Certificates held by Scotiabank

	<u>2019</u>	<u>2018</u>
Current:		
Matures January 7, 2020 and earns interest at rate of 2.0% per annum	\$ 254,918	-
Matures January 7, 2020 and earns interest at rate of 2.75% per annum	256,762	-
Matures February 15, 2020 and earns interest at rate of 2.48% per annum	80,923	-
Matures June 20, 2020 and earns interest at rate of 2.08% per annum	503,818	-
Matures January 19, 2019 and earns interest at rate of 1.7% per annum	-	71,454
Matures February 14, 2019 and earns interest at rate of 2.1% per annum	-	500,000
Matures November 13, 2019 and earns interest at rate of 2.49% per annum	-	500,000
	<u>\$ 1,096,421</u>	<u>1,071,454</u>
Matures May 14, 2021 and earns interest at rate of 2.2% per annum	<u>\$ 501,447</u>	<u>-</u>

4. Accounts Receivable

	<u>2019</u>	<u>2018</u>
Government and trade receivables	\$ 300,504	177,701
Special levy	55,961	-
HST	45,166	14,263
Interest receivable	-	8,088
	<u>\$ 401,631</u>	<u>200,052</u>

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
 Year Ended December 31, 2019

5. Capital Assets

	Cost	Accumulated Amortization	2019 Net Book Value	2018 Net Book Value
Land	\$ 903,066	-	903,066	903,066
Roads and bridges	97,131	64,931	32,200	27,622
Water control structures	2,564,528	1,880,134	684,394	708,537
Buildings	6,204,710	1,361,379	4,843,331	4,996,137
Leasehold improvements	433,240	433,240	-	-
Equipment	397,627	274,219	123,408	150,550
Motor vehicles	284,222	241,908	42,314	76,478
Computer equipment	143,040	125,842	17,198	22,796
Furniture and fixtures	273,170	198,439	74,731	99,964
	<u>\$ 11,300,734</u>	<u>4,580,092</u>	<u>6,720,642</u>	<u>6,985,150</u>

6. Deferred Revenue

	2019	2018
Beginning balance, related to operating funding	\$ 120,505	70,284
Add amount received related to the following year	300,444	91,045
	<u>420,949</u>	<u>161,329</u>
Less amount recognized as revenue in the year	55,440	40,824
Ending balance, related to operating funding	<u>\$ 365,509</u>	<u>120,505</u>
Deferred revenue consists of:		
Bell Canada - K&P trail easement	\$ 962	962
City of Ottawa - Upper Poole Creek study	12,000	57,590
City of Ottawa - general levy	228,194	-
Developer deposits	15,000	9,750
Eastern Region Asset Management project	-	5,200
Eastern Region Safety Committee	3,146	3,596
Enbridge	5,000	-
Mississippi Mills - Naismith Foundation	5,693	5,693
MVC Foundation	20,764	22,714
Ontario Power Generation	2,500	-
RBC Foundation	15,000	15,000
WECI	57,250	-
	<u>\$ 365,509</u>	<u>120,505</u>

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
 Year Ended December 31, 2019

7. Long-Term Debt

	<u>2019</u>	<u>2018</u>
The Corporation of the Town of Carleton Place loan bearing interest at 3.4% per annum, repayable in semi-annual blended payments of \$138,502. The loan matures June 1, 2040. Secured by mortgage on property at 10970 Highway 7, Carleton Place, ON with a net book value of \$4,795,578.	\$ 4,065,424	4,200,744
Current portion	139,960	135,320
Long-term portion	<u>\$ 3,925,464</u>	<u>4,065,424</u>

Loan principal payments over the next five years are as follows:

2020	\$ 139,960
2021	144,759
2022	149,722
2023	154,856
2024	160,166
	<u>\$ 749,463</u>

8. Deferred Contributions for Capital Assets

	<u>2019</u>	<u>2018</u>
Beginning balance, related to capital assets	\$ 2,182,491	2,115,848
Add contributions for capital assets	527,005	277,005
	<u>2,709,496</u>	<u>2,392,853</u>
Less amount amortized to revenue	216,282	210,362
Ending balance, related to capital assets	<u>\$ 2,493,214</u>	<u>2,182,491</u>

Deferred contributions for capital assets consists of municipal levies received specifically for capital funding.

Deferred contributions consist of:

	<u>2019</u>	<u>2018</u>
Administration office building	\$ 2,288,464	2,182,491
Water control structures	175,500	-
Conservation area infrastructure	29,250	-
	<u>\$ 2,493,214</u>	<u>2,182,491</u>

9. Retirement Benefit Liability

The Authority sponsors a plan for retiree life and health benefits. Retirees are eligible for benefits from age 60 to age 65 after 25 years of service. Total benefit payments to retirees during the year were \$11,099 (2018 - \$5,517). The plan is unfunded and requires no contribution from employees.

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
 Year Ended December 31, 2019

Actuarial valuations for accounting purposes are performed triennially using the projected benefit method prorated on services. The most recent actuarial report was prepared at January 1, 2019.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, and employee turnover and mortality. The assumptions used reflect the Authority's best estimates. The expected inflation rate is 2.5%. The discount rate used to determine the accrued benefit obligation is 3.75%.

The total expenses related to retirement benefits include the following components:

	<u>2019</u>	<u>2018</u>
Current service cost	\$ 8,828	8,509
Interest on obligation	6,783	6,524
Amortize losses	2,800	2,954
	<u>\$ 18,411</u>	<u>17,987</u>

The total expense related to retirement benefits is included in the statement of operations as a component of Corporate services - administration.

Unamortized (gains) losses related to retirement benefits:

	<u>2019</u>	<u>2018</u>
Unamortized loss at start of year	\$ 38,400	41,354
(Gain) Loss in period	(46,571)	-
	<u>(8,171)</u>	<u>41,354</u>
Less amortization of losses	2,800	2,954
Unamortized (gain) loss at end of year	<u>\$ (10,971)</u>	<u>38,400</u>

10. Reserves

	<u>2019</u>	<u>2018</u>
Reserves consist of:		
Building	\$ 338,701	298,701
Conservation areas	17,000	-
Information technology	32,000	24,000
Museum Building & Art	4,398	2,868
Sick pay	73,843	73,843
Vehicles	95,403	36,903
Water control structures	208,885	75,385
Water management priorities (Glen Cairn Provincial funding)	578,771	697,000
	<u>\$ 1,349,001</u>	<u>1,208,700</u>

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
Year Ended December 31, 2019

11. Related Parties

Mississippi Valley Conservation Foundation raises funds and provides volunteer support for the conservation and education programs of Mississippi Valley Conservation Authority. The Foundation is a charitable public foundation and may issue tax receipts to donors. The Foundation is exempt from income taxes under paragraph 149(1)(f) of the Income Tax Act as a registered charity. The Foundation is subject to significant influence by the Authority due to Board membership and administrative support. During the year the Foundation disbursed \$7,086 (2018 - \$1,200) to the Authority to support the Authority's programs.

R. Tait McKenzie Trust raises funds for the R. Tait McKenzie museum operated as part of the Authority's programs. The Trust is a charitable private foundation and may issue tax receipts to donors. The Trust is exempt from income taxes as a registered charity. The Trust is subject to significant influence by the organization due to Board membership and administrative support. During the year the Trust disbursed \$1,173 (2018 - \$1,150) to the Authority to support the Authority's programs.

12. Pension Plan

The Authority has a group registered retirement savings plan with London Life. Authority contributions to the plan amounted to \$96,999 (2018 - \$107,200).

Effective March 5, 2012 the Authority established an employee pension plan with Ontario Municipal Employees Retirement System (OMERS). The plan is a multi-employer defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on the length of service and rates of pay. As of the effective date all current full time employees had the option to remain with the group registered retirement savings plan or enrol with OMERS. OMERS is mandatory for all employees hired after the effective date. Authority contributions to the plan amounted to \$98,911 (2018 - \$78,454).

13. Financial Instruments

The Authority is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

(a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority's credit risk is primarily attributable to its accounts receivable. The Authority provides credit to some of its clients in the normal course of its operations.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Authority is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Authority to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating rate instruments subject the Authority to related cash flow risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. The Authority is exposed to this risk mainly in respect of its long-term debt and accounts payable.

14. Commitments

The organization, in the normal course of operations, enters into a number of contracts for goods or services all of which contain short-term cancellation clauses.

MISSISSIPPI VALLEY CONSERVATION AUTHORITY

Notes to Financial Statements
Year Ended December 31, 2019

15. Economic Dependence

The Authority is dependent on municipal levies for a significant portion of its revenue. As the Authority's main source of income is derived from these levies, its ability to continue viable operations is dependent upon the renewal of those levies on an annual basis.

DRAFT

REPORT

3040/20

TO:	Finance & Administration Advisory Committee
FROM:	Angela Millar, Treasurer
RE:	Per Diem/Honorarium and Mileage Increase for 2020
DATE:	February 7, 2020

Recommendation:

That the Board approve:

- a) a 1.9% cost of living increase in Board member per diems and honorariums effective the Annual General Meeting, February 19, 2020.
- b) an increase in mileage rate to \$0.565/km effective January 1, 2020.

1.0 BACKGROUND

Section 13 of the MVCA 2018 Administrative By-Law, 2018 states the following:

The general membership shall pass a motion annually at the Annual General Meeting specifying a per-diem rate to be paid to members for attendance at general meetings and advisory board or committee meetings and at such other business functions as may be from time to time requested by the Chair, through the Secretary-Treasurer. In addition, an honorarium may be approved by the Authority for the Chair and Vice-chair as compensation for their additional responsibilities. A single per-diem will be paid for attendance at more than one meeting if they occur consecutively on the same day.

The Authority shall reimburse members' reasonable travel expenses incurred for the purpose of attending meetings and/or functions on behalf of the Authority. A per kilometer rate to be paid for use of a personal vehicle shall be approved by resolution of the general membership from time to time.

2.0 DISCUSSION

The current per diem paid to Board members is \$71.75 for one meeting and \$143.50 for two meetings in one day or for attendance on Authority business.

The annual Honorarium for the Chair is currently at \$1,793.75. There is no Honorarium for the Vice-chair position approved at this time.

It is proposed that the per diem and honorarium be increased by the cost of living of 1.9% which is in the 2020 budget for employees. The new amounts would be effective as of the Annual General Meeting, February 19, 2020 and would be as follows:

- \$73.12 for one meeting;
- \$146.23 for two meetings in one day or for attendance on Authority business;
- Chair Honorarium would be \$1,827.84.

The current mileage rate paid out to staff and members is \$0.55/km. The 2020 Canada Revenue Agency (CRA) mileage rate is as follows:

- \$0.59 for the first 5,000 km
- \$0.53 for each additional km

Traditionally the Authority has only had one rate for mileage and the annual amount has been obtained from the National Joint Council website which provides “provincial rates payable in cents per kilometer for the use of privately-owned vehicles driven on authorized government business travel”. The rate for Ontario effective January 1, 2020 is \$0.56.5/km.

REPORT

3041/20

TO:	Finance & Administration Advisory Committee
FROM:	Sally McIntyre, General Manager
RE:	Water Erosion Control Infrastructure (WECI) 2019 Provincial Grant – Status Update
DATE:	January 31, 2020

Recommendation:

That the Finance & Administration Advisory Committee receive this report for information.

1.0 BACKGROUND

On June 10, 2019, MVCA received approval for 50% funding of three capital projects subject to their being completed and invoiced by February 29, 2020.

2019 Capital Projects	Total Project Value	Approved for WECI grant
Mazinaw Lake Dam Gate	5,000	2,500
Widow Lake Dam Rehabilitation	123,650	61,825
Kashwakamak Dam Rehabilitation	132,000	66,000
Total	\$260,650	\$130,325

As previously reported, the late grant notification combined with unplanned activities associated with the 2019 Spring Flood and staff shortages led to late commencement of these projects in 2019. Consequently, not all of these works will be completed by the deadline and MVCA will need to reapply for WECI funding to complete them.

As well, new information has been received regarding the condition of the weir at Kashwakamak Lake Dam that could significantly increase the cost beyond what was budgeted in 2019 and carried forward in the 2020 Budget. The purpose of this report is to provide an update on these projects.

2.0 MAZINAW LAKE DAM

The gate for this dam has been manufactured and will be billed in full to WECl per the 2019 Agreement.

3.0 WIDOW LAKE DAM

The detailed design and specifications for this project have been completed, however, manufacture and installation of these works will not occur by February 29, 2020.

Item	Project Costs	Approved Grant	To be Exp. by Deadline	WECl eligible
Prepare drawings and tender documents	15,000	7,500	15,000	7,500
Construction	97,650	48,825	0	0
Project Management (CA staff time)	11,000	5,500	5,500	2,750
	\$123,650	\$61,825	\$20,500	\$10,250

3.1 Risk Analysis

While MVCA's *Purchasing Policy and Procedures* allow for sole sourcing of work up to \$50,000 with justification, it is not feasible for the concrete or metal work vendors to manufacture components by the WECl deadline. Award of the work to the manufacturers at this time would obligate MVCA to expend approximately \$50,000 more than planned in the 2020 Budget.

This additional expenditure is not recommended because there is a LOW likelihood and consequence of dam failure or other incident occurring at the dam for the following reasons:

- MVCA no longer drives onto the concrete deck.
- There is a locked gate that prevents other vehicles from accessing the deck.
- There is no one living on the far side of the dam and no public area that people cross to.
- Staff will install a protective mesh to eliminate risk of a worker or pedestrian falling through the existing railing system while on the deck.

Staff will reapply for WECl funding at a future date to complete these works.

4.0 KASHWAKAMAK LAKE DAM REHABILITATION

The detailed design and specifications for this project will be approximately 80% complete by February 29, 2020.

Item	Project Costs	Approved Grant	To be Exp. by Deadline	WECI eligible
Analysis, review, and preparation of design drawings and tender documents	25,000	12,500	20,000	10,000
Construction	95,000	47,500	0	0
Project Management (CA staff time)	12,000	6,000	6,000	3,000
	\$132,000	\$66,000	\$26,000	\$13,000

4.1 Risk Analysis

An engineering assessment completed in 2016 found the weir to be in poor condition with several defects that included erosion, spalling, delamination and cracks. Due to the time required to obtain Environmental Assessment approvals for reconstruction of the structure, it was recommended that repairs be made to stabilize the structure until the EA could be completed.

Within the past week MVCA was informed by its consultants that “deterioration has progressed well beyond what was outlined in our 2016 report and as a result, the construction cost will increase”. More information has been requested to determine the following:

- Whether there has been a material change in the likelihood of weir failure,
- Potential mitigating measures to protect the weir in advance of the spring freshet,
- Potential mitigating measures should the weir fail prior to the rehabilitation, and
- Detailed change in project scope and cost.

This information should be available by the AGM.

It is important to note that the structure is remote, there are less than 10 shoreline structures within 2 km downstream that might be impacted should be weir fail. There may be potentially greater risk to downstream wild rice beds that can suffer wash-out; and to property owners on Kashwakamak Lake if summer-time water levels cannot be maintained on the lake.

5.0 WECI ALLOCATION

Any WECI funds that have not been spent by the end of February will be returned to the province. This will not impact the 2020 Budget or 2019 Financial Statements as the funds currently sit in Deferred Revenues.

REPORT

3042/20

TO:	Finance & Administration Advisory Committee
FROM:	Angela Millar, Treasurer
RE:	Procurement Review Update
DATE:	February 7, 2020

Recommendation:

This report be received for information.

1.0 BACKGROUND

In an effort to offset the funding shortfall that was experienced in 2019, and as part of prudent fiscal management, during 2019 staff were diligent in reviewing service contracts and pricing to ensure the MVCA was achieving the best possible price for services. A third-party Procurement Specialist was also contracted to conduct an independent review and audit of the expenses of the Authority.

2.0 DISCUSSION

Prior to retaining the Procurement Specialist, staff reviewed the Authority's phone services and reduced monthly costs significantly, as follows:

Vendor	Monthly Savings	Comment
Yellow Pages	\$155/month	This advertising is not utilized and was discontinued
Thinktel / Distributel	\$ 35/month	This service was discontinued as a long-distance package was secured through Bell Canada within a new service agreement
Bell Canada – Main Office	\$468/month	Staff negotiated new service agreement
Bell Canada – Mill of Kintail	\$201/month	Staff negotiated new service agreement
Rogers	\$425/month	Early 2019, this service agreement was renegotiated
Total Savings Achieved 2019	\$1,284/month	\$15,408/year

Procurement Specialists Schooley Mitchell contacted the Authority offering their services to conduct an expense audit. Their fee was 35% of whatever savings that they identified and could secure for a period of 3 years (i.e. a finder fee).

Schooley Mitchell reviewed our expense contracts for waste disposal and voice and data services and were unable to find any savings through their review. See copy of email attached.

3.0 NEXT STEPS

Staff will continue to monitor and explore savings opportunities to ensure that services continue to be procured in an economical manner.

Angela Millar

From: Scott Kinsinger <scott.kinsinger@schooleymitchell.com>
Sent: Monday, January 13, 2020 4:23 PM
To: Sally McIntyre; Angela Millar
Subject: Follow up re Expense Audit

Greetings Sally and Angela. My team has reviewed the invoices that you sent over late last year and it is looking like there is not much that we can do to cut costs! Your Cell plan is good and on the appropriate government plan, Data/Internet looks OK (there might be some very small possible savings – something you might want to try and do on your own). We removed the two-way radios from the audit, which was probably best as we have no detail on what was included. And the other expenses are appropriate.

It is quite rare for us to do an audit and come up empty. This is especially true with you being a conservation authority! Frankly, CA's usually need our help. So all that to say "well done" on managing your services. As we discussed early on, when there are no savings and there are no recommendations, there is zero cost for our services.

If you have any questions about your services or our conclusion please don't hesitate to reach out to me at any time. I really do appreciate you inviting us to audit your expenses. It was a pleasure working with you both. I wish you all the best in 2020.

PS – if you know of other organizations – public or private – that you feel might benefit from an audit I invite you to connect me with them. I appreciate all introductions!!

Best regards,

Scott D. Kinsinger, BMath | Business Efficiency Consultant | Schooley Mitchell Consultants

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scott.kinsinger@schooleymitchell.com | <https://www.schooleymitchell.com/gha/>



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REPORT

3043/20

TO:	Finance & Administration Advisory Committee
FROM:	Christa Lowry & Jeff Atkinson, Mill of Kintail Museum Special Advisory Committee Co-Chairs
RE:	Mill of Kintail Museum Update
DATE:	February 7, 2020

Recommendation:

That Finance Committee recommend that the MVCA Board of Directors approve the following:

1. That MVCA make application to a Judge for an interpretation regarding MVCA's legal obligations as it pertains to operation of the museum and grounds; and
2. That legal counsel be sought regarding governance options for the McKenzie and Naismith collections including:
 - a. establishing a new charitable organization;
 - b. repurposing the Mill of Kintail Canadian Arts and Pioneer Museum Corporation; and
 - c. repurposing the R. Tait McKenzie Memorial Trust.

1.0 BACKGROUND

A Special Advisory Committee was struck in October 2019 following MVCA's review of its programs and services in order to manage new funding constraints imposed by Bill 108 (More Homes, More Choice Act passed in June 2019). Since the museum is not expected to be considered core to the Conservation Authority's mandate under the new regulation, MVCA initiated discussions on how to keep the heritage building open for community use.

The Committee includes members from the Ontario Museum Association, fundraising, municipal and not-for-profit sectors and have meet three times since November.

Since the new regulations have yet to be released by the Province of Ontario, at its latest meeting on January 24th, the Special Advisory Committee indicated it was limited to what it can recommend simply because not all of the required information is known at this time.

That being said, the Committee remains committed to the following:

- Deliver viable recommendations to the MVCA Board of Directors which include seeking long-term, sustainable funding opportunities
- Provide opportunity for public consultations – these will take place once the committee has more concrete information from the province to work with
- Keep the McKenzie and Naismith collections onsite at the Mill of Kintail Conservation Area and the gristmill continues to pay homage to these two Canadian icons.

Since the last Special Advisory Committee meeting, new information has come forward regarding potential funders of the Museum and collections that require a timely response.

2.0 DISCUSSION

Whereas the Province has indicated that activities such as operations of the Mill of Kintail Museum will no longer be eligible for funding under the conservation authority general levy;

And whereas the MVCA struck a Special Advisory Committee in 2019 to examine options for long-term governance and funding of the Mill of Kintail Museum;

And whereas interest has been expressed by potential funders in supporting the museum over the long-term;

And whereas in order to secure long-term commitments and funding levels a governance structure is needed that demonstrates a long-term commitment to the Mill of Kintail Museum;

And whereas there is an existing Mill of Kintail Canadian Arts and Pioneer Museum with Letters Patent that was to have been dissolved by the vendors at the time of the sale to MVCA in 1972;

And whereas that dissolution never occurred;

And whereas there is an existing R. Tait McKenzie Memorial Trust that is used for management of donations to the Museum but does not mention the Naismith collection;

And whereas there are no restrictive covenants or other agreements registered on title associated with the Museum or its operation, but other documents which, combined, may obligate the MVCA to “operate the Museum and maintain the grounds as a Tait McKenzie Memorial”

And whereas there is a need to ensure clarity in authority over the Mill of Kintail Museum collections for future governance and fund raising;

And whereas there is a need to move forward in a timely manner in order to capitalize on current interest and enthusiasm.

Be it resolved that the Finance Committee recommend that the MVCA Board of Directors approve the following:

3. That MVCA make application to a Judge for an interpretation regarding MVCA's legal obligations as it pertains to operation of the museum and grounds; and
4. That legal counsel be sought regarding governance options for the McKenzie and Naismith collections including:
 - a. establishing a new charitable organization; and
 - b. repurposing the Mill of Kintail Canadian Arts and Pioneer Museum Corporation; and
 - c. repurposing the R. Tait McKenzie Memorial Trust.