

**NORTH BAY-MATTAWA CONSERVATION AUTHORITY
MINUTES
of the**

THIRD Meeting of the North Bay-Mattawa Conservation Authority held at 5:30 p.m. on March 27, 2019 in the North Bay-Mattawa Conservation Authority Natural classroom, 15 Janey Avenue North Bay, Ontario.

MEMBERS PRESENT:

Callander, Municipality of	-	Rob Noon	(5:30pm – 7:03pm)
Calvin, Township of	-	Dean Grant	(5:30pm – 7:17pm)
Chisholm, Township of	-	Nunzio Scarfone	(5:30pm – 7:17pm)
Mattawa, Town of	-	Loren Mick	(5:30pm – 7:17pm)
North Bay, City of	-	Dave Mendicino	(5:58pm – 7:17pm)
North Bay, City of	-	Chris Mayne	(5:30pm – 7:17pm)
North Bay, City of	-	Simon Blakeley	(5:30pm – 7:17pm)
Papineau –Cameron, Township of	-	Shelley Belanger	(5:30pm – 7:05pm)
Powassan, Municipality of	-	Dave Britton	(5:30pm – 7:17pm)

MEMBER(S) ABSENT:

Bonfield, Township of	-	Jane Lagassie
East Ferris, Municipality of	-	Pauline Rochefort
Mattawan, Municipality of	-	Michelle Lahaye

ALSO PRESENT:

Brian Tayler, CAO, Secretary-Treasurer
Dean Decaire, BDO
Helen Cunningham, Finance/Human Resources Supervisor
Kurtis Romanchuk, Water Resources Engineer
Paula Scott, Director, Planning & Development/Deputy CAO
Rebecca Morrow, Administrative Assistant
Troy Storms, Manager, Lands & Stewardship

1. Chair's remarks

The Chair remarked on the following:

- Laurentian Ski Hill Board of Directors meeting update
- Ski Ridge Estates sale of land
- Media event at the NBMCA office
- LaVase Portage map in the Marc Charron Boardroom

2. Approval of the Agenda

The Chair welcomed everyone to the meeting and extended regrets on behalf of Pauline Rochefort, Jane Lagassie and Michelle Lahaye, after discussion the following resolution was presented:

Resolution No. 31-19, Mick-Belanger

THAT the agenda be approved as presented.

Carried Unanimously

3. Confirmation of Delegation(s)

No delegations.

4. Delegations

None.

5. Adoption of Previous Minutes of February 27, 2019

After discussion, questions and answers the following resolution was presented:

Resolution No. 32-19, Noon-Britton

THAT the minutes from the February 27, 2019 meeting are adopted as presented.

Carried Unanimously

6. Declaration of Pecuniary Interest

None declared.

7. 2019 Draft Budget

Brian Tayler presented the draft 2019 budget to members. After review and discussion, the following resolutions were presented:

Resolution No. 33-19, Scarfone-Noon

THAT the recommendation from the Executive Committee to approve the 2019 Budget Report with its recommendations and including expenditures of 3,769,909.00 is approved, and

FURTHER THAT the 2019 Budget Report as presented be appended to the minutes of this meeting.

Carried Unanimously

Resolution No. 34-19, Belanger- Grant

THAT as part of the 2019 NBMCA Budget the matching levy of \$258,539.00 is approved, and

FURTHER THAT the each member municipality is to be advised of their apportionment of the matching levy.

Carried Unanimously

Resolution No. 35-19, Blakeley-Mick

THAT the Board of Directors approves a non-matching levy to the member municipalities in the amount of \$1,051,093.00 as specified in the Draft 2019 Budget Report, and

FURTHER THAT the each member municipality is to be advised of their apportionment of the non-matching levy.

Weighting Recorded Vote Results:

Municipality	Member	Vote %	Vote
Powassan	Dave Britton	0.390	Yes
Mattawan	Michelle Lahaye	0	Absent
Bonfield	Jane Lagassie	0	Absent
North Bay	Chris Mayne	16.66	Yes
Mattawa	Loren Mick	10.00	Yes
Papineau/Cameron	Shelley Belanger	7.69	Yes
North Bay	Dave Mendicino	16.66	Yes
Callander	Rob Noon	6.26	Yes
Calvin	Dean Grant	11.80	Yes
Chisholm	Nunzio Scarfone	13.83	Yes
North Bay	Simon Blakeley	16.66	Yes

East Ferris	Pauline Rochefort	0	Absent
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Carried Unanimously

8. Section 28 Approvals

The members reviewed the report. After discussion, the following resolution was presented:

Resolution No. 36-19, Noon-Britton

THAT the Development, Interference with Wetlands and Alterations to Shorelines and Watercourses March 18, 2019 board report is received and appended to the minutes of this meeting.

Carried Unanimously

9. CA-CO Report: Meeting Provincial Priorities

Brian Tayler presented members with a report entitles CA-CO Report meeting Provincial Priorities. After discussion, the following resolution was presented:

Resolution No. 37-19, Belanger-Grant

WHEREAS the provincial government intends to increase the supply of housing and streamline the land use planning and development approval process to achieve this goal; and

WHEREAS the Conservation Authorities play an important role in the planning and development review process with respect to watershed protection and hazard lands; and

WHEREAS Conservation Authorities support and can help deliver the Government’s objective not to jeopardize public health and safety or the environment;

THEREFORE BE IT RESOLVED THAT the Board of Directors endorse the three key solutions developed by the Conservation Ontario working group: to 1) improve client service and accountability; 2) increase speed of approvals; and, 3) reduce “red tape” and regulatory burden; and

THAT staff be directed to work with Conservation Ontario and our clients to identify additional improvements; and further

THAT staff be directed to implement these solutions as soon as possible.

Carried Unanimously

10. Ski Hill Capital Reserve

Brian Tayler gave an update on the Ski Hill Capital Reserve. After discussion, the following resolution was presented;

Resolution No. 38-19, Mendicino-Blakeley

THAT the Board of Directors authorizes the use of \$5,000.00 from the Laurentian Ski Hill capital reserve to make direct payments to vendors for repairs and engineering to the main lift.

Carried Unanimously

11. Flood Forecasting

Kurtis Romanchuk presented a power point presentation to members pertaining to the NBMCA's roles and responsibilities with flood forecasting. After discussion, questions and answers the members thanked Kurtis for his presentation.

12. BDO Pre Audit Presentation

Dean Decaire of BDO presented his pre audit report to members. After discussion the members thanked Dean for his presentation, and the following resolution was presented:

Resolution No. 39-19, Britton-Noon

THAT the Board of Directors receives the Audit plan Board Report dated March 27, 2019, and;

THAT the report be appended to the minutes of this meeting.

Carried Unanimously

13. In-camera Session

After discussion the following resolutions were presented:

Resolution No. 40-19, Mick-Blakeley

THAT the meeting move into a closed in-camera session to discuss property matters.

Carried Unanimously

Resolution No.41-19, Grant-Mick

THAT the meeting move out of a closed in-camera session and into an open session of the Authority meeting.

Carried Unanimously

Resolution No. 42-19, Britton-Mendicino

THAT the Board of Directors receives the report regarding Union Gas Easement – North Bay section 7 Rectifier Kinsman Trail dated March 20, 2019, and

FURTHER THAT the Board authorizes staff to proceed with the registration of the Easement with Enbridge Gas Inc. for the use of property described in this report.

Carried Unanimously

13. Kinsmen Trail Update

Troy Storms gave an update to members on some damage that was done to parts of the Kinsmen trail due to flooding. Troy explained that part of the Kinsmen Trail has been closed until an assessment on damage can be obtained. The members thanked Troy for his update.

14. New Business

Brian Tayler explained to members that we are still awaiting a response from Service Canada in regards to funding for summer student positions. After discussion, the following resolution was presented:

Resolution No. 43-19, Britton-Mendicino

THAT the NBMCA directs CAO Brian Tayler to hire required summer student staff within the current 2019 budget for necessary summer programs should Government funding not be forthcoming.

Carried Unanimously

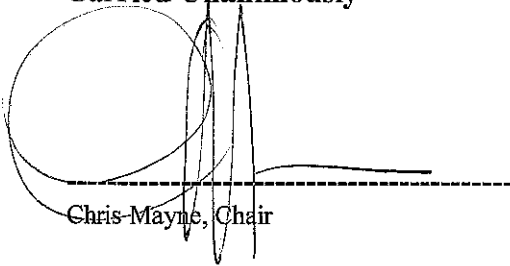
15. Adjournment (7:17p.m.)

As there was no further new business, the following resolution was presented:

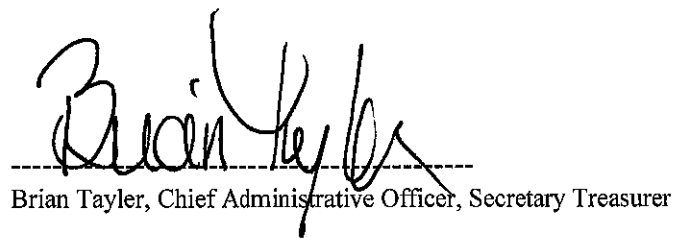
Resolution No. 44-19, Mick-Blakeley

THAT the meeting be adjourned, and the next meeting be held at 5:30 pm Wednesday April 24, 2019 at the Authority Office, 15 Janey Avenue, North Bay, Ontario or at the call of the Chair.

Carried Unanimously



Chris Mayne, Chair



Brian Tayler, Chief Administrative Officer, Secretary Treasurer

TO: The Chairman and Members
of the Board of Directors,
North Bay-Mattawa Conservation Authority

ORIGIN: Chief Administrative Officer
Secretary Treasurer

SUBJECT: 2019 Capital and Operating Budget

DATE: March 21, 2019

Background:

As directed by the Board at the January 31, 2019 Annual General Meeting, management presented the Draft 2019 Budget to the Executive Committee for review and input on February 27, 2019. The following summarizes the material covered in the review:

- Budget Overview – presents the budget contents and management recommendations on the steps taken to prepare the budget and the impact on program budgets.
- Sources of Revenue and Budget Summary – overview of the revenue sources required for the budget and a general summary of program revenue and expenses.
- Program Budgets - a detailed breakdown of revenue and expenses for each of the NBMCA program areas.
- Ten Year Capital Forecast – a review of the capital forecast for the period from 2019 to 2028 as it relates to municipal levy.
- Fee Schedules – revised fees for the Section 28 Regulation and Septic Permitting and Support programs to accommodate inflation costs of 1.7% from the previous year.

A copy of the budget was distributed to each member in the last 4 weeks. Please bring these to the Board Meeting.

Analysis:

The Draft 2019 Budget builds on the continuing practice of presenting and approving balanced budgets for the NBMCA. The budget has been prepared to reflect the program direction provided in the NBMCA's Five Year Strategy. The operating levy in the budget includes an average increase of 1.7% from 2016 levels for the member municipalities.

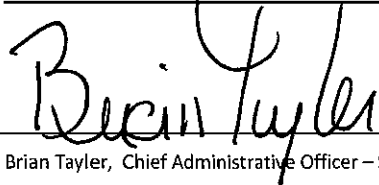
After review, the Executive Committee was satisfied the measures recommended in the budget were acceptable as the basis of implementing NBMCA's activities in 2019.

The CAO, Secretary Treasurer will provide additional details on the budget at the meeting.

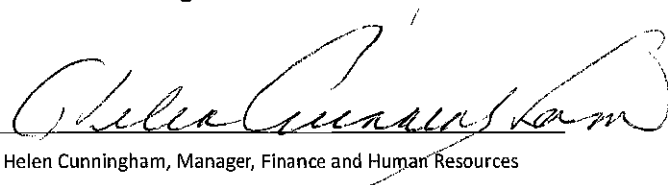
Recommendation:

The Executive Committee is recommending to the Full Authority Board of Directors approval of the 2019 NBMCA Budget.

RECOMMENDED RESOLUTION: To be provided at the meeting.



Brian Tayler, Chief Administrative Officer – Secretary Treasurer



Helen Cunningham, Manager, Finance and Human Resources

TO: The Chairman and Members
of the Board of Directors,
North Bay-Mattawa Conservation Authority

ORIGIN: Valerie Murphy, Regulations Officer

DATE: March 18, 2019

SUBJECT: Report On Development, Interference with Wetlands, and
Alterations to Shorelines and Watercourses Permits for board
approval

Background:

Section 28 of the *Conservation Authorities Act*, and subsequently Ontario Regulation 97/04 empowers each Conservation Authority to establish their own regulation to prevent the loss of life and property due to flooding and erosion, and to conserve and enhance natural resources. On May 4, 2006 the North Bay-Mattawa Conservation Authority (NBMCA) received its regulation entitled the Development, Interference with Wetlands, and Alterations to Shorelines and Watercourse Regulation (Ontario Regulation 177/06). This regulation will continue to be used as the tool by which the NBMCA manages issues related to development in natural hazard areas including areas with floodplains, wetlands and steep slopes. Within this regulation, a permit may be given by an Authority for development applications within the Authority's jurisdiction for:

28(1)(b) prohibiting, regulating or requiring permission of the authority for straightening, changing, diverting or interfering in any way with the existing channel of a river, creek, stream or watercourse, or for changing or interfering in any way with a wetland;

28(1)(c) prohibiting, regulating or requiring the permission of the authority for development if, in the opinion of the authority, the control of flooding, erosion, dynamic beaches or pollution or the conservation of land may be affected by the development. (Conservation Authorities Act, R.S.O. 1990, Chapter C.27).

On February 8, 2013, the amended Ontario Regulation 177/06 came into effect. These amendments were approved by the NBMCA Board of Directors on December 19, 2012. One of the amendments that was included, and which was approved by the NBMCA Board of Directors, included the delegation of approvals of permit applications to the following designated employees:

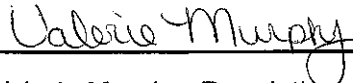
- Chief Administrative Officer, Secretary-Treasurer
- Director, Planning & Development

As such, this Board Report is being presented to the NBMCA Board of Directors for information purposes.

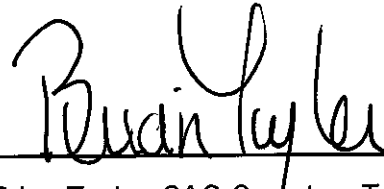
Analysis:

One new permit has been issued by the Conservation Authority in 2019 since the previously approved minutes as per the policies, procedures and guidelines of the NBMCA under Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Regulation. A table summarizing the details of this permit is attached to this report.

This permit was issued for the cathodic protection work to existing TransCanada Pipelines infrastructure.



Valerie Murphy, Regulations Officer



Brian Tayler, CAO-Secretary Treasurer

DEVELOPMENT, INTERFERENCE WITH WETLANDS AND ALTERATIONS TO SHORELINES AND WATERCOURSES

FOR NBMCA BOARD INFORMATION ON: March 18, 2019 PERMIT YEAR: 2019

File No.	Name of Applicant	Municipality	Legal Description/ Address	Name of Regulated Feature	Nature of Work	Date Complete Application Received	Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Permit No./Date of Issuance
RCALL-19-01	TransCanada Pipelines	Callander	TransCanada Pipelines right-of-way between Mountain Road and Lake Nospensing Road	Unnamed wetlands	Cathodic protection remedial work, trench to install anodes MLV R117+00.00	February 21, 2019	#4-19 March 6, 2019

TO: The Chairman and Members
of the Board of Directors,
North Bay-Mattawa Conservation Authority

ORIGIN: Chief Administrative Officer
Secretary Treasurer

SUBJECT: 2019 Audit Planning for year end of December 31, 2018

DATE: March 20, 2019

Background:

At the Annual General Meeting held on January 31, 2018, the firm of BDO was appointed as auditors for the year ending December 2018. Prior to the Audit commencing, BDO meets with the Board of Directors to review the audit process with members.

Analysis:

BDO has prepared a report for members to review that outlines their audit plan. In addition to this report, a staff member of BDO will be present at the March 27 2019 Board of Directors meeting to review the report and audit procedures with members, and answer any questions that members may have.

Recommendation:

The Board of Directors receives the audit plan Board Report dated March 27, 2019.

Recommended Resolution:

The Board of Directors receives the audit plan Board Report dated March 27, 2019 and that the report is appended to the minutes of the meeting.



Brian Tayler, Chief Administrative Officer – Secretary Treasurer



**NORTH BAY-MATTAWA
CONSERVATION
AUTHORITY**

Planning Report to the Board of Directors

March 27, 2019



Tel: 705 495 2000
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BDO Canada LLP
101 McIntyre Street West
Suite 301
North Bay, Ontario P1B 2Y5

March 27, 2019

Members of the Board of Directors
North Bay-Mattawa Conservation Authority
15 Janey Avenue
North Bay, Ontario
P1C 1N1

Dear Board of Directors:

We are pleased to present our audit plan for the audit of the financial statements of North Bay-Mattawa Conservation Authority [the "Authority"] for the year ending December 31, 2018.

Our report is designed to highlight and explain key issues which we believe to be relevant to the audit including audit risks, the nature, extent and timing of our audit work and the terms of our engagement, including fees. The audit planning report forms a significant part of our overall communication strategy with the Board of Directors and is designed to promote effective two-way communication throughout the audit process. It is important that we maintain effective two-way communication with the Board of Directors throughout the entire audit process so that we may both share timely information. The audit process will conclude with a Board of Directors meeting and the preparation of our final report to the Board of Directors.

This report has been prepared solely for the use of the Board of Directors and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

The Board of Directors plays an important part in the audit planning process and we look forward to meeting with you to discuss our audit plan as well as any other matters that you consider appropriate.

Yours truly,

Dean N Decaire, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants, Licensed Public Accountants



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TERMS OF REFERENCE

Our overall responsibility is to form and express an opinion on the financial statements. These financial statements are prepared by management, with oversight by those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities. The scope of our work, as confirmed in our engagement letter (as set out in Appendix A).

ENGAGEMENT OBJECTIVES

- Forming and expressing an audit opinion on the financial statements.
- Present significant findings to the Board of Directors including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.
- Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit.
- Consult regarding accounting, taxes and reporting matters as requested throughout the year.
- Prepare (review) applicable information returns for the year ended December 31, 2018.
- Work with management towards the timely issuance of financial statements, and information returns.

INDEPENDENCE

At the core of the provision of external audit services is the concept of independence. Canadian generally accepted auditing standards require us to communicate to the Board of Directors at least annually, all relationships between BDO Canada LLP and its related entities and North Bay-Mattawa Conservation Authority and its related entities, that, in our professional judgment, may reasonably be thought to bear on our independence for the forthcoming audit of the Authority. Refer to Appendix B.



AUDIT TEAM

In order to ensure effective communication between the Board of Directors and BDO Canada LLP, the contact details of the engagement team are outlined below.

Name	Role	Phone number	Email address
Dean Decaire, CPA, CA	Engagement Partner	705-495-2000 Ext. 2306	ddecaire@bdo.ca
Josh Trudeau, CPA, CA	Senior Manager	705-495-2000 Ext. 2307	jtrudeau@bdo.ca
Alisha Millar, CPA, CA	Manager	705-495-2000 Ext. 2318	amillar@bdo.ca
Kathleen Crawford, CPA, CA	Audit Senior	705-495-2000 Ext. 2302	KMCrawford@bdo.ca

RESPONSIBILITIES

It is important for the Board of Directors to understand the responsibilities that rest with the Authority and its management, those that rest with the external auditor and the responsibilities of those charged with governance. BDO's responsibilities are outlined within the annual engagement letter attached as Appendix A to this letter. The oversight and financial reporting responsibilities of management and the Board of Directors are summarized below.

MANAGEMENT'S RESPONSIBILITIES

- Maintain adequate accounting records and maintain an appropriate system of internal control for the Authority.
- Select and consistently apply appropriate accounting policies.
- Prepare the annual financial statements.
- Safeguard the Authority's assets and take reasonable steps for the prevention and detection of fraud and other irregularities.
- Make available to us, as and when required, all of the Authority's accounting records and related financial information.

BOARD OF DIRECTORS'S RESPONSIBILITIES

- Oversee the work of the external auditor engaged for the purpose of issuing an independent auditor's report.
- Facilitate the resolution of disagreements between management and the external auditor regarding financial reporting matters.
- Pre-approve all non-audit services to be provided to the Authority by the external auditor.
- Review the financial statements before the Authority publicly discloses this information.

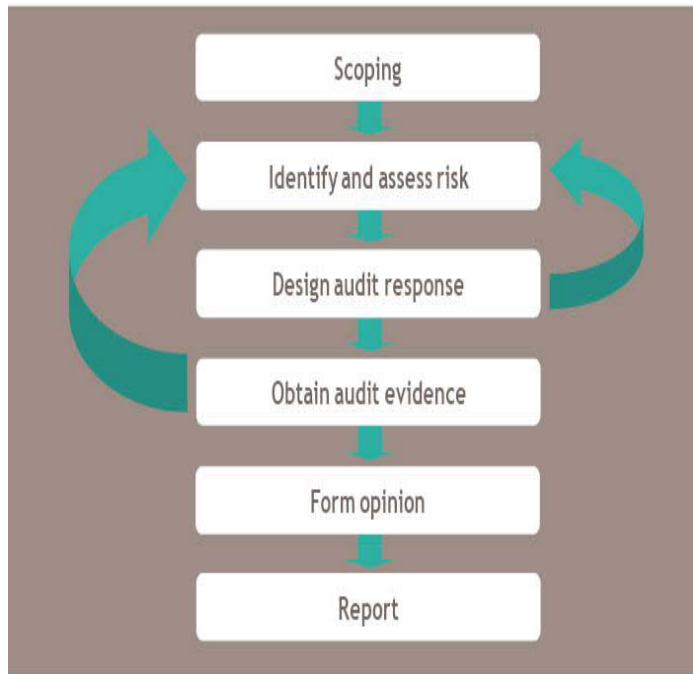
AUDIT STRATEGY

Our overall audit strategy involves extensive partner and manager involvement in all aspects of the planning and execution of the audit and is based on our overall understanding of the Authority.

We will perform a risk based audit which allows us to focus our audit effort on higher risk areas and other areas of concern for management and the Board of Directors.

To assess risk accurately, we need to gain a detailed understanding of the Authority's business and the environment it operates in. This allows us to identify, assess and respond to the risks of material misstatement.

To identify, assess and respond to risk, we obtain an understanding of the system of internal control in place in order to consider the adequacy of these controls as a basis for the preparation of the financial statements, to determine whether adequate accounting records have been maintained and to assess the adequacy of these controls and records as a basis upon which to design and undertake our audit testing.



Based on our risk assessment, we design an appropriate audit strategy to obtain sufficient assurance to enable us to report on the financial statements.

We choose audit procedures that we believe are the most effective and efficient to reduce audit risk to an acceptable low level. The procedures are a combination of testing the operating effectiveness of internal controls, substantive analytical procedures and other tests of detailed transactions.

Having planned our audit, we will perform audit procedures, maintaining an appropriate degree of professional skepticism, in order to collect evidence to support our audit opinion.



MATERIALITY

Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or a combination of both.

For purposes of our audit, we have set preliminary materiality at \$60,000 for the Authority.

Our materiality calculation is based on the Authority's preliminary results. In the event that actual results vary significantly from those used to calculate preliminary materiality, we will communicate these changes to the Board of Directors as part of our year end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the Board of Directors, other than those which we determine to be "clearly trivial". Misstatements are considered to be clearly trivial for purposes of the audit when they are inconsequential both individually and in aggregate.

We encourage management to correct any misstatements identified throughout the audit process.

RISKS AND PLANNED AUDIT RESPONSES

Based on our knowledge of the Authority’s business, our past experience, and knowledge gained from management and the Board of Directors, we have identified the following significant risks; those risks of material misstatement that, in our judgment, require special audit consideration.

Significant risks arise mainly because of the complexity of the accounting rules, the extent of estimation and judgment involved in the valuation of these financial statement areas, and the existence of new accounting pronouncements that affect them. We request your input on the following significant risks and whether there are any other areas of concern that the Board of Directors has identified.

Revenue Recognition

Significant Risk	Approach
<ul style="list-style-type: none">There is an inherent fraud risk related to revenue recognition, especially in connection with deferred revenue, which could lead to a material misstatement of the financial statements. There could be bias to defer unspent revenue that does not meet conditions to be deferred.	<ul style="list-style-type: none">Ensure revenue recognition policy is appropriate, applied consistently, and in line with current accounting framework.Review of agreements and stipulations to ensure properly treated as revenue or deferred revenue in the correct period.Review continuities of deferred revenue.

Online Banking

Significant Risk	Approach
<ul style="list-style-type: none">Online banking is available to accounting staff that have access to the general ledger. This does not provide proper segregation of duties and can create a path to bypass cash disbursement controls.	<ul style="list-style-type: none">Review bank statements for potential unauthorized electronic fund transfers.Review controls in place surrounding online banking and perform additional testing as required.

Management Override of Controls

Significant Risk	Approach
<ul style="list-style-type: none">• Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	<ul style="list-style-type: none">• Our planned audit procedures include testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of financial statements.• Perform a retrospective review of significant accounting estimates.

OTHER AREAS OF AUDIT INTEREST

In addition to the significant risks noted above, we have also noted certain areas which are of interest to us or the Board of Directors and will be considered in the planning of our audit approach and procedures.

Notes Receivable

Area of Interest	Approach
<ul style="list-style-type: none">• The Authority has two long-term notes receivable from Laurentian Ski Hill Snowboarding Club. The Ski Hill has been under financial distress and therefore the valuation of these notes is a risk.	<ul style="list-style-type: none">• Assess the collectability of the notes and review the terms of these notes, collateral etc.

FRAUD DISCUSSION

Canadian generally accepted auditing standards require us to discuss fraud risk with the Board of Directors on an annual basis. We have prepared the following comments to facilitate this discussion.

Required Discussion	BDO Response	Question to Board of Directors
Details of existing oversight processes with regards to fraud.	<p>Through our planning process, and based on prior years' audits, we have developed an understanding of your oversight processes including:</p> <ul style="list-style-type: none"> • Board of Directors charters; • Discussions at Board of Directors meetings and our attendance at those meetings; • Review of related party transactions; and • Consideration of tone at the top 	Are there any new processes or changes in existing processes relating to fraud that we should be aware of?
Knowledge of actual, suspected or alleged fraud.	Currently, we are not aware of any fraud.	Are you aware of any instances of actual, suspected or alleged fraud affecting the Authority?

AUDITORS' RESPONSIBILITIES FOR DETECTING FRAUD

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud, by:

- Identifying and assessing the risks of material misstatement due to fraud;
- Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- Responding appropriately to fraud or suspected fraud identified during the audit.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.

During the audit, we will perform risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the entity's internal control, to obtain information for use in identifying the risks of material misstatement due to fraud and will make inquiries of management regarding:

- Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- Management's process for identifying and responding to the risks of fraud in the entity, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the entity; and
- Management's communication, if any, to employees regarding its view on business practices and ethical behaviour.

In response to our risk assessment and our inquiries of management, we will perform procedures to address the assessed risks, which may include:

- Inquire of management, the Board of Directors, and others related to any knowledge of fraud, suspected fraud or alleged fraud;
- Perform disaggregated analytical procedures and consider unusual or unexpected relationships identified in the planning of our audit;
- Incorporate an element of unpredictability in the selection of the nature, timing and extent of our audit procedures; and
- Perform additional required procedures to address the risk of management's override of controls including;
 - Testing internal controls designed to prevent and detect fraud;
 - Testing the appropriateness of a sample of adjusting journal entries and other adjustments for evidence of the possibility of material misstatement due to fraud;
 - Reviewing accounting estimates for biases that could result in material misstatements due to fraud, including a retrospective review of significant prior years' estimates; and
 - Evaluating the business rationale for significant unusual transactions.

RELIANCE

EXPERTS

In order for us to perform adequate audit procedures on certain financial statement areas, we will be relying on the work of, and the report prepared by, Mondelis Actuarial. Canadian generally accepted auditing standards require us to communicate with the expert. We propose to discuss the following with Mondelis Actuarial:

- The objective and nature of our audit engagement and how we intend to use the expert's findings and report.
- Our assessment of the significance and risk aspects of the engagement that will affect the expert's work.
- The requirement to advise us if they have any relationship with the organization which could impair their judgment or objectivity in the conduct of their engagement.
- The nature, timing and extent of the expert's work and our planned review of it, possibly including review of their working papers.
- Confirmation that the assumptions used in their calculations are consistent with those used in the prior periods and with industry standards.
- Their obligation to advise BDO Canada LLP of any matters up to the estimated audit report date that may affect their calculations and their report.

We ask that the appropriate level of management review the data provided to Mondelis Actuarial and that they also review the assumptions used and results reported by the expert for reasonableness.



AUDIT TIMING

The following schedule outlines the anticipated timing of the audit of the financial statements of the Authority.

Audit tasks and deliverables	Dates
Present audit planning report	March 27, 2019
Planning visit and interim fieldwork commences	April 2019
Final audit fieldwork commences	April 2019
Present final report to the Board of Directors	May 2019
Release of audit report	May 2019

As part of the year-end Board of Directors meeting, we will provide the Board of Directors with a copy of our draft audit opinion, discuss our findings, including significant estimates utilized by management, accounting policies, financial statement disclosures, and significant transactions completed during the year. We will also report any significant internal control deficiencies identified during our audit and reconfirm our independence.



FEES

We estimate our fees for 2018 will be \$13,750 for the audit of the financial statements and preparation of the charity return.

Our estimated fees are based on the time expected to complete the audit and excludes taxes, out of pocket expenses, and internal administration fees and are based upon the following assumptions:

- We will be provided with the requested audit schedules, working papers and descriptions of accounting systems and processes as detailed in our annual requirements letter upon the commencement of fieldwork;
- The (consolidation and) draft financial statements, including notes, are prepared to a standard suitable for audit with all balances reconciled to the underlying accounting records;
- There will be minimal adjusting journal entries; and
- The nature of the Authority's operations remain consistent with the prior year and there have been no changes in accounting personnel.

In the event that we incur additional charges or we experience delays in completing the audit, we will advise management.



BDO RESOURCES

BDO is one of Canada's largest accounting services firms providing assurance and accounting, taxation, financial advisory, risk advisory, financial recovery and consulting services to a variety of publicly traded and privately held companies.

BDO serves its clients through 105 offices across Canada. As a member firm of BDO International Limited, BDO serves its multinational clients through a global network of over 1,000 offices in more than 100 countries. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

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

PUBLICATIONS

Public Sector Accounting Standards (PSAS) Update 2018

TAX BULLETINS, ALERTS AND NEWSLETTERS

BDO's national tax department issues a number of bulletins, alerts and newsletters relating to corporate federal, personal, commodity, transfer pricing and international tax matters.

For additional information on tax matters and links to archived tax publications, please refer to the following link: [Tax Library | BDO Canada](#)



APPENDIX A Engagement Letter



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BDO Canada LLP
101 McIntyre Street West
North Bay, Ontario
P1B 2Y5

North Bay-Mattawa Conservation Authority
15 Janey Avenue
North Bay, Ontario
P1C 1N1

January 30, 2017

Dear Sir/Madam

We understand that you wish for us to continue as the auditors of North Bay-Mattawa Conservation Authority for its fiscal year ended December 31, 2016 and subsequent years.

We are pleased to continue as your auditors subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Dean Decaire will be the Engagement Partner for all assurance work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of Services.

Our Role as Auditors

We will conduct our audit(s) in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements prepared in accordance with Canadian public sector accounting standards 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. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your 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 your internal controls. However, we will communicate to you concerning any significant



deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.

Reporting

Our audit will be conducted on the basis that the financial statements have been prepared in accordance with Canadian public sector accounting standards.

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standard (CAS) 700. The form and content of our report may need to be amended in the light of our audit findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

Role of Management and Those Charged with Governance

You acknowledge and understand that you have responsibility for:

- (a) the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The audit of the financial statements does not relieve you of your responsibilities;
- (b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (c) providing us with:
 - access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that we may request for the purpose of the audit;
 - unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence;
 - financial and non-financial information (other information) that will be included in document(s) containing financial statements and our audit report thereon prior to the date of our auditor's report. If it is not possible to provide all the other information prior to the date of our auditor's report, you are responsible for provision of such other information as soon as practicable; and
 - written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

Financial Statement Services

We will obtain your approval, if during the course of our engagement we:



- (a) prepare or change a journal entry; or
- (b) prepare or change an account code or a classification for a transaction.

As agreed, we will provide assistance in the preparation of the financial statements.

These services create a threat to our independence. We, therefore, require that the following safeguards be put into place:

- that you create the source data for all accounting entries;
- that you develop any underlying assumptions for the accounting treatment and measurement of entries; and
- that you review and approve the draft financial statements, including the notes to the financial statements.

Tax Services

In addition to the assurance services discussed above, we may be requested by you to prepare information returns. The returns will be prepared based upon the information supplied by you. We will not audit, review or otherwise attempt to verify the accuracy or completeness of such information. We will utilize the information you have already provided to our assurance engagement team to the extent that the material is available and relevant to the preparation of the returns. It may be necessary for us to request further information.

Regardless of any tax return preparation services we provide to you, you will remain responsible for filing your tax returns with the appropriate authorities on a timely basis.

Your returns are, of course, subject to review by the taxation authorities. Any items reassessed against you by the taxation authorities are subject to certain rights of appeal. In the event of any tax audit, we will be available to represent you for a mutually agreed upon fee.

We will discuss with you any filing positions which, if taken, have the potential to give rise to a material adverse assessment or reassessment by the taxing authorities. If such an assessment or reassessment occurs, any additional tax that arises will be your responsibility. In addition, we cannot be responsible for interest and penalties assessed against you in connection with your income tax affairs. Therefore, should any interest or penalty be assessed, they shall be your responsibility.

Our audit is conducted primarily to enable us to express an opinion on the financial statements. The audit process is not designed to provide us with a full understanding of your tax situation and in particular, to allow us to determine whether the entity has specific tax compliance issues. We will, however, provide advice on an ongoing basis on general income tax matters as requested by you. A separate engagement letter may be issued for significant tax projects. To the extent that tax services requested by you are not covered by a separate engagement letter, the terms of this Agreement shall apply to the tax services.



Additional Services

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

Fee Estimation

As has previously been communicated to you, we estimate our professional fee for auditing your financial statements for your fiscal year ended December 31, 2016 at \$13,600. Additional information relating to our fees is provided in the Terms and Conditions attached to this letter.

Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. The Standard Terms and Conditions include clauses that limit our professional liability.

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.

It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

Chartered Professional Accountants, Licensed Public Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

North Bay-Mattawa Conservation Authority

Signature DAVE MENDICINO
Name (please print)

CHAIR
Position

Signature BRIAN TAYLER
Name (please print)

CAO/SECRETARY TREASURER
Position



Appendix 1 Standard Terms and Conditions

1. Overview and Interpretation

- 1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services. To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

- 1.2 In this agreement, the following words and expressions have the meanings set out below:

This Agreement - these Standard Terms and Conditions, the letter to which they are attached, and any supporting schedules or other appendices to the letter

Services - the services provided or to be provided under this Agreement

We, us, our, BDO - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

You, your - the party or parties contracting with BDO under this agreement, including the party's or parties' management and those charged with corporate governance. You and your does not include BDO, its affiliates or BDO Member Firms

BDO Member Firm or Firms - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

Confidential Information - information that contains identifying features that can be attributed to you or individual personnel

2. BDO Network and Sole Recourse

- 2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.
- 2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.
- 2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above as if they were a party to this agreement.



3. *Respective Responsibilities*

- 3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.
- 3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

4. *Working Papers and Deliverables*

- 4.1 **Ownership** - Any documents prepared by us or for us in connection with Services belong solely to us.
- 4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.
- 4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.
- 4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any third party other than you and any party to whom the assurance report is addressed. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.
- 4.5 **Consent to use the Report** - If we are requested to consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document, we will consider, at the relevant time, providing consent and any conditions applicable to our consent. Our consent must be in writing. In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information is materially inconsistent with the related financial statements. We will require adequate notice of the request for consent to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost.

5. *Confidentiality*

- 5.1 We agree to use Confidential Information provided by you only in relation to the services in connection with which the information is provided and we will not disclose the information, except where required by law, regulation or professional obligation. We may, however, give Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services.
- 5.2 BDO shall be entitled to include a description of services we render to or for you in marketing and research materials and disclose such information to third parties, provided that all such information will be made anonymous and not associated with you. Additionally, we may analyze information on an industry or sector basis for internal



purposes or to provide industry/sector wide information to our clients or potential clients. You consent to our using information obtained from you in this way provided that the outputs therefrom will not contain any identifying features that can be attributed to you.

6. Independence

- 6.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence in writing.

7. Offers of Employment

- 7.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

8. Professional and Regulatory Oversight

- 8.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.
- 8.2 Certain regulatory bodies may also have the right to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law, we will advise you of any such investigation request or order prior to providing our working papers.
- 8.3 You agree to reimburse us for our time and expenses, including reasonable legal fees, incurred in responding to any investigation that is requested or authorized by you or investigations of you undertaken under government regulation or authority, court order or other legal process.

9. Privacy and Consents

- 9.1 You agree we will have access to all personal information in your custody that we require to complete our engagement. We may collect, use, transfer, store, or process such information disclosed by you of a personal nature (personal information). Our Services are provided on the understanding that:
 - you have obtained any consents for collection, use and disclosure to us of personal information required under all applicable privacy legislation; and



- we will hold all personal information in compliance with our Privacy Statement.

10. Electronic Communications

- 10.1 Both parties recognize and accept the security risks associated with email communications; including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.
- 10.2 Unless BDO is otherwise advised in writing, by executing this agreement you provide BDO with consent to communicate with you electronically, including sending newsletters, publications, announcements, invitations and other news and alerts. You may withdraw your consent at any time by contacting BDO at unsubscribe@bdo.ca.

11. Limitation of Liability

- 11.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator as a result of the dispute resolution procedures, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.
- 11.2 Our liability shall be restricted to damages of a direct and compensatory nature and shall not include indirect, consequential, aggravated or punitive damages, or damages for loss of profits or expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 11.3 You agree that BDO shall not be liable to you for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the Services performed hereunder for an aggregate amount no more than the higher of:
- three times the fees paid by you to BDO in the twelve months preceding the incident giving rise to the claim; and
 - \$25,000.
- 11.4 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 11.5 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

12. Indemnity

- 12.1 To the fullest extent permitted by applicable law and professional regulations, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors'



fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:

- a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest
- the services performed by BDO pursuant to this Agreement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the gross negligence of BDO. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by you, failing which, the matter may be referred to dispute resolution in accordance with the terms of this letter.

13. Alternative Dispute Resolution

- 13.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this agreement or the Services provided hereunder through good faith negotiations.
- 13.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation pursuant to the National Mediation rules of the ADR Institute of Canada Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties mutually agree upon shall be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada Inc. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the National Arbitration Rules.

14. Limitation Period

- 14.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 14.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than two years after the completion of the Services under this Agreement.
- 14.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

15. Québec Personnel

- 15.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession,



regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. The provisions in Subsection 13.2 and Sections 11 (Limitation of Liability) and 14 (Limitation Period) shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

16. Termination

- 16.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).
- 16.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

17. Fees and Billings

- 17.1 Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place.
- 17.2 Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.
- 17.3 Our professional fees will be based on our regular billing rates which depend on the means by which and by whom our Services are provided. We also will bill you for our out-of-pocket expenses, our administrative charge (described below), and applicable Harmonized Sales Tax, Goods and Services Tax and Provincial Sales Tax.
- 17.4 Our administrative charge is calculated as a percentage of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure, telephone charges, photocopying and some support staff time costs.
- 17.5 Our accounts are due when rendered. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

18. Governing Laws

- 18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province



or territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

19. *Entire Agreement and Survival*

- 19.1 This Agreement sets forth the entire agreement between the parties with respect to the subject matter herein, superseding all prior agreements, negotiations or understandings, whether oral or written, with respect to such subject matter. It is understood that this Agreement will not be superseded by any contract with us for other specific services that are not of the same scope as the Services contemplated in this Agreement, unless the other contract explicitly references this Agreement and an intent to supersede it.
- 19.2 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

20. *Force Majeure*

- 20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

21. *Assignment*

- 21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

22. *Severability*

- 22.1 If a court or regulator with proper jurisdiction determines that a provision of this Agreement is invalid, then the provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this Agreement will remain effective.



APPENDIX B Independence Letter



Tel: 705 495 2000
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www.bdo.ca

BDO Canada LLP
101 McIntyre Street West
Suite 301
North Bay, Ontario P1B 2Y5

March 27, 2019

Members of the Board of Directors
North Bay-Mattawa Conservation Authority

Dear Board of Directors Members:

We have been engaged to audit the financial statements of North Bay-Mattawa Conservation Authority (the "Authority") for the year ended December 31, 2018.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the Authority and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, we have considered the applicable legislation and relevant rules of professional conduct and related interpretations prescribed by the appropriate provincial institute/ordre covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 25, 2018, the date of our last letter.

We are not aware of any relationships between the Authority and our Firm that, in our professional judgment may reasonably be thought to bear on independence that have occurred from April 25, 2018 to March 27, 2019.

The total fees charged to the Authority during the period from April 25, 2018 to March 27, 2019 for audit and non-audit services were \$Nil and \$Nil respectively.

We hereby confirm that we are independent with respect to the Authority within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario of March 27, 2019.

This letter is intended solely for the use of the Board of Directors, Management and others within the Authority and should not be used for any other purposes.

Yours truly,

Dean N. Decaire, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants, Licensed Public Accountants