

**FINANCE COMMITTEE MEETING
ON-LINE VIDEO CONFERENCE**

**Wednesday, March 30, 2022
9:00 a.m.**

A G E N D A

1. APPROVAL OF AGENDA

2. DECLARATIONS OF CONFLICT OF INTEREST

3. APPOINTMENT OF CHAIR / VICE CHAIR

4. APPROVAL OF THE MINUTES

- a) Minutes of the NPCA Finance Committee meeting of November 4, 2021

Page # 1

5. CORRESPONDENCE

6. DELEGATIONS

7. PRESENTATIONS

- a) PowerPoint Presentation by David Marks, KPMG RE: Financial Statements and Audit Findings (For Receipt – This presentation is in conjunction with agenda item 9. b) Report No. FC-04-22 RE: 2021 Audited Financial Statements)

8. CONSENT ITEMS

- a) Report No. FC-01-22 RE: Financial Report – Q4 – 2021 (For Receipt)

Page # 4

- b) Report No. FC-05-22 RE: Banking and Investments – 2021 Activity (For Receipt)

Page # 9

- c) Report No. FC-06-22 RE: Procurement – 2021 Activity (For Receipt)

Page # 11

- d) Report No. FC-07-22 RE: Canada Community Revitalization Fund (For Receipt)

Page # 14

9. DISCUSSION ITEMS

- a) Report No. FC-02-22 RE: Finance Committee – 2022 Work Plan (For Approval)
Page # 17
- b) Report No. FC-04-22 RE: 2021 Audited Financial Statements (For Approval)
Page # 20
- c) Report No. FA-03-22 RE: Conservation Authorities Act – Update on Inventory of Programs/Services (Referred by the Board - For Receipt and Discussion)
Page # 58

10. NEW BUSINESS

11. ADJOURNMENT

**FINANCE COMMITTEE
ON-LINE VIDEO CONFERENCE
MEETING MINUTES
Thursday, November 4, 2021
9:30 a.m.**

MEMBERS PRESENT: J. Metcalfe, Chair
S. Beattie
R. Brady
R. Foster
B. Mackenzie
M. Woodhouse

MEMBERS ABSENT: B. Steele

STAFF PRESENT: C. Sharma, Chief Administrative Officer/Secretary–Treasurer
G. Bivol, Clerk
A. Christie, Director, Operations
C. Coverdale, Business and Financial Analyst
L. Gagnon, Director, Corporate Services
E. Gervais, Procurement Officer
G. Shaule, Administrative Assistant
S. Shah, Administrative Assistant, Corporate Services
G. Verkade, Senior Manager, Integrated Watershed Planning /
Information Management

Chair Metcalfe called the meeting to order at 9:30 a.m.

1. APPROVAL OF AGENDA

Recommendation No. FC-25-2021

Moved by Member Brady

Seconded by Member Woodhouse

THAT the Finance Committee meeting agenda dated November 4, 2021 **BE
ADOPTED.**

CARRIED

2. DECLARATIONS OF CONFLICT OF INTEREST

None

3. APPROVAL OF THE MINUTES

- a) Minutes of the Finance Committee meeting dated July 28, 2021 – A clerical amendment was noted to reflect the designation of Member Brady as Vice Chair of the Finance Committee.

Recommendation No. FC-26-2021

Moved by Member Beattie

Seconded by Member Brady

THAT the minutes of the Finance Committee meeting dated July 28, 2021, **BE APPROVED** as amended.

CARRIED

4. CORRESPONDENCE

None

5. DELEGATIONS

None

6. PRESENTATIONS

None

7. CONSENT ITEMS

None

8. DISCUSSION ITEMS

- a) Report No. FC-16-21 RE: 2022 Draft Budgets and Municipal Levies – Lise Gagnon, Director of Corporate Services presented via PowerPoint. Members posed questions. Lengthy discussion ensued.

Recommendation No. FC-27-2021

Moved by Member Woodhouse

Seconded by Member Foster

THAT the PowerPoint presentation entitled “2022 Draft Budgets and Municipal Levies” from Lise Gagnon, Director of Corporate Services **BE RECEIVED**.

CARRIED

Recommendation No. FC-28-2021

Moved by Member Woodhouse

Seconded by Member Foster

1. **THAT** Report No. FC-16-21 RE: 2022 Draft Budgets and Municipal Levies **BE RECEIVED** for Committee review.
2. **THAT** the Finance Committee is recommending that the Board of Directors **CONSIDER** and **APPROVE** the following recommendations:

- a. **THAT** the 2022 Draft Budgets and Municipal Levies **BE APPROVED** at the Board of Directors meeting on November 19th, 2021 for discussion with participating municipal staff, in accordance with Board approved Budget Assumptions.
- b. **THAT** Staff **CONTINUE** to discuss the possibility of reinstating the Land Acquisition Reserve contributions with municipal funding partners.
- c. **THAT** the list of 2022 unfunded pressures **BE PROVIDED** to partner municipalities for any future opportunities outside the 2022 budget through collaborative projects or external funding.
- d. **THAT** NPCA staff **REPORT** the results of discussions with participating municipal staff to the 2022 Q2 Finance Committee and Board of Directors meetings.
- e. **AND FURTHER THAT** a copy of the 2022 Draft Budgets and Municipal Levies **BE FORWARDED** to partner municipalities in advance of the November 19th, 2021 NPCA Board of Directors meeting.

CARRIED

- b) Report No. FC-17-21 RE: Financial Report – Q3 – 2021 – Lise Gagnon, Director of Corporate Services, Adam Christie, Director of Operations and C.A.O. Chandra Sharma presented. Members posed questions. Discussion ensued.

Recommendation No. FC-29-2021

Moved by Member Woodhouse

Seconded by Member Foster

THAT Report No. FC-17-21 RE: Financial Report – Q3 - 2021 **BE RECEIVED**.

CARRIED

9. NEW BUSINESS

None

10. ADJOURNMENT

By consensus, the meeting adjourned at 11:03 a.m..

John Metcalfe,
Committee Chair

Chandra Sharma, MCIP, RPP
Chief Administrative Officer / Secretary
- Treasurer

Report To: Finance Committee

Subject: Financial Report – Q4 - 2021

Report No: FC-01-22

Date: March 30, 2022

Recommendation:

1. **THAT** Report No. FC-01-22 RE: Financial Report – Q4 - 2021 **BE RECEIVED.**

Purpose:

The purpose of this report is to provide the Finance Committee with a final 2021 year end summary of operating (Appendix 1) and capital expenditures (Appendix 2) and to provide a comparison of actual results to the budget as approved by the Board. Appendix 3 provides variance analytics from prior year for the 2021 Statement of Operations in the audited financial statements. Additionally, this report provides information on the 2022 annual allocations with respect to the Operating and Capital Reserves.

Discussion:

This report confirms the general financial oversight and compliance with Public Sector Accounting Board Standards. All recommendations and details contained in this report have been integrated in the Conservation Authorities Act Inventory of Programs and Services and the audited financial statements as appropriate.

Appendix 1 provides a final summary and variance analysis of operating performance for the 2021 fiscal year and returns a positive operating net position of \$622,320. This net position is due in part to a series of operating projects that, although commenced in the 2021 fiscal year, were not complete by December 31, 2021. These projects include:

- a) Watershed policy and planning review and update / regulation mapping update
- b) Capital planning, SOGR and asset management planning for hazard infrastructure
- c) Land acquisition strategy, CA Act transition requirements, land management plans and inventories

Proposed Allocation for 2022 – Operating and Capital Reserve

The Reserve Policy provides guidance for the allocation as well as source and use of funds within each reserve category. Full reserve allocations will be presented at the April 22, 2022 meeting for the Board's consideration and approval as part of the report on final 2022 Operating and Capital Budgets, in keeping with past practice.

Staff is seeking Finance Committee endorsement of the following reserve allocations for the 2022 fiscal year with respect to the General Operating and General Capital Reserves.

1. General Operating Reserve - \$622,320

Unlike capital projects classified as work-in-progress and carried forward into the following fiscal year, in order to comply with accounting protocols unspent operating funds to be carried forward must first be allocated to the General Operating Reserve at fiscal year end. Board approval is then required for the 2022 use of funds to complete projects carried forward, in keeping with the Reserve Policy. In an effort to appropriately track, record and account for these carry forward projects, subsets of the General Operating Reserve have been set up, as follows:

i)	Watershed policy and planning review	\$175,000
ii)	Capital planning and asset management	275,000
iii)	Land acquisition strategy, CA Act transition	172,320

Each of these initiatives has an established business plan, including workplan and deliverables and will be subject to regular monitoring in keeping with established protocols.

2. General Capital Reserve - \$356,662

This balance represents Board approved capital projects from 2021 that will be completed in 2022. Board approval for 2021 projects: November 19, 2020.

Financial Implications:

The Revenue and Expenditure lines are within budget allocations identified during the budget preparation and approval cycle. It should be noted that staff will be actively seeing internal efficiencies and/or alternate funding sources to complete CA Act Transition requirements, thereby reducing or eliminating the need for levy support to address these pressures.

Related Reports and Appendices:

Appendix 1: 2021 Operating Statement – Q4

Appendix 2: Capital Projects 2021 – Q4

Appendix 3: Variance Analysis – 2021 Statement of Operations

Prepared by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Chandra Sharma, MCIP, RPP
Chief Administrative Officer/
Secretary-Treasurer

Niagara Peninsula Conservation Authority
2021 CONSOLIDATED OPERATING STATEMENT - Q4 - January 1 to December 31, 2021

Appendix 1 - Report No. FC-01-22	Year to date				Annual Budget	Comments
	Actual	Budget	Variance	Var %		
Source of Funds						
Municipal Funding	6,213,470	6,213,479	- 9	0.0%	6,213,479	Variance not material
Provincial Funding	382,337	383,594	- 1,257	-0.3%	383,594	Variance not material
Federal Funding	123,531	70,000	53,531	0.0%	70,000	Unbudgeted ECCC contracts for Riparian Buffers and GLLAF (VAST project)
Park Operations	2,562,681	2,183,045	379,636	17.4%	2,183,045	Exceptional revenue performance overall.
Permits and Regulatory Fees	539,310	498,000	41,310	8.3%	498,000	Permit and compliance fees exceeding expectations
Other Revenue	439,683	517,000	- 77,317	-15.0%	517,000	Interest income - reduced cash balance due to land acquisition + capital
Total Revenues/Source of Funds	10,261,012	9,865,118	395,894	4.01%	9,865,118	
Use of Funds						
Salaries and Benefits	6,452,745	6,625,056	- 172,311	-2.6%	6,625,056	Delay in backfilling operating operations + savings due to the pandemic
Other Employee Related Expenses	179,761	236,649	- 56,888	-24.0%	236,649	Covid-19 - mileage/staff exp, training offset by incr health/safety
Board and Volunteer	31,937	63,600	- 31,663	-49.8%	63,600	Covid-19 impact
Professional Fees	524,930	759,843	- 234,913	-30.9%	759,843	Variance due to operating projects carried forward to 2022
Occupancy Costs	562,536	543,250	19,286	3.6%	543,250	Insurance premium increase - 22%
Vehicles and Equipment	240,112	275,240	- 35,128	-12.8%	275,240	Delivery delay - rental vehicles
Park Maintenance	697,295	514,890	182,405	35.4%	514,890	Tree removal; direct costs driven by increased visitation/revenues
Cost and Expenses	441,405	347,400	94,005	27.1%	347,400	Variance due to operating projects carried forward to 2022
Materials and Supplies	297,763	216,690	81,073	37.4%	216,690	Unbudgeted ECCC for Riparian Buffers and GLLAF (VAST project)
Marketing and Promotion	210,208	282,500	- 72,292	-25.6%	282,500	Covid-19 impact & realized cost efficiencies
Total Expenses/Use of Funds	9,638,692	9,865,118	- 226,426	-2.3%	9,865,118	
Net Surplus as at December 31, 2021	622,320	-	622,320		-	

Niagara Peninsula Conservation Authority - 2021 CAPITAL PROJECTS

Appendix 2 - Report No. FC-01-22

Project Name	Location	Funding Source	Munic.	Funding			Budget Carried Forward	YTD Spend at 31-DEC-2020	YTD Spend at 31-DEC-2021	Total Project Spend at 31-DEC-2021
				External	2021	Total Project				
Corporate Services										
Annual PC replacements	Various	Special Levy - ALL	All		45,000	45,000	-	-	49,363	49,363
Data Centre Network Upgrades	HQ - Welland	Special Levy - ALL	All	-	37,000	37,000	-	-	13,687	13,687
Digital Terrain Model Update	Various	Special Levy - ALL	All	-	150,000	150,000	-	-	-	-
Natural Areas ELC Mapping Update	Various	Other	All	-	150,000	150,000	-	-	-	-
Records Management - phased	HQ - Welland	Special Levy - ALL	All		40,000	40,000	-	-	3,740	3,740
2020 Restoration & Watershed Plan Data Update	Various			-	-	-	150,000	-	-	-
2020 Restoration Site Design - Lakewood	Lakewood			-	-	-	50,000	-	-	-
2020 Financial Reporting & Budgeting Module	HQ - Welland			-	-	-	42,100	-	38,338	38,338
TOTAL - Corporate Services				\$ -	\$ 422,000	\$ 422,000	\$ 242,100	\$ -	\$ 105,128	\$ 105,128
Land Operations										
Deferred Projects - BF Septic System:										
- 2020 Flood Plain Mapping - Beaver Creek	Beaver Creek	Other	Niagara	150,000	-	150,000	-	-	48,210	48,210
- 2020 CFC Gallery Upgrades	Balls Falls	Other	Niagara	49,870	15,130	65,000	-	(27,180)	2,379	(24,801)
- 2020 Equipment Sustainment	Various	Other	All	-	54,586	54,586	-	-	54,586	54,586
- 2020 Balls Falls Internet Upgrade	Balls Falls	Other	Niagara	-	40,000	40,000	-	2,035	23,405	25,440
- 2020 Asset Management Program	Various	Other	All	-	30,000	30,000	-	33,010	(8,383)	24,627
Field Centre Restoration - Phase 2	Balls Falls	Special Levy - Niagara	Niagara	-	47,500	47,500	-	-	60,008	60,008
Roadway Improv - Phase 1 - Chippawa	Chippawa Creek	Special Levy - Niagara	Niagara	-	100,000	100,000	-	-	11,752	11,752
St John's - Heritage Building Restoration	Central Workshop	Special Levy - Niagara	Niagara	-	130,000	130,000	-	-	133,962	133,962
Mowers (Chippawa and Binbrook)	Central Workshop	Special Levy - ALL	All	-	35,000	35,000	-	-	69,572	69,572
RTV (CW)	Vaious - Niagara	Special Levy - Niagara	Niagara	-	20,000	20,000	-	-	18,566	18,566
Skid Steer (Central Workshop)	Central Workshop	Special Levy - ALL	All	-	26,000	26,000	-	-	100,742	100,742
Mini Excavator	Central Workshop	Special Levy - ALL	All	-	70,000	70,000	-	-	62,475	62,475
Cave Springs Parking Lot	Central Workshop	Special Levy - Niagara	Niagara	-	105,000	105,000	-	-	31,178	31,178
Rollon/rolloff - dual axle 7600 Int'l Truck	Central Workshop	Special Levy - ALL	All	-	140,000	140,000	-	-	124,583	124,583
Wainfleet Quarry	Wainfleet			-	-	60,000	-	-	37,724	37,724
Restoration Project - Binbrook	Binbrook			85,000	-	85,000	-	-	75,979	75,979
Automated Gates - Binbrook & Ball's Falls	Binbrook/ Ball's Falls			-	-	TBD	-	-	96,612	96,612
Land Purchase - Morgan's Point	Morgan's Point			-	-	772,900	-	-	798,489	798,489
2020 - North Side Comfort Station	Long Beach			-	-	-	397,100	76,933	320,351	397,284
2020 - Water Treatment System Upgrades	Binbrook			-	-	-	155,000	37,582	30,264	67,846
2020 - Treetop Trekking Building & Amenities	Binbrook			-	-	-	203,000	73,517	126,207	199,724
2020 - Septic System - Binbrook	Binbrook			-	-	-	852,000	27,775	991,654	1,019,429
2020 - Field Centre Restoration	Balls Falls			-	-	-	35,000	6,754	23,277	30,031
TOTAL - Land Operations				\$ 199,870	\$ 813,216	\$ 1,013,086	\$ 1,642,100	\$ 230,426	\$ 3,233,592	\$ 3,464,018
Watershed										
Floodplain Mapping - Big Forks Creek	Niagara	Special Levy - Niagara	Niagara	150,000	-	150,000	-	-	48,550	48,550
Water Quality Equipment	Pelham	Special Levy - Niagara	Niagara	-	20,000	20,000	-	-	3,751	3,751
Stream Gauge Equipment	Various	Special Levy - ALL	All	-	10,000	10,000	-	-	2,511	2,511
Virgil Dam - Remedial Measures	Niagara	Special Levy - Niagara	Niagara	-	200,000	200,000	-	-	77,051	77,051
TOTAL - Watershed				\$ 150,000	\$ 230,000	\$ 380,000	\$ -	\$ -	\$ 131,863	\$ 131,863
GRAND TOTAL				\$ 349,870	\$ 1,465,216	\$ 1,815,086	\$ 1,884,200	\$ 230,426	\$ 3,470,583	\$ 3,701,009

NIAGARA PENINSULA CONSERVATION AUTHORITY
Appendix 3 - Report No. FC-01-22

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	2021 Budget	2021 Actual	2020 Actual	Actual Variance	Comments
Revenues:					
Government transfers					
Province of Ontario – MNRF	\$ 90,000	\$ 90,083	\$ 90,083	\$ -	No variance to report
Province of Ontario – Other	293,594	262,686	264,520	1,834	Variance not material
Government of Canada	70,000	173,531	54,195	119,336	2021 - 2 new ECCC contracts + Niagara River RAP Funding
Municipal levies					
General	6,213,479	6,213,470	6,092,753	120,717	Approved general levy increase (2%)
Special	1,465,216	2,427,557	1,453,445	974,112	2021 - no long term debt, Hamilton Binbrook capital projects
Authority generated					
User fees, sales and admissions	2,183,045	2,562,681	1,421,260	1,141,421	2021 - exceptional revenue performance overall
Administration fees	498,000	539,310	439,317	99,993	2021 - permit and compliance fees exceeding expectations
Interest	119,000	57,904	108,624	50,720	2021 - lower interest rate and reduced bank balance (land, capital)
Other	398,000	381,777	601,723	219,946	2021 - tree bylaw, Restoration landowner contributions, revenue reclass
OPG - Welland river watershed	-	162,698	45,916	116,782	Recognition of deferred revenue from OPG for approved projects
	11,330,334	12,871,697	10,571,836	2,299,861	
Expenses:					
CAO and Administration	1,714,887	1,475,920	1,709,181	233,261	2021 - lower professional fees (operating projects carried forward to 2022)
Watershed	2,637,295	2,380,689	2,080,522	300,167	2021 - salaries/benefits - salary reclass + growth positions
Corporate Resources	6,464,923	6,734,057	6,185,436	548,621	2022 - higher direct costs - Land Ops revenue generation increases
	10,817,105	10,590,666	9,975,139	615,527	
Annual (deficit) surplus	513,229	2,281,031	596,697		
Accumulated surplus, beginning of year	26,353,032	26,949,729	26,353,032		
Accumulated surplus, end of year	\$ 26,866,261	\$ 29,230,760	\$ 26,949,729		

Report To: Finance Committee

Subject: Banking and Investments – 2021 Activity

Report No: FC-05-22

Date: March 30, 2022

Recommendation:

1. **THAT** Report No. FC-05-22 RE: Banking and Investments – 2021 Activity **BE RECEIVED.**

Purpose:

The purpose of this report is to provide the Finance Committee with a report on banking and investments for the 2021 fiscal year.

Discussion:

Cash and Cash Equivalents				
	2021	2020	Change	%
Bank of Montreal	\$ 2,160,151	\$ 4,058,876	-\$ 1,898,725	-46.8%
Petty Cash	4,000	4,000	-	0.0%
CIBC	58,506	11,649	46,857	402.2%
Meridian	55,450	4,632	50,818	1097.2%
Total	\$ 2,278,107	\$ 4,079,157	-\$ 1,801,050	-44.2%

The 2021 to 2020 variance of \$1.9M breaks down as follows:

- Capital projects \$1.1M
- Land acquisition – Morgan's Point, Wainfleet .8M
- Total \$1.9M

Please note that reimbursement by the City of Hamilton for a portion of the capital projects in the amount of \$962,340 was billed and received in Q1 of 2022.

Investments				
	2021	2020	Change	%
GIC - Meridian	\$ 4,509,668	\$ 4,467,229	\$ 42,439	0.9%

Indebtedness

NPCA has an operating line of credit available in the amount of \$765,000. This credit facility was not utilized in 2021.

Authored by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Chandra Sharma, MCIP, RPP
Chief Administrative Officer/Secretary-
Treasurer

Report To: Finance Committee

Subject: Procurement – 2021 Activity

Report No: FC-06-22

Date: March 30, 2022

Recommendation:

THAT Report No. FC-06-22 RE: Procurement – 2021 Activity **BE RECEIVED.**

Purpose:

The purpose of this report is to provide the Finance Committee with an annual report on the following procurement activity for the 2021 fiscal year:

- Non-Competitive Procurement
- Unsolicited Proposals
- Transactions approved by the CAO/Secretary-Treasurer in excess of \$100,000 for Board-approved capital projects;
- Listing of current agreements sourced through cooperative purchasing.

Background:

Section 8.3 – Non-Competitive Procurement Business Case Requirements of the Procurement Policy states:

The Procurement Specialist shall provide a full written report on all Non-Competitive Procurement transaction(s) to the Board of Directors annually, within 3 months of the subsequent year.

The minutes of the Audit and Budget Committee from March 12, 2020, include the following recommendation:

8.1 Report No. A&BC-01-2020 RE: Procurement Policy – The Committee requested an annual listing of unsolicited proposals.

The minutes of the Board of Directors meeting from April 16, 2020 include the following:

4d) Report No. FA-19-2020 RE: Delegation of Authority Policy – Ms. Sharma indicated that she would report annually on the delegation of authority in the procurement of goods and services.

Discussion:

Non-Competitive Procurement

In 2021, NPCA proceeded with 1 transaction in a non-competitive environment:

Meltwater – September 21, 2021 - PO #1497	\$9,100
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All balances exclude HST

Approved by Rebecca Hull & Chandra Sharma

Goods or services acquired: Media Monitoring Solution

Procurement Policy Section 8.2 defines allowable exceptions for non-competitive procurement: “h)i) only one vendor can meet the requirements of procurement to ensure compatibility with the existing service/product.

Unsolicited Proposals

There were no unsolicited proposals received in 2021.

CAO/Secretary-Treasurer Approved Capital Project Transactions – 2021

In 2021, the CAO/Secretary-Treasurer approved a total of 4 transactions in excess of \$100,000 for Board-approved capital projects:

Premier Truck Group – January 28, 2021 – PO #1334 Project: Roll Off Truck	\$122,494
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Montague Construction – July 29, 2021 – PO #1478 Project: Construct an Onsite Sanitary Sewage System Binbrook	\$910,000
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Dougan & Associates – December 6, 2021 – PO #1496 Project: Natural Areas Ecological Land Classification Mapping Update	\$121,808
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J.D. Barnes – December 14, 2021 – PO #1497 Project: Digital Terrain Mapping Update	\$118,036
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All balances exclude HST

Cooperative Procurement

NPCA participates in multiple Group Purchasing Organizations to aggregate volume and raise the purchasing power of each participating entity. Through collaborative and consortium buying agreements, NPCA benefits from best value, while also reducing time spent on procurement processes. Vendors benefit from large volume and efficient competitive bidding processes that come with multiple awards to a single contract. NPCA also benefits from aggregated national/provincial/regional pricing which allows the smallest of public agencies to leverage the same buying power and contracts as a large public sector agency.

NPCA participate in the following collaborative agreements, leveraging the benefits of cooperative procurement:

- Containerized waste removal (Niagara Public Purchasing Committee);
- Supply and delivery of fuel (Niagara Public Purchasing Committee);
- Workplace print and services (Ministry of Government and Consumer Services);
- Corporate credit card services (Ministry of Government and Consumer Services);
- Courier services (Ministry of Government and Consumer Services);
- Mobile devices and related services (Ministry of Government and Consumer Services); and
- Fine paper agreement (OECM).

Related Reports and Appendices:

1. Procurement Policy
2. Delegation of Authority Policy

Authored by:

Original Signed by:

Eric Gervais
Procurement Specialist

Reviewed by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Chandra Sharma, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

Report To: Finance Committee

Subject: Canada Community Revitalization Fund

Report No: FC-07-22

Date: March 30, 2022

Recommendation:

THAT Report No. FA-07-22 RE: Canada Community Revitalization Fund **BE RECEIVED.**

Purpose:

The purpose of this report is to update the Finance Committee on the successful application to improve Niagara Peninsula Conservation Authority (NPCA) conservation area greenspace infrastructure through the FedDev Ontario (Federal Economic Development Agency for Southern Ontario) Canada Community Revitalization Fund.

Background:

In February 2021, the NPCA Board passed a motion to bring forward a report with a 5-year plan illustrating the needs, on a priority basis, for proposed improvements to the passive conservation areas in the NPCA watershed. Since the motion passed, staff have initiated activities to support the motion, which include replacing entrance signs and additional property-specific signage, developing trail systems and trail maintenance standards, as well as adding informational kiosk signs at selected conservation areas.

Since 2020, aligned with annual budgets, staff have also been documenting NPCA's unfunded priorities and state-of-good repair (SOGR) gaps pertaining to NPCA assets. Documentation and monitoring of SOGR has helped staff identify funding needs outside the current budgets. Staff have also researched funding opportunities to support larger infrastructure projects that would promote increasing access to greenspace within NPCA conservation areas aligned with NPCA's 10-Year Strategic Plan priorities.

The Canada Community Revitalization Fund (CCRF) is a two-year \$500 million national infrastructure program to revitalize communities across Canada. The fund is open to not-for-profit organizations, municipalities, and other public institutions with an aim to:

- revitalize downtown cores and main streets;
- reinvent outdoor spaces;

- create green infrastructure; and
- increase the accessibility of community spaces.

Projects funded under CCRF can receive a maximum contribution of up to \$750,000, funding up to 75% of the total project costs. Prioritization is given to projects that are shovel ready and support the following initiatives:

- revitalize main streets or downtown cores;
- improve or reinvent outdoor spaces;
- reduce environmental impacts, including greenhouse gas emissions; and
- increase accessibility to public spaces for everyone to enjoy, inclusive of people with disabilities.

Discussion:

On February 7, 2022, NPCA staff received an email confirming the approval of NPCA's proposal under the Canada Community Revitalization Fund, delivered by the Federal Economic Development Agency for Southern Ontario (FedDev Ontario). NPCA staff are currently working with Federal Government officials to complete all required documentation. Public funding announcement(s) can only take place after directives are received from the Federal government.

The approved funding includes the improvement of greenspace infrastructure and improved accessibility at six conservation areas: Ball's Falls, Binbrook, Cave Springs, St. Johns, Louth, and Rockway. The project will improve accessibility and support safe access to NPCA conservation areas through the restoration of existing parking areas and addition of parking spaces (deploying Low Impact Development design) at sites without this service. It will improve accessible recreation by restoring 1 km of existing trails with a granular base to support visitation by those using assistive mobility devices. The project also includes the improvement of 21 km of hiking trails by restoring existing boardwalks and stairs. In order to support community education, the project will include the design and installation of educational signage. Lastly, the project includes the installation of parking area gates to manage after-hours access and prevent inappropriate site access and utilization. This funding covers costs associated with project activities that were initiated after April 19, 2021 and up to project completion by December 31, 2022.

Financial Implications:

NPCA staff are currently working with FedDev Ontario to execute the contribution agreement. The NPCA is contributing \$250,000 of Board approved 2022 capital dollars as matching funding towards the project. The NPCA is also contributing \$324,500 in kind for expertise and project management.

Links to Policy/Strategic Plan:

Connecting People to Nature

Goal 3.1 – Create equitable access to greenspace for the health and well-being of people

Financial Sustainability

Goal 6.3 Improve asset management and close the state of good repair gap

Related Reports and Appendices:

None

Authored by:

Original Signed by:

Adam Christie, BA
Director, Land Operations

Reviewed by:

Original Signed by:

Lise Gagnon, CPA CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Chandra Sharma, MCIP RPP
Chief Administrative Officer/Secretary-Treasurer

Report To: Finance Committee

Subject: Finance Committee – 2022 Work Plan

Report No: FC-02-22

Date: March 30, 2022

Recommendation:

1. **THAT** Report No. FC-02-22 RE: Finance Committee – 2022 Work Plan **BE RECEIVED.**
2. **THAT** the Finance Committee - 2022 Work Plan attached as Appendix 1 **BE APPROVED.**

Purpose:

The purpose of this report is to present the draft 2022 Work Plan to the Finance Committee for approval.

Discussion:

The 2022 Finance Committee Work Plan forms a key component of the financial reporting, planning and control structures of the organization, and identifies key priority initiatives required in the year ahead. Additionally, the Work Plan outlines how implementation of this work will be monitored against major deliverables and the Key Performance Indicator (KPI) framework.

Related Reports and Appendices:

Appendix 1: Finance Committee – 2022 Work Plan (Draft)

Authored by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Chandra Sharma, MCIP, RPP
Chief Administrative Officer/Secretary-
Treasurer

Niagara Peninsula Conservation Authority												
Finance Committee Annual Work Plan - 2022												
Appendix 1 - No. FC-02-22												
Amended: 22-MAR-2022 (final)												
DRAFT	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
	JAN-2022	FEB-2022	MAR-2022	APR-2022	MAY-2022	JUN-2022	JUL-2022	AUG-2022	SEP-2022	OCT-2022	NOV-2022	DEC-2022
Finance Committee			30-Mar				27-Jul			26-Oct		
Full Authority Board		18-Feb	25-Mar	22-Apr	20-May	17-Jun	15-Jul		16-Sep	21-Oct	18-Nov	
1. Terms of Reference, Audit Work Plan, Committee Evaluation, Appointment of Officers												
a) 2022 work plan			X									
b) 2022 work plan to the Board for approval				X								
2. External Audit												
a) Review staff recommendation for contract award for audit services (2022 to 2027)							X					
b) Recommend to the Board the appointment of external auditor for 2022 fiscal year									X			
c) Review draft audited financial statements and Audit Findings Report			X									
b) Recommend to the Board the approval of draft audited financial statements				X								
3. Reporting												
a) Review 2021 Q4 year end results, variance reports - Committee			X									
Review 2021 Q4 year end results, variance reports - Board				X								
b) Review quarterly results, variance reports and projections - 2022 - Q1 - Committee							X					
Review quarterly results, variance reports and projections - 2022 - Q1 - Board									X			
c) Review quarterly results, variance reports and projections - 2022 - Q2 - Committee							X					
Review quarterly results, variance reports and projections - 2022 - Q2 - Board									X			
d) Review quarterly results, variance reports and projections - 2022 - Q3 - Committee										X		
Review quarterly results, variance reports and projections - 2022 - Q3 - Board											X	
e) 2021 report on banking and investments - Committee			X									
2021 report on banking and investments - Board				X								
f) 2021 report on procurement - Committee			X									
2021 report on procurement - Board				X								
4. Operating and Capital Budgets												
a) 2023 Operating and Capital budget assumptions - Committee							X					
2023 Operating and Capital budget assumptions - Board									X			
b) 2023 Draft Operating and Capital budgets - Committee										X		
2023 Draft Operating and Capital budgets - Board											X	
5. Other												
a) Review staff recommendation for contract award for banking services (RFP)							X					
b) Recommend to the Board for contract award for banking services (RFP)									X			
c) Review staff recommendation for contract award for IT managed services (RFP)							X					
d) Recommend to the Board for contract award for IT managed services (RFP)									X			
e) Review Records Retention Policy and Records Management Protocols (ECM implementation)										X		
f) CA Act Levy Regulations and Transition Planning including Programs and Services			X				X			X		
g) Review capital planning policy										X		

Niagara Peninsula Conservation Authority												
Finance Committee Annual Work Plan - 2022										Appendix 1 - No. FC-02-22		
Amended: 22-MAR-2022 (final)				Quarter 1			Quarter 2			Quarter 3		
<div style="border: 1px solid black; padding: 10px; text-align: center; font-size: 24pt; font-weight: bold;">DRAFT</div>				JAN-2022	FEB-2022	MAR-2022	APR-2022	MAY-2022	JUN-2022	JUL-2022	AUG-2022	SEP-2022
Finance Committee						30-Mar				27-Jul		
Full Authority Board					18-Feb	25-Mar	22-Apr	20-May	17-Jun	15-Jul	16-Sep	21-Oct
2022				2023			2024					
Review effectiveness of corporate reporting systems regarding administrative and program performance					X							
Review business expense policy					X							

Report To: Finance Committee

Subject: 2021 Audited Financial Statements

Report No: FC-04-22

Date: March 30, 2022

Recommendation:

1. **THAT** Report No. FC-04-22 RE: 2021 Audited Financial Statements **BE RECEIVED**.
2. **THAT** the 2021 Audited Financial Statements and the 2021 Audit Findings Report attached hereto as Appendices 1 and 2 respectively **BE RECOMMENDED** to the Board of Directors for approval.

Purpose:

The purpose of this report is to seek the Finance Committee's approval of the 2021 Audited Financial Statements and the 2021 Audit Findings Report.

Financial Implications:

There are no financial implications associated with this report.

Related Reports and Appendices:

Appendix 1: Draft 2021 Audited Financial Statements

Appendix 2: Draft 2021 Audit Findings Report

Authored by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Chandra Sharma, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

Financial Statements of

**NIAGARA PENINSULA
CONSERVATION AUTHORITY**

And Independent Auditors' Report thereon

Year ended December 31, 2021

INDEPENDENT AUDITORS' REPORT

To the Board of Niagara Peninsula Conservation Authority

Opinion

We have audited the financial statements of Niagara Peninsula Conservation Authority (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”)

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

St. Catharines, Canada
April 22, 2022

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Financial Position

As at December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets		
Cash and cash equivalents	\$ 2,278,107	\$ 4,079,157
Investments	4,509,668	4,467,229
Accounts receivable	1,407,215	732,551
	<u>8,194,990</u>	<u>9,278,937</u>
Liabilities		
Accounts payable and accrued liabilities	1,224,615	1,655,408
Employee future benefits (note 2)	95,500	74,200
Deferred revenue (note 3)	1,906,117	1,966,299
	<u>3,226,232</u>	<u>3,695,907</u>
Net financial assets	4,968,758	5,583,030
Non-financial assets		
Prepaid expenses	49,131	37,163
Tangible capital assets (note 4)	24,212,871	21,329,536
	<u>24,262,002</u>	<u>21,366,699</u>
Accumulated surplus (note 5)	\$ 29,230,760	\$ 26,949,729

See accompanying notes to financial statements

Chair

Chief Administrative Officer

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 8)	2021 Actual	2020 Actual
Revenues:			
Government transfers			
Province of Ontario – Ministry of Natural Resources and Forestry ("MNRF")	\$ 90,000	\$ 90,083	\$ 90,083
Province of Ontario - Other	293,594	262,686	264,520
Government of Canada	70,000	173,531	54,195
Municipal levies			
General	6,213,480	6,213,470	6,092,753
Special	1,465,215	2,427,557	1,453,445
Authority generated			
User fees, sales and admissions	2,183,045	2,562,681	1,421,260
Administration fees	498,000	539,310	439,317
Interest	119,000	57,904	108,624
Other	398,000	381,777	601,723
OPG - Welland river watershed	-	162,698	45,916
	11,330,334	12,871,697	10,571,836
Expenses:			
CAO and Administration	1,714,887	1,475,920	1,709,181
Watershed	2,637,295	2,380,689	2,080,522
Corporate Resources	6,464,923	6,734,057	6,185,436
	10,817,105	10,590,666	9,975,139
Annual surplus	513,229	2,281,031	596,697
Accumulated surplus, beginning of year	26,949,729	26,949,729	26,353,032
Accumulated surplus, end of year	\$ 27,462,958	\$29,230,760	\$26,949,729

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Change in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Annual surplus	\$ 2,281,031	\$ 596,697
Acquisition of tangible capital assets	(3,912,290)	(1,407,844)
Fair value of tangible capital assets assumed	-	(650)
Amortization of tangible capital assets	951,986	897,530
Proceeds on disposal of tangible capital assets	114,424	45,900
(Gain) loss on disposal of tangible capital assets	(37,455)	143,673
Increase in prepaid expenses	(11,968)	(366)
	(614,272)	274,940
Net financial assets, beginning of year	5,583,030	5,308,090
Net financial assets, end of year	\$ 4,968,758	\$ 5,583,030

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Changes in Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 2,281,031	\$ 596,697
Item not involving cash:		
Amortization of tangible capital assets	951,986	897,530
Fair value of tangible capital assets assumed	-	(650)
(Gain) loss on disposal of tangible capital assets, net	(37,455)	143,673
Employee future benefits	21,300	7,900
Accrued interest on investments	1,860	2,452
Change in non-cash operating working capital:		
Accounts receivable	(674,664)	(66,337)
Prepaid expenses	(11,968)	(366)
Accounts payable and accrued liabilities	(430,793)	265,410
Deferred revenue	(60,182)	445,252
Net change in cash and cash equivalents from operations	2,041,115	2,291,561
Capital activities:		
Purchases of tangible capital assets	(3,912,672)	(1,407,844)
Proceeds from disposal of tangible capital assets	114,806	45,900
Net change in cash and cash equivalents from capital activities	(3,797,866)	(1,361,944)
Investing activities:		
Proceeds from sale of investments	4,465,369	4,377,200
Purchases of investments	(4,509,668)	(4,465,369)
Net change in cash and cash equivalents from investing activities	(44,299)	(88,169)
Financing activities:		
Repayment of long-term debt	-	(216,325)
Net change in cash and cash equivalents	(1,801,050)	625,123
Cash and cash equivalents, beginning of year	4,079,157	3,454,034
Cash and cash equivalents, end of year	\$ 2,278,107	\$ 4,079,157

See accompanying notes to financial statement.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements

Year ended December 31, 2021

The Niagara Peninsula Conservation Authority ("the Authority") is established under The Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources within the watershed boundary established for the Authority.

1. Significant accounting policies:

The financial statements of Niagara Peninsula Conservation Authority (the "Authority") are prepared by management in accordance with Public Sector Accounting Standards ("PSAS"). Significant accounting policies adopted by the Authority are as follows:

(a) Basis of accounting:

Revenues and expenses are reported on the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks and guaranteed investment certificates that mature within three months.

(c) Investments:

Investments consist of term deposits and are recorded at amortized cost. Investments held by the Authority have a market value that approximates cost given their fixed interest rate nature and maturity date within one year. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss. Investment income earned on investments are reported as revenue in the period earned.

(d) Deferred revenue:

Deferred revenues represent government transfers and user fees which have been collected but for which related expenses or related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. Tangible capital assets have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(e) Non-financial assets (continued):

(i) Tangible capital assets:

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenses in the acquisition, construction, development and/or betterment of the asset. The Authority does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

Cost, less residual value of tangible capital assets are amortized on a straight line basis over their estimated useful life. Land is considered to have an infinite life without amortization. Full year amortization is charged in the year of acquisition. Work-in-progress assets are not amortized until the asset is available for productive use.

Amortization is based on the following classifications and useful lives:

Asset	Useful Life - Years
Land Improvements	20 years
Buildings	30 years
Dams	15 to 100 years
Gauge stations	15 to 30 years
Equipment	10 years
Vehicles	5 years
Office equipment	5 years

Contributed tangible capital assets are capitalized at their estimated fair value upon acquisition and recognized as revenue in the year of contribution.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Revenue recognition:

i) Government transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except when, and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

ii) Municipal levies

Municipal levies are recognized as revenue in the year in which they meet the definition of an asset, the levy is authorized and the levy event has occurred.

iii) Authority generated

User fees, sales and admissions and other income is reported as revenue in the period earned.

(g) Employee future benefits:

The Authority provides certain employee benefits which will require funding in future periods. These benefits include extended health and dental benefits for early retirees to age 65. The employee future benefits represent management's best estimates of the cost of premiums on benefits up to the date of retirement.

(h) Use of estimates:

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from management's best estimates as additional information becomes available in future. Significant estimates include assumptions used in the estimation of employee future benefits.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Employee future benefits:

The Authority provides extended life, health and dental benefits to a closed group of early retirees to age 65 which will require funding in future periods. The Authority recognizes these retirement benefit costs in the period in which the service is rendered. The accrued benefit liability at December 31, 2021 was estimated by management to be \$95,500 (2020 - \$74,200). Information about the Authority's benefit plan is as follows:

	2021	2020
Accrued benefit obligation:		
Balance, beginning of year	\$ 74,200	\$ 66,300
Current benefit cost	28,672	20,913
Benefits paid	(7,372)	(13,013)
Accrued benefit obligation, end of year	\$ 95,500	\$ 74,200

3. Deferred revenue:

Deferred revenues consist of the following:

	Balance at December 31, 2020	Externally restricted inflows	Revenue earned	Balance at December 31, 2021
User fees and other	\$ 223,535	\$ 98,065	\$ (46,815)	\$ 274,785
Government grants	223,265	66,844	(11,438)	278,671
Canada Emergency Wage Subsidy	494,365	-	-	494,365
Welland river watershed- Ontario Power Generation ("OPG")	1,020,994	-	(162,698)	858,295
Other	4,140	-	(4,140)	-
Total	\$ 1,966,299	\$ 164,909	\$ (255,091)	\$ 1,906,117

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Tangible capital assets:

Cost	Balance at December 31, 2020	Additions	Transfers/ Disposals	Balance at December 31, 2021
Land	\$ 9,184,038	\$ 798,871	\$ -	\$ 9,982,909
Land improvements	5,320,796	320,922	-	5,641,718
Buildings	5,986,759	970,170	-	6,956,929
Dams	5,164,330	-	-	5,164,330
Gauge stations	403,351	-	-	403,351
Equipment	2,484,608	671,213	(208,041)	2,947,780
Vehicles	182,818	-	(104,078)	78,740
Office equipment	708,364	9,679	-	718,043
Work-in-progress	531,044	3,912,672	(2,770,855)	1,672,861
Total	\$ 29,966,108	\$ 6,683,527	\$ (3,082,974)	\$ 33,566,661

Accumulated Amortization	Balance at December 31, 2020	Additions	Transfers/ Disposals	Balance at December 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	2,362,545	277,848	-	2,640,393
Buildings	2,421,244	230,939	-	2,652,183
Dams	1,846,017	73,891	-	1,919,908
Gauge stations	245,172	19,009	-	264,181
Equipment	1,005,188	294,831	(151,663)	1,148,356
Vehicles	162,004	-	(83,264)	78,740
Office equipment	594,402	55,627	-	650,029
Total	\$ 8,636,572	\$ 952,145	\$ (234,927)	\$ 9,353,790

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Tangible capital assets (continued):

	Net Book Value December 31, 2020	Net Book Value December 31, 2021
Land	\$ 9,184,038	\$ 9,982,909
Land improvements	2,958,251	3,001,325
Buildings	3,565,515	4,304,746
Dams	3,318,313	3,244,422
Gauge stations	158,179	139,170
Equipment	1,479,420	1,799,424
Vehicles	20,814	-
Office equipment	113,962	68,014
Work-in-progress	531,044	1,672,861
Total	\$ 21,329,536	\$ 24,212,871

Work-in-process, having a value of \$1,672,861 (2020 - \$531,044) has not been amortized. Amortization of these assets will commence when the asset is put into service.

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The fair value of contributed assets received during the year is \$nil (2020 - \$650) comprised of land) and has been recognized as revenue in the Statement of Operations. Tangible capital assets recognized at nominal value include land used in the operations and conservation management. There were no amounts recognized at nominal value during the year or 2020.

During the year, the Authority disposed of assets in the normal course of operations, recognizing a gain on disposal of \$37,455 (2020 - \$22,334).

5. Accumulated surplus:

Accumulated surplus consists of the following:

	2021	2020
Invested in tangible capital assets	\$ 24,212,871	\$ 21,329,536
Reserves set aside by the Board of the Authority for specific purpose	5,113,389	5,694,393
Unfunded employee future benefits liability	(95,500)	(74,200)
	\$ 29,230,760	\$ 26,949,729

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Accumulated surplus (continued):

Reserves set aside by the Board of the Authority for specific purpose consists of the following:

	2021	2020
General capital	\$ 715,886	\$ 557,530
Operating reserve	1,536,894	1,426,539
Equipment	-	-
Flood protection	253,268	307,705
Levy differential	32,361	32,126
Land acquisitions	2,195,865	2,972,934
Restoration	299,766	318,809
Tree by-law	79,349	78,750
	\$ 5,113,389	\$ 5,694,393

6. Credit facility:

The Authority's credit facility includes an overdraft lending account of \$765,000 bearing interest at prime. As at December 31, 2021, \$nil (2020 - \$nil) was drawn on this facility. As at December 31, 2021, \$23,333 (2020 - \$23,333) was issued by way of a letter of credit to a municipality for which the Authority receives levies in exchange for construction work on-going within the municipal boundaries.

7. Pension plan:

The Authority makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of the 61 (2020 - 55) members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, the Authority does not recognize any share of the pension plan deficit of \$3.1 billion (2020 - \$3.2 billion) based on the fair market value of the Plan's assets, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2021 calendar year at rates ranging from 9.0% to 15.8% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the Statement of Operations. Employer contributions to OMERS for 2021 current and past service was \$487,552 (2020 - \$442,787) and were matched by employee contributions.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. Budget data:

The budget data presented in these financial statements is based upon the 2021 operating budget approved by the Board of the Authority on May 21, 2021 and capital budget approved May 21, 2021. Amortization was not incorporated in the development of the budget and, as such, were not provided on the statement of changes in net financial assets. The chart below reconciles the approved budget to the budget figures reported in these financial statements:

	Budget Amount
Revenues	
Operating	
Approved budget	\$ 9,865,119
Capital	1,815,086
Less:	
Transfers from reserves	(349,871)
Total revenues	\$ 11,330,334
Expenses:	
Operating	
Approved budget	9,865,119
Capital	
Approved budget	1,815,086
Add:	
Amortization	951,986
Less:	
Tangible capital assets included in operating expense	(1,815,086)
Debt principal payments	-
Total expenses	10,817,105
Annual surplus	\$ 513,229

9. Contingencies:

The Authority is involved from time to time in litigation, which arises in the normal course of business. The exact outcome of these actions is not determinable as at the date of reporting. In respect of certain outstanding claims, the Authority believes that insurance coverage is adequate and that no material exposure exists on the eventual settlement of such litigation, therefore no provision has been made in the accompanying financial statements.

10. Related party transactions:

During the year, the Authority incurred \$28,110 (2020 - \$36,273) in expenditures for per diems, honorariums, and mileage which was paid to and on behalf of members of the Board of Directors for the Authority.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

11. Contractual rights:

The Authority has contractual rights under contract with various Ministry agencies to receive funds in exchange for services to be provided under those contracts. The Authority is expecting up to \$145,492 in future revenues based on anticipated services to be performed.

12. Contractual obligations and commitments:

The Authority has entered into a contract for provision of reservation and park system services until December 2025 with an annual financial requirement of \$30,000. This will be financed by the Authority's operating reserves.

13. Segmented information:

The Authority provides a wide range of services which are categorized by department. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

CAO and Administration

CAO and administration services is comprised of the administration services of the Authority.

Watershed

The watershed department is the umbrella for three divisions dedicated to monitoring, regulating, protecting and improving the health and safety of our watersheds.

Corporate Resources

The corporate resources department is the umbrella for three divisions dedicated to conservation land management, conservation land programming and development and managing the Authority's vehicles and equipment. Conservation land management is the administration department for the conservation areas. Conservation land programming and development is responsible for maintenance and improvements to the conservation areas. The vehicles and equipment department accounts for the cost of maintaining the vehicles and equipment.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Municipal levies have been allocated to the segments based upon budgeted levies for the segment. Interest earned on investments has been allocated to the corporate resources segment.

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2021

13. Segmented information (continued):

2021				
	CAO and Administration	Watershed	Corporate Resources	Total
Revenues:				
MNRF transfers	\$ 15,200	\$ 74,883	\$ -	\$ 90,083
Government transfers	22,291	74,568	339,358	436,217
Municipal levies	1,576,671	1,757,131	5,307,225	8,641,027
User fees, sales and administration	-	-	2,562,681	2,562,681
Administration fees	-	539,310	-	539,310
Interest	-	-	57,904	57,904
Other	11,749	198,955	133,618	344,322
Gain on disposal	-	-	37,455	37,455
OPG – Welland River Watershed	-	162,698	-	162,698
Total revenues	1,625,911	2,807,545	8,438,241	12,871,697
Expenses:				
Salaries and benefits	1,105,978	1,950,717	3,575,811	6,632,506
Materials and supplies	136,230	97,251	1,475,020	1,708,501
Contracted services	-	35,349	103,258	138,607
Professional fees	36,104	114,705	235,514	386,323
Rent and financial expenses	-	-	562,536	562,536
Debt service	-	-	-	-
Marketing and promotion	91,769	-	118,438	210,207
Loss on disposal	-	-	-	-
Amortization	105,839	182,667	663,480	951,986
Total expenses	1,475,920	2,380,689	6,734,057	10,590,666
Annual surplus	\$ 149,991	\$ 426,856	\$ 1,704,184	\$ 2,281,031
2020				
	CAO and Administration	Watershed	Corporate Resources	Total
Revenues:				
MNRF transfers	\$ 15,200	\$ 74,883	\$ -	\$ 90,083
Government transfers	8,513	119,260	190,942	318,715
Municipal levies	1,698,820	1,618,657	4,228,721	7,546,198
User fees, sales and administration	-	-	1,421,260	1,421,260
Administration fees	-	439,317	-	439,317
Interest	-	-	108,624	108,624
Other	19,579	290,133	269,027	578,739
Land acquisition (note 5)	-	650	-	650
Gain on disposal	-	-	22,334	22,334
OPG – Welland River Watershed	-	45,916	-	45,916
Total revenues	1,742,112	2,588,816	6,240,908	10,571,836
Expenses:				
Salaries and benefits	1,171,905	1,672,549	3,035,204	5,879,658
Materials and supplies	120,934	58,831	1,273,650	1,453,415
Contracted services	-	28,107	274,057	302,164
Professional fees	144,835	170,058	249,093	563,987
Rent and financial expenses	-	-	538,365	538,365
Debt service	-	-	5,030	5,030
Marketing and promotion	110,498	-	58,486	168,983
Loss on disposal	-	-	166,007	166,007
Amortization	161,009	150,977	585,544	897,530
Total expenses	1,709,181	2,080,522	6,185,436	9,975,139
Annual surplus	\$ 32,931	\$ 508,294	\$ 55,472	\$ 596,697

Niagara Peninsula Conservation Authority

Audit Findings Report
for the year ended
December 31, 2021

Prepared March 18, 2022 for
presentation on March 30, 2022

kpmg.ca/audit

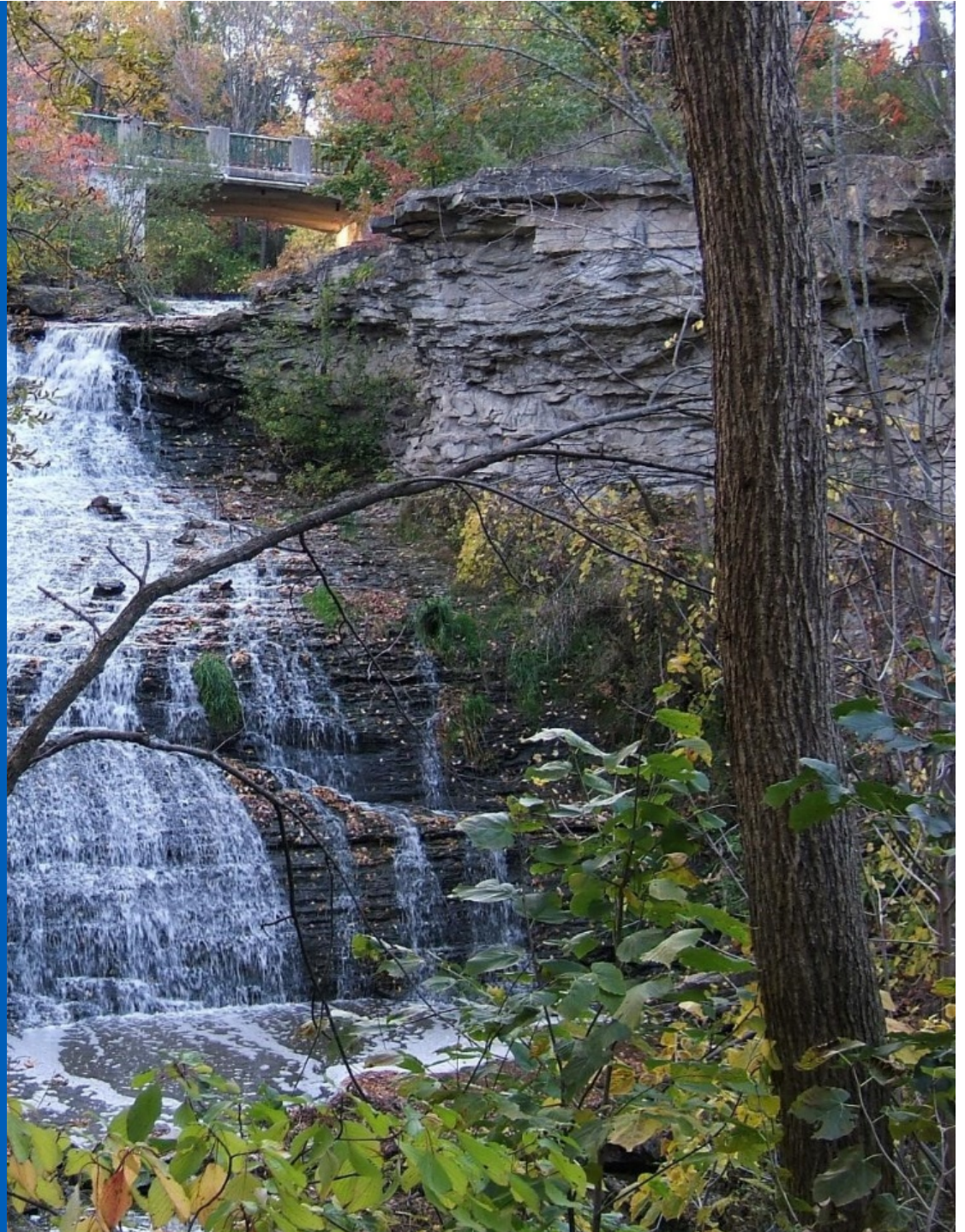


Table of contents

EXECUTIVE SUMMARY	1
AUDIT RISKS AND RESULTS	3
MATERIALITY	7
ADJUSTMENTS AND DIFFERENCES	8
IMPACT OF COVID-19	10
CURRENT DEVELOPMENTS AND AUDIT TRENDS	11
APPENDICES	13



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Executive summary



Purpose of this report*

The purpose of this Audit Findings Report is to assist you, as a member of the audit and budget committee, in your review of the results of our audit of the financial statements of Niagara Peninsula Conservation Authority (the “Authority”) as at and for the year ended December 31, 2021.



Financial impact of COVID-19

We discussed the financial impact of the on-going COVID-19 pandemic on the operations of the Authority with management, and the Corporation’s response to the pandemic. We considered the relevant financial reporting impacts as well as performed thorough risk assessment activities to understand the impacts of COVID-19 in our audit. Refer to pages 10 – 11 for more information.



Finalizing the Audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Obtaining legal confirmations
- Obtaining receipt of signed management representation letter
- Completing our discussions with the audit and budget committee
- Obtaining evidence of the Board’s approval of the financial statements

We will update the audit and budget committee, and not solely the Chair (as required by professional standards), on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors’ report will be dated upon the completion of any remaining procedures.

*This Audit Findings Report should not be used for any other purpose or by anyone other than the Audit and Budget Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.





Executive summary



Audit risks and results

We have summarized our findings with respect to required auditing risks and key areas of audit focus.

See pages 3-6



Significant accounting policies and practices

No new significant accounting policies were adopted in the current fiscal year and there have been no changes to the significant accounting policies adopted from prior years. Refer to page 12 for additional insights into upcoming PSAB changes.



Independence

We are independent and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow Audit Committee approved protocols.



Misstatements

We did not identify any adjustments that remain uncorrected in the financial statements of the Authority that are other than clearly trivial. Adjustments posted to the Authority's financial statements are summarized on page 8.



Audit risks and results

We highlight our significant findings in respect of financial reporting risks required to be addressed in each and every audit under Canadian Auditing Standards.

Significant financial reporting risks

Fraud risk from revenue recognition

Why is it significant?

This is a presumed fraud risk.

We have rebutted this risk with respect to revenue recognition.

Our response and significant findings

We exercise professional judgment to rebut the presumed risk of fraud in revenue recognition after we consider and evaluate the facts and circumstances of the audit. We have rebutted this fraud risk as it is not applicable to NPCA where performance is not measured based on earnings and a significant portion of revenues can be agreed directly to municipal funding support. There are limited perceived opportunities to commit fraud and NPCA revenue sources require very minimal judgment.

Significant financial reporting risks

Fraud risk from management override of controls

Why is it significant?

This is a presumed fraud risk.

Our response and significant findings

Our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions.

Data & Analytics tools were used to perform work in this area including testing of journal entries. We have not identified any instances of management override of controls as a result of our procedures performed.





Audit risks and results

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

Other area of focus	Why are we focusing here?
Grant Revenue and Deferred Contributions	Risk of material misstatement related to the completeness, existence and accuracy of grant revenue including related deferred liabilities.

Our response and significant findings

Substantive approach to revenue using third party grant funding agreements and related expenditures to ensure completeness and accuracy of revenue recorded. Substantive approach over deferred revenue to ensure appropriate timing and revenue recognition. Amounts received from CEWS continues to be held in deferred revenue until ultimate settlement is achieved.

Substantive approach over municipal levies in accordance with the approved budgets including review of approval of levy differential repayment.

During our testing we noted that funds received related to the Great Lakes Local Action Fund (GLLAF) were netted with the payments made to Niagara Coastal Community Collaborative (NCCC), an organization for which the funds were intended. However, as NCCC was not qualified to apply for the funds its, NPCA applied on their behalf and entered into a Memorandum of Agreement with NCCC. KPMG determined based on the agreements that NPCA is acting as a principal rather than agent and hence the revenue and expenditures should not have been netted. Management has corrected this in the amount of \$41,599.

Other area of focus	Why are we focusing here?
Authority Generated Revenue	Risk of material misstatement related to the accuracy of authority generated revenue.

Our response and significant findings

Substantive procedures to select samples for the testing of authority generated revenues.

Revenues across various revenue streams were agreed to supporting documentation and bank deposits.

No significant findings to report as a result of these procedures.



Audit risks and results

Other area of focus

Accounts Payable and Accrued Liabilities

Why are we focusing here?

Risk of material misstatement related to the completeness and accuracy of accounts payable and accrued liabilities.

Our response and significant findings

Substantive approach to testing accounts payables and accruals including a review of subsequent payment activity, minutes and relevant contracts to assess for completeness of recorded accruals.

Substantive procedures over potential legal accruals through legal confirmations. At the date of this report the legal letters have not been received. An update of this procedure will occur at the audit and budget committee meeting.

No significant findings to report as a result of these procedures.

Other area of focus

Operating Expenses

Why are we focusing here?

Risk of material misstatement with respect to the existence, accuracy and cut-off of operating expenditures.

Our response and significant findings

Substantive approach including analytical procedures and selecting expenditures for sampling as necessary.

No significant findings to report as a result of these procedures.

Materiality

Materiality determination	Comments	Amount
Materiality	Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. The corresponding amount for the prior year's audit was \$260,000.	\$260,000
Benchmark	Based on 2020 revenues. This benchmark is consistent with the prior year.	\$10,571,836
% of Benchmark	The corresponding percentage for the prior year's audit was 2.5%	2.5%
Performance Materiality	Used 75% of materiality. The corresponding amount for the prior year's audit was \$195,000	\$195,000
Audit Misstatement Posting Threshold (AMPT)	Threshold used to accumulate misstatements identified during the audit. The corresponding amount for the prior year's audit was \$13,000.	\$13,000

Materiality has been used to scope the audit, identify risks of material misstatements and evaluate the level at which we think misstatements will reasonably influence users of the financial statements. It considers both quantitative and qualitative factors.

To respond to aggregation risk, we designed our procedures to detect misstatements at a lower level of materiality.

We will report to the Board:



Corrected audit misstatements



Uncorrected audit misstatements



Adjustments and differences



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

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

Corrected adjustments

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

Refer to the following page for a summary of the adjustments made during the audit.

Uncorrected differences

There are no adjustments that have been communicated to management that remain uncorrected in the Authority's December 31, 2021 year-end financial statements.

Adjustments and differences - Corrected



As at and year ended December 31, 2021	Income effect	Financial position		
Description of differences	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Accumulated Surplus (Decrease) Increase
To gross up revenues and expenses for Great Lakes Local Action Fund (GLLAF) - \$41,599	–	–	–	–
To adjust \$67,068 for FPM – Grimsby/Lincoln (WIP) and reduce revenues	(67,068)	(67,068)	–	(67,068)
Total corrected differences	(67,068)	(67,068)	–	(67,068)

Impact of COVID-19

We adapted our audit to respond to the continued changes in your business, including the impacts on financial reporting.

Area of Impact	Key Observations
Corporation's financial reporting impacts	<ul style="list-style-type: none"> — We considered impacts to financial reporting due to COVID 19 pandemic and the increased disclosures needed in the financial statements as a result of the significant judgements. Specific instances include considerations for impairment of trade receivables and tangible capital assets. — In areas of the financial statements where estimates involved significant judgements, we evaluated whether the method, assumptions and data used by Management to derive the accounting estimates, and their related financial statement disclosures were still appropriate per the relevant financial reporting framework given the changed economic conditions and increased estimation uncertainty.
Materiality	<ul style="list-style-type: none"> — We considered impacts to financial reporting on both the determination and the re-assessment of materiality for the audit of the financial statements.
Risk Assessment	<ul style="list-style-type: none"> — We performed a thorough risk assessment specifically targeted at the impacts of the COVID 19 pandemic, including an assessment of fraud risk factors (i.e., conditions or events that may be indicative of an incentive/pressure to commit fraud, opportunities to commit fraud, rationalizations of committing fraud). We did not identify any additional risks of material misstatement as a result of impacts to financial reporting, which required an audit response compared to the prior year.
Working remotely	<ul style="list-style-type: none"> — We used virtual work rooms, video conferencing, and internally shared team sites to collaborate in real-time, both amongst the audit team as well as with Management. We were on site for specific testing where it was more effective to be in person. — We used secure and innovative technologies to conduct our audit procedures including the use of our KPMG Client Collaboration site. — We increased our professional skepticism when evaluating electronic evidence received and performed additional procedures to validate the authenticity and reliability of electronic information used as audit evidence.
Direction and Supervision of the audit – overall	<ul style="list-style-type: none"> — The manager, and partner were actively involved in determining the impact that the COVID-19 pandemic had on the audit (as discussed above), including the impact on the Authority's financial reporting. — Managers and partners implemented new supervision processes to deal with working in a remote environment, and our audit approach allowed us to manage the audit using meaningful milestones and frequent touch points.

Current developments and audit trends

Title	Details	Link
Public Sector Update – connection series	Public Sector Accounting Standards are evolving – Get a comprehensive update on the latest developments from our PSAB professionals. Learn about current changes to the standards, active projects and exposure drafts, and other items.	Contact your KPMG team representative to sign up for these webinars. Public Sector Minute Link

The following are upcoming changes that will be effective in future periods as they pertain to Public Sector Accounting Standards.

Standard	Summary and implications
Impact of COVID-19	<ul style="list-style-type: none"> – In response to the impact of COVID-19 on public sector entities, PSAB has approved deferral of all upcoming accounting standards by one year and will issue non-authoritative guidance on the effects of COVID-19.
Asset Retirement Obligations (applicable for the year ending December 31, 2022 with a retrospective application effective December 31, 2020)	<ul style="list-style-type: none"> – A new standard has been approved that is effective for fiscal years beginning on or after April 1, 2022 (the Authority's 2023 year- end). – The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs would be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area. – The ARO standard would require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability would be added to the historical cost of the asset and amortized over its useful life. – As a result of the new standard, the public sector entity would have to: <ul style="list-style-type: none"> ○ consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset; ○ carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements; ○ begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.

Standard	Summary and implications
Revenue	<ul style="list-style-type: none"> – The new standard is effective for fiscal years beginning on or after April 1, 2023. The effective date was deferred by one year due to COVID-19. – The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. – The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. – The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
Financial Instruments and Foreign Currency Translation	<ul style="list-style-type: none"> – The accounting standards, PS3450 <i>Financial Instruments</i>, PS2601 <i>Foreign Currency Translation</i>, PS1201 <i>Financial Statement Presentation</i> and PS3041 <i>Portfolio Investments</i> are effective for fiscal years commencing on or after April 1, 2022. The effective date was deferred by one year due to COVID-19. – Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable. – Hedge accounting is not permitted. – A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations. – In July 2020, PSAB approved federal government narrow-scope amendments to PS3450 <i>Financial Instruments</i> which will be included in the Handbook in the fall of 2020. Based on stakeholder feedback, PSAB is considering other narrow-scope amendments related to the presentation and foreign currency requirements in PS3450 <i>Financial Instruments</i>. The exposure drafts were released in summer 2020 with a 90-day comment period.
Employee Future Benefit Obligations	<ul style="list-style-type: none"> – PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. In July 2020, PSAB approved a revised project plan. – PSAB intends to use principles from International Public Sector Accounting Standard 39 <i>Employee Benefits</i> as a starting point to develop the Canadian standard. – Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, PSAB will implement a multi-release strategy for the new standards. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.



Appendices



Appendix 1: Required communications



Appendix 2: KPMG's System of Quality Control



Appendix 3: Audit and Assurance Insights

Appendix 1: Required communications



In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:



Auditors' report

The conclusion of our audit is set out in our draft auditors' report attached to the draft financial statements.



Management representation letter

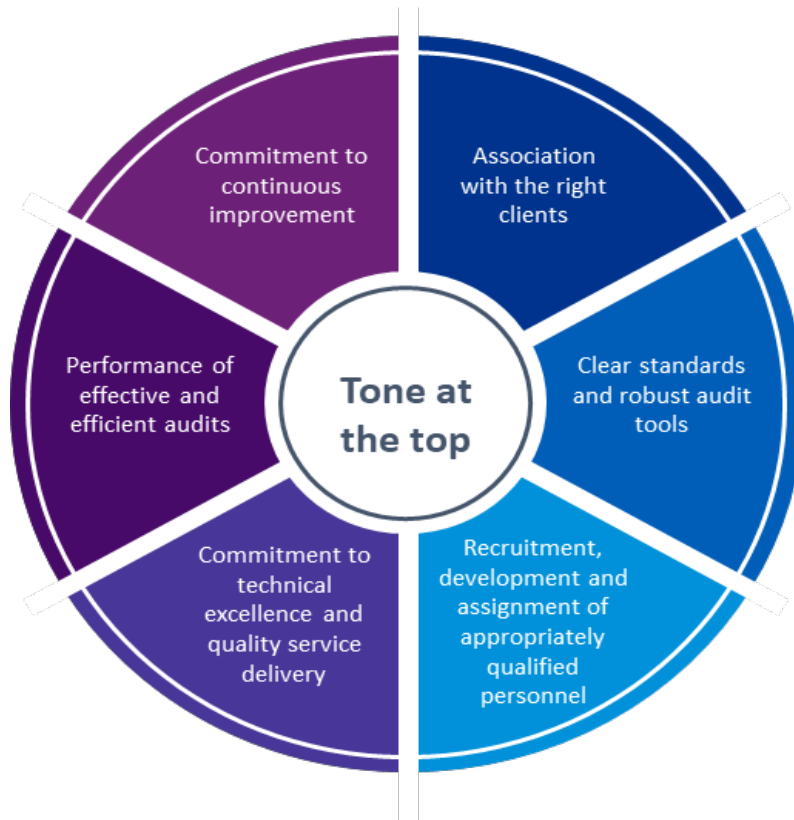
In accordance with professional standards, copies of the management representation letter can be provided by management.



CPAB Audit Quality Insights Report (October 2019) (formerly the "Big Four Firm Public Report")
CPAB Annual Inspections Results (March 2019)

Appendix 2: KPMG's System of Quality Control

Quality control is fundamental to our business and is the responsibility of every partner and employee. To help all audit professionals concentrate on the fundamental skills and behaviors required to deliver a quality audit, KPMG has developed the Audit Quality Framework shown below. These are the cornerstones of how we execute our responsibilities.



What do we mean by audit quality?

Audit Quality (AQ) is at the core of everything we do at KPMG.

We believe that it is not just about reaching the right opinion, but how we reach that opinion.

We define 'audit quality' as being the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls.

All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity**.

Visit our [Audit Quality Resources page](#) for more information including access to our [Transparency report](#).

Appendix 3: Audit and Assurance Insights

Our latest thinking on the issues that matter most to audit committees, Boards and Management.

Featured insight	Summary	Reference
Accelerate 2022	The key issues driving the audit committee agenda in 2022	Learn more
Audit Committee Guide – Canadian Edition	A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada	Learn more
Unleashing the positive in net zero	Real solutions for a sustainable and responsible future	Learn more
KPMG Audit & Assurance Insights	Curated research and insights for audit committees and boards.	Learn more
Board Leadership Centre	Leading insights to help board members maximize boardroom opportunities.	Learn more
KPMG Climate Change Financial Reporting Resource Centre	Our climate change resource centre provides insights to help you identify the potential financial statement impacts to your business.	Learn more
The business implications of coronavirus (COVID 19)	Resources to help you understand your exposure to COVID-19, and more importantly, position your business to be resilient in the face of this and the next global threat.	Learn more
	KPMG Global IFRS Institute - COVID-19 financial reporting resource center.	Learn more
Momentum	A quarterly Canadian newsletter which provides a snapshot of KPMG's latest thought leadership, audit and assurance insights and information on upcoming and past audit events – keeping management and board members abreast on current issues and emerging challenges within audit.	Sign-up now
KPMG Learning Academy	Technical accounting and finance courses designed to arm you with leading-edge skills needed in today's disruptive environment.	Learn more





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KPMG member firms around the world have 174,000 professionals, in 155 countries.

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Report To: Board of Directors

**Subject: Conservation Authorities Act –
Update on Inventory of Programs/Services**

Report No: FA-03-22

Date: February 18, 2022

Recommendation:

1. **THAT** Report No. FA-03-22 RE: Conservation Authorities Act – Update on Inventory of Programs/Services **BE RECEIVED** for information.
2. **THAT** the Inventory of Programs and Services **BE SUBMITTED** to the Ministry of Environment Conservation and Parks (MECP) as required under Ontario Regulation 687/21 and CIRCULATED to participating municipalities;
3. **THAT** the Inventory of Programs and Services **BE SHARED** with NPCA jurisdiction municipalities, as appropriate, throughout 2022-2023 to inform discussions related to NPCA services;
4. **AND FURTHER THAT** the Final Programs and Services Inventory **BE SUBMITTED** to MECP at the end of the *Conservation Authorities Act* Transition period along with a copy of Municipal Agreements.

Purpose:

To seek NPCA Board approval of Draft Inventory of Programs and Services to be submitted to the Province by the deadline of February 28, 2022, as per the *Conservation Authority Act* transition requirement.

Background:

On October 4, 2021, the MECP released the Phase 1 regulations to implement amendments to the *Conservation Authorities Act*, including:

- Ontario Regulation 686/21: Mandatory Programs and Services
- Ontario Regulation 687/21: Transition Plans and Agreements for Programs and Services
- Ontario Regulation 688/21: Rules of Conduct in Conservation Areas.

Under Ontario Regulation 687/21, each conservation authority must create a Transition Plan that outlines the steps to develop an inventory of programs and services (categories 1-3) and the process to enter into agreements with participating municipalities to fund category 2: Municipal programs and

services. The NPCA Transition Plan has been provided to MECP and circulated to participating municipalities.

The next item required under the regulation is to develop an inventory of NPCA's programs and services. The Inventory includes all the programs and services that the NPCA provides as of February 28, 2022, and those it intends to provide after that date. The Inventory also includes information about the sources of funding categorized based on the following:

Category 1: Mandatory programs and services as identified in Ontario Regulation 686/21. These programs will be funded through a municipal levy.

Category 2: Municipal programs and services provided at the municipality's request. These programs can be funded through government and other agency grants and/or municipal funding under a memorandum of understanding (MOU) or agreement with the municipality.

Category 3: Other programs and services that an Authority (Board) determines are advisable. These programs can be funded through self-generated revenue, user fees, government and other agency grants, donations, etc. Any use of municipal funding will require an agreement and would be subject to cost apportioning.

The regulation requires that the Inventory be submitted to the MECP, circulated to all participating municipalities, and posted on the NPCA website by February 28, 2022.

NPCA Programs and Service Inventory:

NPCA's Inventory of Programs and Services as required under Ontario Regulations 687/21 is provided in Appendix 1. Programs and Services categories follow Conservation Ontario standard template modified to accommodate NPCA's local program needs. Also provided, in a separate table of this Inventory, is the cost distribution by program categories and funding sources.

The overarching framework established by staff was based on the following principles:

- Ensure there is minimal impact to the well-established municipal funding and current budget process
- Align NPCA's existing programs with the Regulatory program categories for clarity and consistency
- Ensure Board-approved new 10-year Strategic priorities are addressed and aligned
- Respect 2022 approved budget and municipal levy

First, staff generated an initial list of existing programs and services under the strategic plan framework. This list was then augmented with new programs required under the legislation currently not funded as part of NPCA budgets and any critical gaps identified through the Strategic Plan. Next, staff assigned a CA (Conservation Authority) Act category, costs, and funding sources to this list of programs and services based on key assumptions. Details are provided below:

Key Considerations and Assumptions:

- Over the past few years, NPCA programs and services have been through significant changes. As such, staff determined that 5-year averages may not be accurate to justify program costs, and the current level of funding (2022) was used to determine most program costs.
- Where appropriate, such as some areas of enabling corporate services, staff used five-year averages.

- Evaluation of self-generated funding was based on industry-accepted full cost accounting analysis completed by professional consultants through a Fee review initiated by NPCA in 2021 (Planning and Park Fee review). Park Fee review has been completed, and the Planning Fee review is currently ongoing, with a completion date of 2022. Costs will be adjusted upon completion of this work in 2022.
- Classification for support services ensured no duplication or double-dipping (e.g., FTEs, depreciation, IT/GIS).
- Where programs covered more than one category (e.g., category 1, 2, or 3), costs were segregated based on activities and allocated to each category. If a new program activity was proposed, no costs were assigned to the activity (outside the current budget).
- The NPCA deployed an Asset Management Program in 2021. As a result, depreciation costs have been derived based on the lifecycle replacement of assets. The Asset category also includes capital projects identified in the 2022 budget for flood management and park infrastructure. Capital Asset Planning for Flood Management Infrastructure is ongoing to determine future costs for transition requirements.
- The NPCA watershed is anticipated to experience major growth in the coming years. As a result, adjustments to service levels will need to be made in the future to accommodate additional pressures.
- The cost for new programs required under the CA Act has not been included in the totals. Staff will find internal efficiencies to initiate these programs in 2022. Future discussions with municipal partners are also needed to address these gaps.
- Land acquisitions will continue to be funded through the existing reserves until further discussions and agreements with municipal partners.

Costing:

Demonstrated in Appendix 2 is the preliminary cost analysis of existing programs with an explanation of funding sources by each category. The staff has ensured that current programs and services can be delivered with the approved municipal levy model and 2022 approved budgets. In addition, the staff is investigating internal efficiencies to help offset some of the transition-related costs and new program costs.

Over the next year, NPCA will engage in discussions with its municipal partners on the long-term needs for required service levels and program funding gaps. As a result, estimated percentages for Municipal agreements may change as negotiations with municipalities are completed. Similarly, costs identified will be refined over time and subject to change by 2024. Surplus revenues from specific Category 3 programs and services will help support board-directed Category 3 programs and services.

The Niagara Peninsula Conservation Foundation receives administrative support included under enabling services. A small investment in the Foundation is anticipated to generate a significant return on investment to match municipal levies for all categories of programs and services.

Based on the initial cost analysis, approximately 71% of current NPCA programs and services fall within Category 1, about 28% in category 3, and less than 2% under Category 2. This analysis is consistent with the 2022 actuals.

New Programs Gap:

The cost for new activities identified in the Inventory is in the process of being developed. These costs will be based on Ministry Direction in O. Reg 687/21. However, some general estimates have been developed by staff to help identify internal resources where possible.

New Programs/Activities include:

- a) Ice Management Plan
- b) Operations Plan -Natural Hazard Infrastructure
- c) Asset Management Plan for Natural Hazard Infrastructure (to be included as part of current Asset Management Plan development process)
- d) Conservation Area Strategy (including an inventory of conservation lands)
- e) Watershed-based Resource Management Strategy
- f) Climate Change Resilience

Municipal Consultations and Agreements:

The Inventory of programs and services must be circulated to all participating municipalities in the authority's area of jurisdiction and be published on the conservation authority's website or made available to the public by other means by February 28, 2022.

At present, the NPCA has two negotiated MOUs with partner municipalities related to planning services under Category 2 (City of Hamilton and Haldimand County) and a protocol for plan review services with Niagara Region under Category 1. The protocol with Niagara Region establishes the framework within which the NPCA provides specified plan review services to the Region related to natural hazards. A review and updates are required for all participating municipalities and lower-tier municipalities, as these agreements do not contain all the requirements identified in Regulation.

Following submission of this Inventory, NPCA will initiate discussions with its municipal partners about the level of Category 1 and 2 current programs and services, funding apportionment agreements for Category 3 services, and needs for unfunded new provincial mandated program requirements. During the consultation period, municipalities may offer feedback and seek any clarification resulting in refinements to the Inventory during the balance of the transition phase from February 28, 2022, to the deadline of December 31, 2023. Any ongoing changes and improvements will be reported to the Province through required progress reports and posted on the NPCA website.

Next Steps:

The NPCA's Inventory has been completed based on requirements outlined in Section 6 of Ontario Regulation 687/21. Following NPCA Board approval, NPCA's Inventory will be submitted to MECP and circulated to participating municipalities. A copy of the NPCA Board Report and Inventory will also be posted to the NPCA website by the regulatory timeline of February 28, 2022.

Discussions with NPCA participating and lower-tier municipal partners will be carried out during the remainder of 2022. Any changes resulting from these discussions will be reported to MECP through progress reports and integrated into an updated inventory. The costs of Programs and Services will also be further refined.

NPCA will submit the final Programs and Services Inventory and copies of Service Level Agreements and MOUs to MECP as per Regulation by January 1, 2024.

Financial Implications:

No additional costs have been incurred to complete this work. All required conservation authority/municipal MOUs/agreements must be in place by January 1, 2024. Municipal levy apportionment for the 2024 budget will be based on the updated Programs and Services Inventory.

Related Reports and Appendices:

1. Appendix 1 – Draft inventory of programs and services
2. Appendix 2 – Preliminary cost analysis of existing programs

Authored and Submitted by:

Original Signed by:

Chandra Sharma, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

Appendix 1

NPCA Inventory of Programs and Services

Program or Service	Description	Funding Category (1, 2, 3)	CA Act Reference	Cost Estimate	Funding Mechanism % of cost	MOU Requirements	NPCA Strategic Plan
Natural Hazard Management	Protecting people and properties from flood, erosion, and other natural hazards.						
Flood forecasting and warning	<ul style="list-style-type: none"> • Delivery of accurate, real-time information for flood forecasting, warning, and messaging • Water quantity monitoring specific to flood forecasting and warning • Climate monitoring 	1	s.21.1(1)	\$137,900	Municipal levy - 73% Provincial - 27%	N/A	Goal 1.1 Goal 1.2 Goal 2.3 Goal 4.2
Flood and erosion management	<ul style="list-style-type: none"> • Management and monitoring of riverine erosion across the watershed jurisdiction • Ice management (new) • Floodplain mapping • Flood and erosion risk and mitigation studies (new; other than shoreline) • Operation and maintenance of NPCA flood and erosion control infrastructures 	1	s.21.1(1)	\$445,994	Municipal levy - 70% Provincial - 30% <u>Note:</u> Cost may vary; estimate does not capture ice management or flood and erosion mitigation projects. Current floodplain mapping is subsidized by self-generated revenues.	N/A	Goal 1.1 Goal 1.2 Goal 2.3 Goal 4.2
Shoreline hazard management	<ul style="list-style-type: none"> • Shoreline management plans update • Integration of natural hazard management with overall shoreline climate resiliency and natural heritage planning and management to respond to climate change risk and vulnerability (new) 	1	s.21.1(1)	\$196,178	Municipal levy - 100%	N/A	Goal 1.2 Goal 2.2

Appendix 1

NPCA Inventory of Programs and Services

Program or Service	Description	Funding Category (1, 2, 3)	CA Act Reference	Cost Estimate	Funding Mechanism % of cost	MOU Requirements	NPCA Strategic Plan
Environmental planning review	<ul style="list-style-type: none"> Technical information and advice to municipalities on circulated municipal land use planning applications related to natural hazards Input to the review and approval processes under other applicable law (e.g., Environmental Assessment Act and Niagara Escarpment Plan) with comments related to s.28 and natural hazards 	1	s.21.1(1)	\$429,145	Municipal levy - 70% Provincial - 30%	<ul style="list-style-type: none"> Niagara Region Protocol for planning services (2018) – related to natural hazards 	Goal 1.2 Goal 2.1 Goal 5.3
Planning and permitting	<ul style="list-style-type: none"> Review and process s.28 permit applications Review and process associated technical reports Conduct site inspections Communication with applicants, agents, and consultants 	1	s.21.1(1)	\$622,759	Municipal levy - 30% Provincial - 10% Self-generated - 60%	N/A	Goal 1.2 Goal 2.1 Goal 5.3
Compliance and enforcement	<ul style="list-style-type: none"> Investigation and enforcement of regulatory compliance under s.28 	1	s.21.1(1)	\$643,375	Municipal levy - 40% Self-generated - 60%	N/A	Goal 1.2
Plan review not related to natural hazards	<ul style="list-style-type: none"> Services through MOUs with Hamilton and Haldimand Technical information and advice to municipalities on circulated municipal land use planning applications (e.g., Niagara Escarpment Commission, Official Plan, zoning by-law amendments, subdivisions, consents, and minor variances) on non-natural hazard matters such as natural heritage 	2	s.21.1.1	\$155,450	Municipal levy - 100% Current or new MOUs	<ul style="list-style-type: none"> City of Hamilton (2013) Haldimand County (2019) Review and updates are required for all participating municipalities and lower-tier municipalities 	Goal 2.1 Goal 4.1
Natural Hazard Management - Total				\$2,630,801			

Appendix 1

NPCA Inventory of Programs and Services

Program or Service	Description	Funding Category (1, 2, 3)	CA Act Reference	Cost Estimate	Funding Mechanism % of cost	MOU Requirements	NPCA Strategic Plan
Watershed Resource Management and Climate Change	Programs and services to understand the current conditions, cumulative impacts, and risks to watersheds. Strategies and measures to protect, enhance, and restore watersheds toward creating healthy and climate-resilient watersheds.						
Watershed and sub-watershed resources planning	<ul style="list-style-type: none"> Inform sub-watershed and quaternary planning for growth areas Determine the cumulative watershed impacts from natural resource inventory and resource assessment studies Develop and maintain recommendations and guidelines to assist in the management of natural heritage resources Sub-watershed-level assessments and analyses (e.g., water budgets, catchment assessment, non-point source modelling, groundwater modelling, and systematic conservation monitoring) Updates to NPCA watershed plans 	1, 2	s.21.1(1) s.21.1.1	\$219,760	Municipal levy - 100% New MOUs	New MOU/SLA required for municipalities	Goal 1.1 Goal 2.2 Goal 4.1
Water monitoring (surface and groundwater)	<ul style="list-style-type: none"> Provincial water quality monitoring network Local water quality monitoring program Benthic macroinvertebrate monitoring program Stream temperature monitoring program Provincial groundwater monitoring network Local groundwater monitoring network Well water decommissioning program 	1, 3	s. 21.1(1) s.21.1.2	\$388,600	Municipal levy - 50% Self-generated - 50%	N/A	Goal 1.1 Goal 1.3 Goal 4.1 Goal 4.2

Appendix 1

NPCA Inventory of Programs and Services

Program or Service	Description	Funding Category (1, 2, 3)	CA Act Reference	Cost Estimate	Funding Mechanism % of cost	MOU Requirements	NPCA Strategic Plan
Ecological monitoring	<ul style="list-style-type: none"> Flora, fauna, and wetlands monitoring in support of watershed resource management programs and policy development 	1	s. 21.1(1)	\$116,150	Municipal levy - 100%	N/A	Goal 1.1 Goal 1.4 Goal 2.2
Ecological restoration	<ul style="list-style-type: none"> Tree planting on NPCA-owned and managed lands Restoration services on public (municipal/ agency) lands as facilitated by MOUs Restoration on private lands Support urban and agricultural land stewardship Provide advice and design assistance for restoration services to property owners 	2, 3	s.21.1.1 s.21.1.2	\$438,270	Municipal levy - 75 % Self-generated - 25% MOUs required <u>Note:</u> Cost apportionment agreements.	New MOU/SLA required for municipalities	Goal 1.3 Goal 1.4 Goal 3.2 Goal 4.1 Goal 4.2
Community engagement and stewardship	<ul style="list-style-type: none"> Support community stewardship, outreach, and communications Outreach, engagement, and partnerships with community and ENGOS, including volunteer management 	3	s.21.1.2	\$168,905	Municipal levy - 75% Self-generated - 25%	New MOU/SLA required for municipalities	Goal 3.2 Goal 4.1 Goal 4.2
Technical studies	<ul style="list-style-type: none"> Technical studies to support NPCA hazard management functions Ecological land classification mapping S.28 regulation mapping (e.g., wetland, watercourses, and karst) Digital terrain elevation model 	1	s.21.1(1)	\$451,263	Municipal levy - 100%	N/A	Goal 1.1 Goal 1.2 Goal 1.3 Goal 2.2 Goal 5.2

Appendix 1

NPCA Inventory of Programs and Services

Program or Service	Description	Funding Category (1, 2, 3)	CA Act Reference	Cost Estimate	Funding Mechanism % of cost	MOU Requirements	NPCA Strategic Plan
Information management	<ul style="list-style-type: none"> Management and integration of data for NPCA geographic information system (GIS) Support open data portal and science Mapping and GIS support for watershed resources planning and natural hazards management Support development and implementation of watershed-based resource management strategy 	1	s.21.1(1)	\$171,500	Municipal levy - 100%	N/A	Goal 1.1 Goal 1.2 Goal 1.3 Goal 2.2 Goal 5.2
Watershed-based resource management strategy	<ul style="list-style-type: none"> Development and implementation of the strategy, including compiling existing resources, management plans, watershed plans, studies, and data 	1	s.21.1(1)	NEW	Municipal levy - 100%	N/A	Goal 1.1 Goal 1.2 Goal 1.3 Goal 2.2 Goal 4.1 Goal 4.2
Climate change resilience	<ul style="list-style-type: none"> Climate change impact assessment and mitigation strategies Data support toward climate change forecasting and vulnerability and risk assessment Research and implement sustainable technologies and low-impact development best practices for climate resilience and environmental sustainability 	1	s. 21.1(1)	NEW	Municipal Levy - 75% Self Generated - 25%	N/A	Goal 1.1 Goal 1.2 Goal 2.3
Watershed Resource Management and Climate Change - Total				\$1,954,448			

Appendix 1

NPCA Inventory of Programs and Services

Program or Service	Description	Funding Category (1, 2, 3)	CA Act Reference	Cost Estimate	Funding Mechanism % of cost	MOU Requirements	NPCA Strategic Plan
Other Watershed-Related Programs							
Drinking source water protection	<ul style="list-style-type: none"> Source Protection Authority role as set out in the Clean Water Act, 2006 Provision of risk management services to municipalities throughout the Source Protection Region on a fee-for-service basis (currently not offered by NPCA – cost not included) Implementation of best management practices for private drinking systems (future pending provincial guidance) 	1	s.21.1.(1)	\$147,595	Agreements- 100%	N/A	Goal 1.1 Goal 4.1
Niagara River Remedial Action Plan	<ul style="list-style-type: none"> Coordination of the multi-stakeholder initiative to protect and restore the Niagara River through agreements with Canada and Ontario 	3	s.21.1.2	\$170,000	Agreements - 100%	N/A	Goal 1.3 Goal 4.1
Other	<ul style="list-style-type: none"> New projects/programs funded through external funding sources that benefit partners and the watershed 	3	s.21.1.2	\$50,000	Agreements - 100%	N/A	Goal 1.3 Goal 3.2 Goal 4.1
Other watershed-related programs - Total				\$367,595			

Appendix 1

NPCA Inventory of Programs and Services

Program or Service	Description	Funding Category (1, 2, 3)	CA Act Reference	Cost Estimate	Funding Mechanism % of cost	MOU Requirements	NPCA Strategic Plan
Conservation Authority Lands and Conservation Areas	Manage 2,982 ha of lands, including 41 conservation areas essential to watershed management, environmental protection, cultural heritage, and recreation.						
Section 29 enforcement and compliance	<ul style="list-style-type: none"> Conservation areas regulations enforcement and compliance 	1	s. 21.1(1)	\$110,800	Municipal levy - 100%	N/A	Goal 1.4
Active recreation programs (conservation areas)	<ul style="list-style-type: none"> Day use for conservation areas Camping Other services (e.g., weddings, facility rentals, events, and retail) 	3	s.21.1.2	\$1,728,425	Self-generated - 100%	N/A	Goal 1.4 Goal 3.1 Goal 3.2 Goal 3.3 Goal 3.4 Goal 6.2
Education programs	<ul style="list-style-type: none"> Education programs and day camps Cultural heritage programs 	3	s.21.1.2	\$173,658	Self-generated - 100%	N/A	Goal 1.4 Goal 3.1 Goal 3.2 Goal 3.3 Goal 3.4 Goal 6.2
Land care program (conservation areas)	<ul style="list-style-type: none"> Management and maintenance of conservation areas (e.g., gates, fencing, signage, landscaping, pedestrian bridges, trails, parking lots, and roadways) Passive recreation Risk management Hazard tree management Maintenance of heritage buildings Forest management 	1	s. 21.1(1)	\$1,014,585	Municipal levy - 100%	N/A	Goal 1.4 Goal 3.1 Goal 3.3
Land acquisition and disposition	<ul style="list-style-type: none"> Completion of land securement strategy Strategic acquisition of properties Implementation of land securement strategy 	2, 3	s.21.1.1 s.21.1.2	Varies	Varies (currently funded through reserves) New MOUs	New MOU/SLA required for municipalities	Goal 1.4 Goal 3.1

Appendix 1 NPCA Inventory of Programs and Services

Program or Service	Description	Funding Category (1, 2, 3)	CA Act Reference	Cost Estimate	Funding Mechanism % of cost	MOU Requirements	NPCA Strategic Plan
Land lease and agreement management	<ul style="list-style-type: none"> Management of current and future land leases and property agreements 	2, 3	s.21.1.1 s.21.1.2	\$51,633	Self-generated - 100%	New MOU/SLA required for municipalities	Goal 1.4
Strategy for Conservation Authority owned lands and management plans including inventory of conservation lands	<ul style="list-style-type: none"> Strategy to guide the management and use of NPCA owned or controlled properties, as directed by CA Act 	1	s. 21.1(1)	NEW	TBD	N/A	Goal 1.4
Conservation Authority Lands & Conservation Areas - Total				\$3,079,101			

Appendix 1

NPCA Inventory of Programs and Services

Program or Service	Description	Funding Category (1, 2, 3)	CA Act Reference	Cost Estimate	Funding Mechanism % of cost	MOU Requirements	NPCA Strategic Plan
Enabling Services							
Support for all CA departments, the Board of Directors, member municipalities and the general public enables NPCA to operate in an accountable, transparent, efficient and effective manner.							
Corporate services	<ul style="list-style-type: none"> Administrative support Human resources (including health and safety) Property taxes and occupancy costs Oversight of programs and policies Operating costs not directly related to any specific program or service (e.g., overhead) Record management Foundation support 	1	s.21.1(1)	\$1,489,772	Municipal levy - 90% Self-generated - 10%	N/A	Goal 5.1 Goal 5.2 Goal 5.3 Goal 5.4 Goal 6.1 Goal 6.2
Financial services	<ul style="list-style-type: none"> Annual budget Accounts payable and receivable Procurement Payroll Financial analytics and reporting Audit Administration of reserves and investment 	1	s.21.1(1)	\$360,418	Municipal levy - 100%	N/A	Goal 5.2 Goal 5.3 Goal 6.1 Goal 6.2
Information technology	<ul style="list-style-type: none"> Digital technology, licensing fees, data/voice services Records retention 	1	s.21.1(1)	\$373,424	Municipal levy - 100%	N/A	Goal 1.1 Goal 5.2 Goal 5.3
Governance and corporate administration	<ul style="list-style-type: none"> Support to governance and corporate administration Board governance Public Advisory Committee Strategic planning/reporting and CAO oversight 	1	s.21.1(1)	\$573,191	Municipal levy - 100%	N/A	Goal 5.2 Goal 5.3

Appendix 1

NPCA Inventory of Programs and Services

Program or Service	Description	Funding Category (1, 2, 3)	CA Act Reference	Cost Estimate	Funding Mechanism % of cost	MOU Requirements	NPCA Strategic Plan
Communications and outreach	<ul style="list-style-type: none"> Services to inform public of programs, services, and projects through various communication methods Outreach and communications to inform the public about the risk of natural hazards Website administration Responding to inquiries from the public Media relations Crisis communications 	1	s.21.1(1)	\$401,904	Municipal levy - 100%	N/A	All
Vehicles and equipment	<ul style="list-style-type: none"> Fleet required to support and maintain NPCA operations, including capital purchases, fuel, licences, repairs, and maintenance Equipment required to support and maintain NPCA operations, including capital purchases, fuel, licences if required, repairs, and maintenance 	1	s.21.1(1)	\$259,400	Municipal levy - 100%	N/A	All
Asset management	<ul style="list-style-type: none"> Asset management planning (including depreciation) Asset management software and equipment Capital costs for flood infrastructure Capital costs for conservation land infrastructure 	1, 3	s.21.1(1) s.21.1.2	\$1,119,246	Municipal levy - 57% Self-generated - 40% Provincial - 3%	N/A	Goal 1.2 Goal 1.4 Goal 6.3
Enabling services - Total				\$4,577,355			
Grand Total				\$12,609,300			

Appendix 2

NPCA Preliminary Cost Analysis

Category	Mandatory programs and services descriptions	Municipal levy		Provincial funding		Self-generated funds		Total	% of Total
1	Mandatory programs and services as identified in Ontario Regulation 686/21	\$	7,474,511	\$	395,628	\$	1,063,020	\$ 8,943,459	70.93%
2	Municipal programs and services provided at the municipality's request	\$	155,450	\$	-	\$	-	\$ 155,450	1.23%
3	Other programs and services that an Authority (Board) determines are advisable	\$	455,381	\$	-	\$	3,065,310	\$ 3,510,391	27.84%
Total		\$	8,085,342	\$	395,628	\$	4,128,330	\$ 12,609,300	100.00%

Note: The 2022 NPCA budget consists of Municipal general and special levy \$8,088,921; provincial funding \$391,978; and self generated funds \$4,128,323.