



NIAGARA PENINSULA CONSERVATION AUTHORITY
Board of Directors Meeting
April 24, 2026, 10:00a.m.
Carolinian Hall
3350 Merrittville Hwy., Thorold ON
AGENDA

CALL TO ORDER – ROLL CALL

The Niagara Peninsula watershed is situated within the traditional territory of the Haudenosaunee, Attiowonderonk (Neutral), and the Anishinaabeg, including the Mississaugas of the Credit—many of whom continue to live and work here today. This territory is covered by the Upper Canada Treaties (No. 3, 4, and 381) and is within the land protected by the Dish with One Spoon Wampum agreement. Today, the watershed is home to many First Nations, Métis, and Inuit.

1. APPROVAL OF AGENDA

2. DECLARATIONS OF CONFLICT OF INTEREST

3. APPROVAL OF MINUTES

3.1. Minutes of the Full Authority Meeting dated, March 27, 2026

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4. CHAIR'S UPDATE

5. CORRESPONDENCE

5.1. Correspondence dated April 10, 2026 from Ontario Public Service Employees Union RE: Provincial Plan to Consolidate Conservation Authorities

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6. PRESENTATIONS

6.1. Audited Financial Statements and Audit Findings Report for the 2025 Fiscal Year

Presented by David Marks, Lead Audit Engagement Partner, KPMG and Umah Etido, Audit Manager, KPMG.

6.2. Bill 97, *Plan to Protect Ontario Act (Budget Measures)* and proposed amendments to the *Conservation Authorities Act*

Presented by CAO/Secretary-Treasurer, Leilani Lee-Yates.

7. DELEGATIONS

8. CONSENT ITEMS

- 8.1. Report No. FC-04-26 RE: Banking and Investments – 2025 Activity Page 11
- 8.2. Report No. FC-03-26 RE: Procurement – 2025 Activity Page 13

9. DISCUSSION ITEMS

- 9.1. Report No. FC-01-26 RE: Finance Committee Workplan Page 18
- 9.2. Report No. FC-05-26 RE: 2025 Audited Financial Statements and Audit Findings Report Page 21
- 9.3. Report No. FC-02-26 RE: Financial Report – Q4 – 2025 Page 77
- 9.4. Report No. FC-06-26 RE: 2026 Operating and Capital Budgets and Municipal Levies Page 81

10. COMMITTEE REPORTS

- 10.1. Governance Committee Minutes, dated March 27, 2026 Page 87

11. MOTIONS

11.1. Coordinated Phragmites Management Strategy

WHEREAS Phragmites (*Phragmites australis*) is an invasive plant species that spreads rapidly, displacing native vegetation and negatively impacting biodiversity, wetland function, agricultural drainage, and infrastructure;

WHEREAS unmanaged phragmites growth can contribute to increased fire risk, reduced sightlines along roadways, and impacts to municipal drains and stormwater systems;

WHEREAS phragmites is present across lands within the City of Hamilton, including municipal lands, conservation authority lands, and private properties;

WHEREAS effective phragmites management requires coordinated, landscape-scale approaches involving multiple landowners and agencies;

WHEREAS City of Hamilton natural area management is primarily undertaken through Parks Operations and in partnership with conservation authorities, other agencies, and landowners, and current active management includes limited invasive species control activities, including phragmites;

WHEREAS phragmites management within the City is also addressed through project-specific work, including environmental assessments and detailed design processes that apply best management practices, rather than through a single coordinated municipal program;

WHEREAS there is an opportunity to improve coordination, prioritization, and alignment of phragmites management efforts across agencies;

WHEREAS the Niagara Peninsula Conservation Authority has ongoing invasive species management expertise and programming relevant to phragmites control;

THEREFORE BE IT RESOLVED THAT NPCA staff **BE REQUESTED** to:

a) Engage with the City of Hamilton and the Hamilton Conservation Authority to explore opportunities for a coordinated, multi-agency approach to phragmites management across Glanbrook and Stoney Creek Mountain;

b) Work collaboratively with the City of Hamilton to identify opportunities for improved coordination, including shared mapping, treatment planning, and resource alignment;

c) Explore potential partnership models, including the potential for a formalized inter-agency phragmites management strategy or memorandum of understanding (MOU);

d) Consider approaches used by other municipalities and jurisdictions, including best practices and program models, to help inform coordinated phragmites management efforts within the watershed; AND

e) Work collaboratively with the City of Hamilton to identify a pilot project location within the NPCA watershed on City-owned land where phragmites are present and where coordinated removal efforts could be undertaken.

AND THAT the City of Hamilton **BE REQUESTED** to participate in and support collaborative phragmites management efforts with the Niagara Peninsula Conservation Authority and the Hamilton Conservation Authority, including shared mapping, planning, and pilot project development where feasible;

AND FURTHER THAT correspondence pertaining to this request **BE CIRCULATED** to the City of Hamilton and the Hamilton Conservation Authority.

11.2. Exploration of Technological Advancements in Ecotoilets

WHEREAS NPCA strives to demonstrate leadership in addressing climate change and sustainable practices through its operations;

WHEREAS the development of a Climate Change Action Plan is underway to support the reduction of NPCA's climate impacts;

WHEREAS the exploration of technological advancements that provide ecological benefits are important to assess feasibility;

AND WHEREAS the Nixiloo Ecological Dry Toilet has been identified as breakthrough technology that relies solely on a solar powered ventilation system;

BE IT RESOLVED THAT staff **BE DIRECTED** to assess the feasibility and benefits of stationing Ecological Dry Toilets or similar technologies in NPCA Conservation Areas through the lens of the forthcoming Climate Change Action Plan;

AND THAT where feasible, staff consider Ecological Dry Toilets or similar technologies, at Conservation Areas where deemed necessary, in alignment with Management Plans, NPCA's Procurement Policy, and annual budget cycles;

AND FURTHER THAT staff **REPORT BACK** on feasibility and identified priority sites, if any, upon completing internal reviews deemed necessary.

12. NOTICES OF MOTION

13. NEW BUSINESS

14. CLOSED SESSION

14.1. Advice that is subject to solicitor-client privilege, including communications necessary for that purpose – Labour Relations (Verbal update and discussion)

14.2. A proposed or pending acquisition or disposition of land by the NPCA – Confidential Report No. FA-11-26 RE: Land Acquisition Update (*distributed separately*)

15. ADJOURNMENT

NIAGARA PENINSULA CONSERVATION AUTHORITY
Board of Directors Meeting Minutes
March 27, 2026, 10:00a.m.
Carolinian Hall
3350 Merrittville Hwy., Thorold ON

MEMBERS PRESENT: R. Foster, Chair
S. Beattie
B. Clark
D. Cridland
B. Grant
J. Metcalfe, Vice Chair
P. O'Neill
M. Seaborn
M. Tadeson
A. Witteveen

STAFF PRESENT: L. Lee-Yates, CAO/Secretary-Treasurer
A. Christie, Director, Conservation Areas
Z. Dadson, Manager, Grants & Project Coordination
M. Davis, Manager, Office of the CAO & Board
D. Deluce, Director, Planning & Development
M. Ferrusi, Manager, People & Performance
L. Gagnon, Director, Corporate Services
N. Green, Director, Watershed Strategies & Climate Change
E. Navarro, Communications & Media Relations Specialist
J. Nelson, Niagara River RAP Coordinator
G. Shaule, Administrative Assistant
G. Verkade, Senior Manager, Integrated Watershed Strategies

OTHERS PRESENT: Sharon Pfeifer, Investment & Donor Relations Officer, NPCF
Phillipe Murphy-Rhéaume, Chief Operations Officer, Great Lakes-
St. Lawrence Cities Initiative

The meeting was called to order at 10:08 a.m.

1. APPROVAL OF AGENDA

Resolution No. FA-19-2026

Moved by: Mark Tadeson

Seconded by: Stew Beattie

THAT the agenda for the Full Authority Special Meeting held March 27, 2026 **BE AMENDED** to address Item 8.1. immediately following Item 6.1.

CARRIED

2. DECLARATION OF CONFLICTS OF INTEREST

None.

3. APPROVAL OF MINUTES

Resolution No. FA-20-2026

Moved by: John Metcalfe

Seconded by: Michelle Seaborn

THAT the Minutes of the Full Authority Meeting dated February 27, 2026 **BE APPROVED.**

CARRIED

4. CHAIRS UPDATE

- Chair Foster joined CAO Lee-Yates for a briefing regarding the provincial announcement on March 10, 2026, and noted that Bill 97, *Plan to Protect Ontario (Budget Measures) Act* presented on March 26, 2026 includes proposed amendments to the *Conservation Authorities Act*.
- Our restoration and Trees for All staff are preparing for another busy planting season, Chair Foster encouraged those around the table to take a morning or afternoon to volunteer with the team and plant some trees in the watershed. Staff will follow up with Board members about upcoming events scheduled.

5. CORRESPONDENCE

Resolution No. FA-21-2026

Moved by: Brad Clark

Seconded by: Albert Witteveen

THAT the following correspondence items **BE RECEIVED:**

5.1. Correspondence dated March 10, 2026, from the Ministry of the Environment, Conservation and Parks RE: Plan to transition to regional conservation authorities; AND

5.2. Correspondence dated March 10, 2026, from the Ministry of the Environment, Conservation and Parks RE: Minister's direction for conservation authorities regarding fee changes associated with planning, development, and permitting fees.

CARRIED

6. PRESENTATIONS

6.1. Great Lakes-St. Lawrence Cities Initiative Ally Program

Phillipe Murphy-Rhéaume, Chief Operations Officer, provided a brief presentation on the Great-Lakes St. Lawrence Cities Initiative and it's Ally Program. Discussion

ensued regarding consideration to invasive species in the great lakes and collaboration with various levels of government on both sides of the border.

Resolution No. FA-22-2026

Moved by: Donna Cridland

Seconded by: Brian Grant

THAT the Great Lakes-St. Lawrence Cities Initiative Ally Program presentation **BE RECEIVED.**

CARRIED

8.1. Report No. FA-06-26 RE: Great Lakes-St. Lawrence Cities Initiative – Allies Program Membership

Resolution No. FA-23-2026

Moved by: Donna Cridland

Seconded by: Brian Grant

THAT Report No. FA-06-26 RE: Great Lakes-St. Lawrence Cities Initiative – Allies Program Membership **BE RECEIVED.**

CARRIED

6.2. Niagara River Remedial Action Plan Ecosystem Impairment Removed

Director, Watershed Strategies & Climate Change, Natalie Green, provided a brief introduction. Niagara River RAP Coordinator, Jessi Nelson, provided a presentation on the above noted item.

Discussion ensued regarding level of coordination between RAP programs in Canada and US.

Resolution No. FA-24-2026

Moved by: Stew Beattie

Seconded by: Michelle Seaborn

THAT the Niagara River Remedial Action Plan Ecosystem Impairment Removed presentation **BE RECEIVED.**

CARRIED

8. CONSENT ITEMS

Resolution No. FA-25-2026

Moved by: Mark Tadeson

Seconded by: John Metcalfe

THAT the following items **BE RECEIVED:**

8.2. Report No. FA-04-26 RE: Human Resources – 2025 Annual Update; AND

8.3. Report No. FA-07-26 RE: 2025 Planning and Development Statistics.

CARRIED

9. DISCUSSION ITEMS

9.1. Report No. FA-01-26 RE: Twelve Mile Creek Watershed Committee Terms of Reference and Recruitment

Resolution No. FA-26-2026

Moved by: Brian Grant

Seconded by: Donna Cridland

THAT Report No. FA-01-26 RE: Twelve Mile Creek Watershed Committee Terms of Reference and Recruitment **BE RECEIVED**;

AND THAT staff **BE AUTHORIZED** to proceed with Twelve Mile Creek Watershed Committee member recruitment;

AND FURTHER THAT staff **REPORT BACK** on progress made by the Twelve Mile Creek Watershed Committee at progress points established in the Committee's forthcoming work plan.

CARRIED

9.2. Report No. FA-03-26 RE: Appointment of Regulations Officers – Section 30 of the *Conservation Authorities Act*

Resolution No. FA-27-2026

Moved by: Brad Clark

Seconded by: Albert Witteveen

THAT Report No. FA-03-26 RE: Niagara Peninsula Conservation Authority (NPCA) – Appointment of Regulations Officers **BE RECEIVED**;

AND THAT the NPCA staff named below **BE APPOINTED**, under Section 30 of the *Conservation Authorities Act* for the terms of their employment with the NPCA, as Officers of the NPCA and Provincial Offences Officers.

CARRIED

9.3. Report No. FA-08-26 RE: Delegation of Authority – Section 29 of the *Conservation Authorities Act*

Resolution No. FA-28-2026

Moved by: John Metcalfe

Seconded by: Stew Beattie

THAT Report No. FA-08-26 RE: Delegation of Authority – Section 29 of the *Conservation Authorities Act* **BE RECEIVED**;

AND THAT the Board **DELEGATE AUTHORITY**, under Section 28.4 of the *Conservation Authorities Act*, to the Director, Watershed Strategies and Climate

Change as a signatory on Section 29 permits beginning March 27, 2026, for the term of their employment with the Niagara Peninsula Conservation Authority (NPCA).

CARRIED

9.4. Report No. FA-10-26 RE: St. Johns Centre Heritage Designation

Director, Conservation Areas, Adam Christie, provided a brief overview of the report.

Resolution No. FA-29-2026

Moved by: Mark Tadeson

Seconded by: Brad Clark

THAT Report No. FA-10-26 RE: St. Johns Centre Heritage Designation **BE RECEIVED;**

AND THAT the NPCA Board of Directors **ENDORSE** the City of Thorold's issuance of a Notice of Intention to Designate St. Johns Centre Conservation Area as a property of cultural heritage value or interest under Part IV, Section 29 of the *Ontario Heritage Act*;

AND FURTHER THAT Report No. FA-10-26 **BE CIRCULATED** to the City of Thorold.

CARRIED

9.5. Report No. FA-09-26 RE: 2026 Corporate Workplan Priorities

CAO/Secretary-Treasurer, Leilani Lee-Yates provided a brief overview of the 2026 corporate priorities and notable ongoing work, such as the Lake Ontario Coastal Resiliency Pilot Project, secondary watershed plans, asset management plan and land management planning priorities.

Resolution No. FA-30-2026

Moved by: Albert Witteveen

Seconded by: Donna Cridland

THAT Report No. FA-09-26 RE: 2026 Corporate Workplan Priorities **BE RECEIVED;**

AND THAT the Board **APPROVE** the 2026 Corporate Workplan Priorities.

CARRIED

9.6. Report No. FA-02-26 RE: Provincial Announcement – Next Steps to Improve Ontario's Conservation Authority System

CAO/Secretary-Treasurer, Leilani Lee-Yates, provided a presentation related to Report No. FA-02-26. Discussion ensued regarding appointment criteria for the Ontario Provincial Conservation Agency Board and anticipated timeline for implementation of guardrails.

Further discussion regarding consideration of proposing an alternate solution ensued. Members requested a recorded vote on the recommendation presented.

Resolution No. FA-31-2026

Moved by: Stew Beattie

Seconded by: Michelle Seaborn

WHEREAS on October 31, 2025, the provincial government announced a proposal to establish the Ontario Provincial Conservation Agency (OPCA) to lead the implementation of a new regional conservation authority framework;

AND WHEREAS on November 6, 2025, Bill 68, *Plan to Protect Ontario Act (Budget Measures), 2025 (No.2)* was introduced in the Ontario Legislature, which proposed amendments to the *Conservation Authorities Act* to establish OPCA, and on November 27, 2025, Bill 68 received Royal Assent;

AND WHEREAS on November 7, 2025, the provincial government posted a policy proposal on the Environmental Registry of Ontario (ERO #025-1257) to consolidate Ontario's 36 conservation authorities into seven regional conservation authorities and provided a 45-day commenting period on proposed boundaries and the criteria applied to inform the proposed boundaries;

AND WHEREAS on December 5, 2025, the Niagara Peninsula Conservation Authority (NPCA) Board of Directors passed Resolution No. FA-131-2025, that stated the Board does not support the "Western Lake Ontario Regional Conservation Authority" boundary configuration as the proposal lacks sufficient justification, would significantly diminish local governance, and fails to recognize the effectiveness and efficiencies already achieved within existing watershed-based models;

AND WHEREAS NPCA's participating municipalities of Niagara Region, City of Hamilton and Haldimand County, and several watershed lower-tier municipalities passed Council resolutions and submitted comments to the provincial government demonstrating support for the position of the NPCA Board of Directors;

AND WHEREAS on March 10, 2026, the provincial government announced their decision on the boundaries for Ontario's new nine regional conservation authorities, with the "Western Lake Ontario Regional Conservation Authority" boundaries remaining unchanged, and provided further information related to governance and the transition process;

AND WHEREAS amendments to the *Conservation Authorities Act*, and implementing Regulations will be required to facilitate the statutory amalgamation of regional conservation authorities;

Now Therefore Be It Resolved:

THAT Report No. FA-02-26 RE: Provincial Announcement – Next Steps to Improve Ontario's Conservation Authority System **BE RECEIVED;**

AND THAT the NPCA Board of Directors **REAFFIRMS** their position stated through Resolution No. FA-131-2025;

AND THAT should the provincial government proceed with implementing the proposed regional conservation authority framework and “Western Lake Ontario Regional Conservation Authority”, the NPCA will be committed to working constructively with OPCA, local area MPPs, neighbouring conservation authorities, municipalities, sector partners and interested partners to ensure local voices, municipal representations, and unique watershed characteristics continue to guide decisions;

AND THAT the Board requests that OPCA engages meaningfully and collaboratively with affected municipalities, conservation authorities, and local First Nations before advancing any consolidation, to ensure that any changes reflect both local needs and the practical realities of implementation;

AND THAT this resolution and Report No. FA-09-26 be forwarded to Niagara Region; the lower-tier municipalities within Niagara Region; City of Hamilton; Haldimand County; Mississaugas of the Credit First Nation; Six Nations of the Grand River; Niagara Peninsula Source Protection Committee; Minister of Environment, Conservation and Parks; Ontario’s Chief Conservation Executive; local area MPPs; Association of Municipalities of Ontario (AMO); Conservation Ontario; and all conservation authorities in Ontario.

Member	In Favour	Opposed
Stew Beattie		X
Brad Clark	X	
Donna Cridland	X	
Brian Grant	X	
John Metcalfe	X	
Michelle Seaborn	X	
Mark Tadeson	X	
Albert Witteveen	X	
Robert Foster	X	

CARRIED

10. COMMITTEE REPORTS

Resolution No. FA-32-2026

Moved by: Stew Beattie

Seconded by: Donna Cridland

THAT the Public Advisory Committee minutes, dated March 10, 2026 **BE APPROVED.**

CARRIED

11. MOTIONS

None.

12. NOTICES OF MOTION

Member Tadeson advised the Full Authority Board that he will be bringing two motions forward at the April 24, 2026 meeting.

One motion will speak to management of Phragmites within the City of Hamilton, and one focuses on the exploration of implementing innovative sustainable technologies, such as ecotoilets, at Conservation Areas.

13. NEW BUSINESS

- Niagara Peninsula Conservation Foundation attended David Suzuki's Stronger Together event at the FirstOntario Performing Arts Centre, which was highly attended by community members passionate about the environment, and had the opportunity to present David Suzuki with a Comfort Maple Pen.

14. CLOSED SESSION

15. ADJOURNMENT

Chair Foster adjourned the meeting at 12:15 p.m.

Chair and Members of the Board of Directors
Niagara Peninsula Conservation Authority

April 10, 2026

Dear Chair Foster and Members of the Board of Directors,

We are reaching out to you today to express our grave concerns about the government's plan to consolidate 36 conservation authorities into nine regional authorities and to urge you to join us in protecting jobs at the NPCA.

While the government has presented consolidation as a matter of modernization and efficiency, its track record clearly indicates that this is yet another sprint toward deregulation at a time when the public is demanding greater accountability and transparency. A broad coalition of civil society organizations, including Ontario Nature, has condemned consolidation, stating that consolidation would leave communities "more vulnerable to flood risks and broader environmental losses."

Amalgamation threatens to remove critical local knowledge from key decisions when flooding is the costliest natural hazard in Ontario and threatens to become even greater hazard in the future. This is a trend communities cannot afford.

The Ford government has claimed that it has taken public feedback into consideration, yet we know that if this were true, the government would not proceed with this plan. Concerned farmers, municipalities, environmental groups, builders and developers have provided more than 14,000 submissions to the Environmental Registry of Ontario (ERO) about the amalgamation of the 36 CAs and approximately 97 per cent of those submissions overwhelmingly opposed amalgamation.

Clearly this government's plan, like so many of its previous plans, flies in the face of the very principles upon which the NPCA was built: sound science, strong partnerships, and local knowledge. Despite mounting objections, this government continues to advance this ill-conceived plan against the recommendations and wishes of those most directly impacted.

Since the government's announcement on March 10, conservation authority workers have received little to no information about how consolidation will affect their jobs and futures. The Ford government has publicly stated that there will be no job loss.

We know from experience that we cannot take this government at its word.

We are well-versed in the language of “unnecessary duplication” and “streamlined service delivery” and what it means for job safety, quality assurance, and environmental protection. The results, as we’ve seen time and time again, are disastrous.

Conservation workers in all facets (restoration, procurement, land management, ecology, planning, monitoring, education, communications, and administration) are the cornerstone of Ontario’s natural hazard framework. Their work mitigates flooding, prevents property damage, and ensures sustainable environmental management and watershed protection across Ontario. To threaten these jobs is to directly threaten the environment and we intend to declare this openly and publicly without hesitation.

As the union representing 125 employees at the NPCA, we urge you draft a resolution reaffirming the importance of maintenance of the existing staff complement and expressing a commitment to strong advocacy (with the Transition Committee, OPCA and MPPs) in the coming months. Together, these acts would mark a significant step toward preventing job loss and ensuring that all conservation authorities, including the NPCA, remain empowered and resourced to do their critical daily work.

Sincerely,



JP Hornick, President, OPSEU/SEFPO

CC: Andrea Rohaly, President, OPSEU/SEFPO Local 212
Erika Navarro Meza, Steward, OPSEU/SEFPO Local 212
Moriah Tempest, Steward, OPSEU/SEFPO Local 212

Report To: Finance Committee

Subject: Banking and Investments – 2025 Activity

Report No: FC-04-26

Date: April 15, 2026

Recommendation:

THAT Report No. FC-04-26 RE: Banking and Investments – 2025 Activity **BE RECEIVED.**

Purpose:

The purpose of this report is to provide the Finance Committee with information on banking and investments for the 2025 fiscal year.

Discussion:

Cash and Cash Equivalents				
	2025	2024	Change	%
Bank of Montreal	\$ 58,987	\$ 1,297,681	-\$ 1,238,694	-95%
Toronto Dominion Bank	\$ 3,696,986	\$ 11,083	\$ 3,685,853	333%
Petty Cash	\$ 4,100	\$ 4,100	\$ -	0.0%
CIBC	\$ 0	\$ 74,444	-\$ 74,444	100%
Meridian	\$ 0	\$ 16,289	-\$ 16,289	100%
Total	\$ 3,760,073	\$ 1,403,597	\$ 2,356,476	168%

The 2025 to 2024 variance of (\$2.356M) is the result of the following activities:

1. Ongoing efforts to consolidate and transition all financial activity to the Toronto Dominion Bank, in accordance with the contract award resulting from the competitive request for proposals conducted in 2024. It is anticipated that the remaining BMO accounts will be closed by end of Q2 2026.
2. NPCA completed five land acquisitions on March 31, 2025 in the amount of \$3.1M. Acquisitions were funded 50% by the Federal Government, matched by \$1.55M from NPCA's Land Acquisition Reserves (\$1.3M), OPG (\$125.7K) and donations (\$120K). NPCA's reserves were invested in GIC's with Meridian and

were liquidated (\$3.64M) to fund the land acquisition reserve contribution. The residual balance of \$2.34M (\$3.64M less \$1.3M) which represents the unallocated balance of the land acquisition reserves as well as the capital and operating reserves remain as a cash position with the TD Bank. It should be noted that these cash balances are interest-bearing and staff continue to explore investment alternatives in alignment with current policies governing banking and investments, including risk profiles.

Investments					
	2025	2024	Change	%	
GIC's - Meridian	\$0	3,642,384	-	3,642,384	100%
Total	\$0	3,642,384	-	3,642,384	100%

Please note related rationale in bullet point 2 above.

Indebtedness

Throughout 2025, NPCA had an operating line of credit available in the amount of \$1,000,000.

2026 capital budgets included a request for funding outside the special levy envelope to support critical infrastructure upgrades at Balls Falls, which were completed in 2025. Niagara Region Council were not supportive of this request in the amount of \$500K, with the understanding and direction that NPCA would debt finance these projects internally, at a higher rate for debt servicing. Debt servicing costs were included in 2026 operating budgets, levied as a special benefitting levy to Niagara Region.

Authored by:

Original Signed by:

Lise Gagnon, CPA, CGA
 Director, Corporate Services

Submitted by:

Original Signed by:

Leilani Lee-Yates, BES, MSPL, RPD, MCIP, RPP
 Chief Administrative Officer/ Secretary-Treasurer

Report To: Finance Committee

Subject: Procurement – 2025 Activity

Report No: FC-03-26

Date: April 15, 2026

Recommendation:

THAT Report No. FC-03-26 RE: Procurement – 2025 Activity **BE RECEIVED.**

Purpose:

The purpose of this report is to provide the Finance Committee with an annual update to the Board on the following procurement activity for the 2025 fiscal year:

- Non-Competitive Procurement
- Unsolicited Proposals
- Transactions approved by the Chief Administrative Officer/Secretary-Treasurer in excess of \$500,000 for Board-approved capital projects
- Listing of collaborative procurement programs

Background:

Non-Competitive Procurement Business Case Requirements of the Procurement Policy state:

Corporate Services staff shall provide a full written report on all non-competitive procurement transaction(s) to the Board of Directors annually, within three (3) months of the subsequent year

At the Audit and Budget Committee meeting on March 12, 2020, the Committee passed the following recommendation:

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

At the Full Authority meeting on April 16, 2020, the Board of Directors received Report No. FA-19-2020 RE: Delegation of Authority Policy. Upon further discussion, it was determined

that an annual report on the delegation of authority in the procurement of goods and services would be brought forward.

The Finance Committee endorsed amendments to the Procurement Policy and the Delegation of Authority Policy at the April 16, 2025 Committee meeting, which were approved through Resolution No. FA-62-2025 at the May 23, 2025 Full Authority Board meeting.

Discussion:

Non-Competitive Procurement

Non-competitive procurements may be undertaken only where allowable exceptions under the Procurement Policy apply. Non-competitive procurements with a total value of less than \$50,000 require approval from the Chief Administrative Officer/Secretary-Treasurer, while those exceeding \$50,000 require prior approval of the Board of Directors. All non-competitive procurement transactions, regardless of value, are reported annually to the Board of Directors for transparency and accountability.

In 2025, NPCA proceeded with two (2) transactions in a non-competitive environment:

1. Green Analytics Inc

Purchase Order (PO) #1761 was issued on March 24, 2025, for \$44,769. It was approved by the Manager of Natural Hazard Management and Resiliency, Director, Watershed Strategies & Climate Change, Chief Administrative Officer/Secretary-Treasurer, and the Board of Directors.

Report No. FA-12-25 RE: Single Source Procurement for Natural Asset Assessment of Lake Ontario Shoreline.

Justification: An urgent need to undertake a Natural Asset Assessment of the Lake Ontario shoreline was identified to support the Lake Ontario Coastal Resilience Pilot Project, requiring the specialized expertise of Green Analytics Inc. to ensure continuity, methodological consistency, and timely delivery of the work.

2. Aaron Dain

PO #1829 was issued on December 31, 2025, for \$29,029. It was approved by the Manager, Land Planning, Director, Watershed Strategies & Climate Change, and Chief Administrative Officer/Secretary-Treasurer.

Justification: An urgent need to complete an updated Restrictions on Fish Consumption Beneficial Use Impairment (BUI) assessment for the Niagara River Area of Concern required specialized expertise in Remedial Action Plan (RAP)-based BUI assessments. Aaron Dain was engaged due to his direct experience delivering comparable assessments for other

Areas of Concern, his application of the RAP delisting framework, and his specialized analytical tools and Indigenous engagement experience not readily available through a competitive process.

Unsolicited Proposals

There were no unsolicited proposals received in 2025.

Chief Administrative Officer/Secretary-Treasurer Approved Capital Project Transactions

In 2025, the Chief Administrative Officer/Secretary-Treasurer approved a total of eight (8) transactions in excess of \$500,000 for Board-approved capital projects. Further details of these transactions are provided below; project totals are exclusive of HST.

1. Duomax Developments Limited

PO #1793 was issued on August 7th, 2025, for \$718,900 for the new Long Beach Conservation Area's Workshop. This was an open competitive procurement process, and nine (9) compliant submissions were received through Bids & Tenders. RFP# 2025-RFP-032

Board-approved contract award under Report No. FA-32-25 – Long Beach Workshop – Contract Award

2. Duomax Developments Limited

PO #1794 was issued on August 7th, 2025, for \$681,400 for the new Binbrook Conservation Area's new comfort station. This was an open competitive procurement process, and nine (9) compliant submissions were received through Bids & Tenders. RFP# 2025-RFP-038

Board-approved contract award under Report No. FA-34-25 – Binbrook Comfort Station – Contract Award

3. DHI Water & Environment Inc.

PO #1807 was issued on September 19th, 2025, for \$933,569 for the Lake Ontario Coastal Resilience Pilot Project. This was an open competitive procurement process, and six (6) compliant submissions were received through Bids & Tenders. RFP# 2025-RFP-040

Board-approved contract award under Report No. FA-37-25 – Lake Ontario Coastal Resilience Pilot Project – Contract Award

Cooperative Procurement

The NPCA engages in several Group Purchasing Organizations to leverage collective buying power and maximize cost savings for all members involved. By utilizing collaborative

and consortium buying agreements, NPCA can secure the best value for its procurement needs while streamlining the purchasing process and reducing administrative burden.

This approach also benefits vendors who can participate in efficient competitive bidding processes that come with multiple awards within a single contract. Additionally, NPCA benefits from the ability to access aggregated national, provincial, and regional pricing, which allows smaller public agencies to take advantage of the same buying power and contracts as larger public sector organizations.

NPCA continues to participate in group purchasing organizations and collaborative procurement programs, leveraging the benefits of cooperative procurement, including the following:

- Niagara Public Purchasing Committee
- Supply Ontario Vendor of Record (Ministry of Government and Consumer Services)
- OECM (Ontario Educational Collaborative Marketplace)
- Canoe Procurement Group of Canada
- Kinetic GPO
- Conservation Ontario

Related Reports and Appendices:

Procurement Policy – Available Upon Request

Delegation of Authority Policy – Available Upon Request

Report No. FA-32-25 RE: Long Beach Workshop Contract Award – Available Upon Request

Report No. FA-34-25 RE: Binbrook Comfort Station Contract Award – Available Upon Request

Report No. FA-37-25 RE: Lake Ontario Coastal Resilience Pilot Project Contract Award – Available Upon Request

Authored by:

Original Signed by:

Eric Gervais, CSCMP
Manager, Corporate Support Services

Reviewed by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Leilani Lee-Yates, BES, MSPL.RPD, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

Report To: Finance Committee

Subject: Finance Committee – 2026 Work Plan

Report No: FC-01-26

Date: April 15, 2026

Recommendation:

THAT Report No. FC-01-26 RE: Finance Committee – 2026 Work Plan **BE RECEIVED;**

AND THAT the Finance Committee - 2026 Work Plan attached as Appendix 1 **BE APPROVED.**

Purpose:

The purpose of this report is to present the draft 2026 Work Plan to the Finance Committee for approval.

Discussion:

The 2026 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. For 2026 in particular, the Work Plan includes several corporate strategic priorities including:

- Strategic and Operational Asset Management Plan
- Digital Transformation Plan
- Grant Funding Strategy
- 10 Year Capital Plan
- Conservation Authority Regional Consolidation – Work Plan to be Confirmed

Additionally, the Work Plan outlines how implementation of this work will be monitored against the direction outlined in NPCA’s Strategic Plan (2021 – 2031), primarily related to the following strategic priorities:

Goal 5.2 – Improve internal operations and processes

Goal 5.3 – Provide high standards of customer service

- Goal 6.1 – Ensure responsible, sustainable and sound fiscal practices
- Goal 6.2 – Optimize self-generating revenue using innovative approaches
- Goal 6.3 – Improve asset management and close the state of good repair gap

Related Reports and Appendices:

Appendix 1: Finance Committee – 2026 Work Plan

NPCA – Strategic Plan (2021 – 2031) – Available upon request

Authored by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Leilani Lee-Yates, BES, MSPL.RPD, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Finance Committee				15-Apr			15-Jul		16-Sep			
Full Authority Board		27-Feb	27-Mar	24-Apr	22-May	26-Jun	24-Jul		25-Sep	23-Oct	27-Nov	18-Dec
1. Terms of Reference, Audit Work Plan, Committee Evaluation, Appointment of Officers												
a) 2026 work plan				X								
2. External Audit												
a) Appointment of external auditor for 2026 fiscal year - Board AGM		X										
b) Review draft audited financial statements and Audit Findings Report - Committee				X								
c) Review draft audited financial statements and Audit Findings Report - Board					X							
3. Reporting												
a) Review 2025 Q4 year end results, variance reports				X								
b) Review quarterly results, variance reports and projections - 2026 - Q1					X							
c) Review quarterly results, variance reports and projections - 2026 - Q2							X					
d) Review quarterly results, variance reports and projections - 2026 - Q3											X	
e) 2025 Banking and Investment Activity				X								
f) 2025 Procurement Activity				X								
4. Operating and Capital Budgets												
a) 2026 Budgets and Municipal Levies - FINAL				X								
b) 2027 Operating and Capital budget assumptions - Committee							X					
2027 Operating and Capital budget assumptions - Board								X				
c) 2027 Draft Operating and Capital budgets - Committee								X				
2027 Draft Operating and Capital budgets - Board									X			
5. Other												
a) Strategic & Operational Asset Management Plan										X		
b) Review policies and identify gaps										X		
c) Digital transformation plan												X
d) Grant Funding Strategy												X
e) Conservation Authority Regional Consolidation - workplan to be confirmed							X		X			X
7. Mid and Long Term Objectives												
	2026	2027	2028									
Long term budgets, 10 year capital plan, business planning and strategic plan reporting	X	X	X									
Green infrastructure, sustainable technologies and natural asset accounting - multi-year	X	X	X									
Fleet management - plan for conversion of fleet to EV	X	X	X									
Risk management plan	X	X	X									

Report To: Finance Committee

Subject: 2025 Audited Financial Statements and Audit Findings Report

Report No: FC-05-26

Date: April 15, 2026

Recommendation:

THAT Report No. FC-05-26 RE: 2025 Audited Financial Statements **BE RECEIVED**;

AND THAT the 2025 Audited Financial Statements and the 2025 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 2025 Audited Financial Statements and the 2025 Audit Findings Report.

Discussion:

Please note the following results from the Audit Findings Report for the fiscal year ending December 31, 2025:

- Significant risks and results: no significant qualitative aspects to note
- Other risks of material misstatement and results: no significant qualitative aspects to note
- Uncorrected misstatements: we did not identify any uncorrected misstatements
- Corrected misstatements: we did not identify any corrected misstatements
- No significant control deficiencies were identified during the audit.
- Other financial reporting matters:
 - Appropriate disclosures have been made
 - Going concern – no matters to report
 - Significant qualitative aspects of financial statement presentation and disclosure – no matters to report
- Specific topics (page 19 of the Audit Findings Report):
 - Illegal acts – no matters to report
 - Other information containing the audited financial statements – no matters to report

- Significant difficulties encountered during the audit – no matters to report
- Difficult or contentious matters – no matters to report
- Management’s consultation with other accountants – no matters to report
- Disagreements with management – no matters to report
- Related parties – no matters to report
- Significant issues with KPMG appointment or retention – no matters to report
- Other relevant matters of governance interest – no matters to report

Financial Implications:

There are no financial implications associated with this report.

Related Reports and Appendices:

Appendix 1: Draft 2025 Audited Financial Statements

Appendix 2: Draft 2025 Audit Findings Report

Prepared by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Leilani Lee-Yates, BES, MSPL, RPD, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

Financial Statements of

**NIAGARA PENINSULA
CONSERVATION AUTHORITY**

And Independent Auditors' Report thereon

Year ended December 31, 2025

DRAFT



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton, ON L8P 4W7
Canada
Tel 905 523 8200
Fax 905 523 2222

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors 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, 2025
- the statement of operations and accumulated surplus 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, 2025, 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 “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s 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 ethical responsibilities in accordance with these requirements.

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



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

Management is responsible for the preparation and fair presentation of 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause 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 represent 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.

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Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

April 24, 2026

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Financial Position



As at December 31, 2025, with comparative information for 2024

	2025	2024
Financial assets		
Cash and cash equivalents	\$ 3,760,073	\$ 1,403,597
Investments	–	3,642,384
Accounts receivable	1,344,120	1,000,653
	<u>5,104,193</u>	<u>6,046,634</u>
Liabilities		
Accounts payable and accrued liabilities	1,232,865	981,251
Employee future benefits (note 2)	152,900	159,800
Deferred revenue (note 3)	1,618,530	1,209,351
Long-term financing (note 4)	644,865	767,709
	<u>3,649,160</u>	<u>3,118,111</u>
Net financial assets	1,455,033	2,928,523
Non-financial assets		
Prepaid expenses	181,376	258,167
Tangible capital assets (note 5)	35,963,864	32,560,183
Intangible assets (note 6)	1,340,484	913,810
	<u>37,485,724</u>	<u>33,732,160</u>
Accumulated surplus (note 7)	<u>\$ 38,940,757</u>	<u>\$ 36,660,683</u>

See accompanying notes to financial statements

John Metcalfe, Chair

Leilani Lee-Yates, CAO/Secretary -Treasurer

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Operations and Accumulated Surplus



Year ended December 31, 2025, with comparative information for 2024

	Budget (note 10)	2025 Actual	2024 Actual
Revenues:			
Government transfers			
Province of Ontario	537,574	599,031	688,861
Government of Canada	1,562,960	2,747,333	598,599
Municipal levies:			
General	7,845,836	7,845,836	7,040,886
Special	2,929,701	2,373,483	2,290,550
Authority generated:			
User fees, sales and admissions	3,508,504	3,504,776	3,394,767
Administration fees	826,100	844,108	886,992
Interest	82,000	133,842	248,743
Other	1,732,983	1,422,781	3,974,929
OPG - Welland river watershed	–	220,818	178,399
	19,025,658	19,692,008	19,302,726
Expenses:			
CAO and Administration			
Watershed	1,682,418	1,603,889	1,453,255
Corporate Services	6,908,981	6,128,857	5,384,717
Conservation Areas	3,832,829	4,445,136	4,193,220
	5,302,430	5,234,052	4,945,826
	17,726,658	17,411,934	15,977,018
Annual surplus	1,299,000	2,280,074	3,325,708
Accumulated surplus, beginning of year	36,660,683	36,660,683	33,334,975
Accumulated surplus, end of year	\$37,959,683	\$38,940,757	\$36,660,683

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Change in Net Financial Assets



Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Annual surplus	\$ 2,280,074	\$ 3,325,708
Acquisition of tangible capital assets	(5,055,278)	(7,173,525)
Acquisition of intangible assets	(632,668)	(44,898)
Amortization of tangible capital assets	1,547,551	1,462,187
Amortization of intangible assets	205,994	166,294
Proceeds on disposal of tangible capital assets	171,835	84,346
Gain on disposal of tangible capital assets	(67,789)	(26,620)
Decrease (increase) in prepaid expenses	76,791	(48,015)
	(1,473,490)	(2,254,523)
Net financial assets, beginning of year	2,928,523	5,183,046
Net financial assets, end of year	\$ 1,455,033	\$ 2,928,523

See accompanying notes to financial statements

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NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Changes in Cash Flows



Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 2,280,074	\$ 3,325,708
Item not involving cash:		
Amortization of tangible capital assets	1,547,551	1,462,187
Amortization of intangible assets	205,994	166,294
Gain on disposal of tangible capital assets, net	(67,789)	(26,620)
Employee future benefits	(6,900)	(26,500)
Accrued interest on investments	-	(151)
Change in non-cash operating working capital:		
Accounts receivable	(343,467)	(256,079)
Prepaid expenses	76,791	(48,015)
Accounts payable and accrued liabilities	251,614	45,189
Deferred revenue	409,179	(1,214,316)
Net change in cash and cash equivalents from operations	4,353,047	3,427,697
Capital activities:		
Purchases of tangible capital assets	(5,055,278)	(7,173,525)
Purchases of intangible assets	(632,668)	(44,898)
Proceeds from disposal of tangible capital assets	171,835	84,346
Net change in cash and cash equivalents from capital activities	(5,516,111)	(7,134,077)
Investing activities:		
Proceeds from sale of investments	3,642,384	4,636,427
Purchases of investments	-	(3,642,384)
Net change in cash and cash equivalents from investing activities	3,642,384	994,043
Financing activities:		
Proceeds from long-term debt	-	829,131
Repayment of long-term debt	(122,844)	(61,422)
Net change in cash and cash equivalents from financing activities	(122,844)	767,709
Net change in cash and cash equivalents	2,356,476	(1,944,628)
Cash beginning of year	1,403,597	3,348,225
Cash end of year	\$ 3,760,073	\$ 1,403,597

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements



Year ended December 31, 2025

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 performance obligations have not been met. 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.



Year ended December 31, 2025

1. Significant accounting policies (continued):

(f) 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
Leasehold Improvements	10 years
Equipment	10 years
Vehicles	5 years
Computer 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.

ii) Intangible assets:

Intangible assets are recorded at cost. Cost includes the purchase price and any costs directly attributable to acquiring the asset and preparing it for its assets.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives. 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. The Authority generally amortizes GIS and mapping-related intangible assets over 10 or 20 years.

Year ended December 31, 2025

1. Significant accounting policies (continued):

(g) 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 are reported as revenue in the period earned.

(h) 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.

(i) Asset retirement obligation:

A liability is recognized where there is a legal obligation to incur costs associated with the retirement of a tangible capital asset. Such costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner, while asset retirement costs associated with an asset no longer in productive use are expensed. A liability for an asset retirement obligation is recognized when all the following criteria are met:

- there is a legal obligation to incur retirement costs;
- a transaction or event gives rise to a liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Initial measurement of the liability is based on management's best estimate of the amount required to retire a tangible capital asset as at the date of the Statement of Financial Position. Changes in the subsequent measurement of the liability are recorded as a change in the carrying amount of the related tangible capital asset, or an expense, depending on the nature of the remeasurement or whether the asset remains in productive use.

Year ended December 31, 2025

1. Significant accounting policies (continued):

(j) 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.

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, 2025 was estimated by management to be \$152,900 (2024 - \$159,800). Information about the Authority's benefit plan is as follows:

	2025	2024
Accrued benefit obligation:		
Balance, beginning of year	\$ 159,800	\$ 186,300
Current benefit (recovery) cost	8,416	(15,236)
Benefits paid	(15,316)	(11,264)
Accrued benefit obligation, end of year	\$ 152,900	\$ 159,800

3. Deferred revenue:

Deferred revenues consist of the following:

	Balance at December 31, 2024	Externally restricted inflows	Revenue earned	Balance at December 31, 2025
User fees	\$ 280,331	\$ 534,014	\$ (220,245)	\$ 594,100
District School Board of Niagara	89,499	-	-	89,499
Government grants	313,842	682,041	(271,834)	724,049
Welland river watershed- Ontario Power Generation ("OPG")	525,679	-	(314,797)	210,882
Total	\$1,209,351	\$1,216,055	\$ (806,876)	\$1,618,530

Year ended December 31, 2025

4. Long-term financing:

Unsecured prime plus 1% term loan requiring monthly principal payments of \$10,237 plus interest. The principal payments of the long-term financing obligation due in the next 5 years are as follows: 2026 - \$122,844; 2027 - \$122,844; 2028 - \$122,844; 2029 - \$122,844; 2030 - \$122,844, \$30,645 thereafter.

5. Tangible capital assets:

Cost	Balance at December 31, 2024	Additions	Transfers/ Disposals	Balance at December 31, 2025
Land	\$14,284,382	\$ 2,871,392	\$ -	\$17,155,774
Land improvements	10,130,249	262,622	-	10,392,871
Buildings	7,317,697	726,119	(8,700)	8,035,116
Dams	5,402,592	-	(9,020)	5,393,572
Gauge stations	469,182	28,682	(22,570)	475,294
Leasehold Improvements	836,891	2,284	-	839,175
Equipment	3,843,092	488,274	(206,061)	4,125,305
Vehicles	173,340	134,934	-	308,274
Computer Hardware & Software	1,437,412	143,647	-	1,581,059
Work-in-progress	1,196,594	5,055,278	(4,657,954)	1,593,918
Total	\$45,091,431	\$ 9,713,232	\$(4,904,305)	\$49,900,358

Accumulated Amortization	Balance at December 31, 2024	Additions	Transfers/ Disposals	Balance at December 31, 2025
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	3,888,875	475,203	-	4,364,078
Buildings	3,316,726	256,378	(4,930)	3,568,174
Dams	2,158,238	114,697	(9,020)	2,263,915
Gauge stations	327,273	23,976	(18,941)	332,308
Leasehold Improvements	83,689	83,943	-	167,632
Equipment	1,586,173	386,363	(109,414)	1,863,122
Vehicles	98,590	39,445	-	138,035
Computer Hardware & Software	1,071,684	167,546	-	1,239,230
Total	\$12,531,248	\$ 1,547,551	\$ (142,305)	\$13,936,494

Year ended December 31, 2025

5. Tangible capital assets (continued):

	Net Book Value December 31, 2024	Net Book Value December 31, 2025
Land	\$ 14,284,382	\$ 17,155,774
Land improvements	6,241,374	6,028,793
Buildings	4,000,971	4,466,942
Dams	3,244,354	3,129,657
Gauge stations	141,909	142,986
Leasehold Improvements	753,202	671,543
Equipment	2,256,919	2,262,183
Vehicles	74,750	170,239
Computer Hardware & Software	365,728	341,829
Work-in-progress	1,196,594	1,593,918
Total	\$ 32,560,183	\$ 35,963,864

Work-in-process, having a value of \$1,593,918 (2024 - \$1,196,594) has not been amortized. Amortization of these assets will commence when the asset is brought 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 (2024 - \$nil). 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 2024.

During the year, the Authority disposed of assets in the normal course of operations, recognizing a gain on disposal of \$67,789 (2024 - \$26,620).

6. Intangible assets:

Cost	Balance at December 31, 2024	Additions	Balance at December 31, 2025
Intangible assets	\$ 1,589,761	\$ 632,668	\$ 2,222,429
Accumulated Amortization			
Intangible assets	\$ 675,954	\$ 205,994	\$ 881,945

Year ended December 31, 2025

6. Intangible assets (continued):

Net Book Value	Balance at December 31, 2024	Balance at December 31, 2025
Intangible assets	\$ 913,807	\$ 1,340,484

There were no disposals or impairments during the year.

7. Accumulated surplus:

Accumulated surplus consists of the following:

	2025	2024
Invested in tangible capital assets	\$ 35,318,999	\$ 32,560,183
Invested in intangible assets	1,340,484	913,810
Reserves set aside by the Board of the Authority for specific purpose	2,434,174	3,346,490
Unfunded employee future benefits liability	(152,900)	(159,800)
	\$ 38,940,757	\$ 36,660,683

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

	2025	2024
General capital	\$ 425,997	\$ 708,890
Operating reserve	412,692	528,273
Flood protection	278,758	270,380
Restoration	389,298	324,545
Land acquisitions	927,429	1,514,402
	\$ 2,434,174	\$ 3,346,490

8. Credit facility:

The Authority's credit facility includes an overdraft lending account of \$1,000,000 bearing interest at prime less 0%. As at December 31, 2025, \$nil (2024 - \$nil) was drawn on this facility. As at December 31, 2025, \$nil (2024 - \$11,667) 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.



Year ended December 31, 2025

9. Pension plan:

The Authority makes contributions to the Ontario Municipal Employees Retirement System (“OMERS”), which is a multi-employer plan, on behalf of the 94 (2024 – 87) members of its staff. The plan is a defined benefit plan that specifies the amount of 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 \$1.3 billion (2024 - \$2.9 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 2025 calendar year at rates ranging from 9.0% to 14.6% 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 2025 current and past service was \$781,890 (2024 - \$706,869) and were matched by employee contributions.

10. Budget data:

The budget data presented in these financial statements is based upon the 2025 operating budget approved by the Board of the Authority on October 18, 2024, and capital budget approved October 18, 2024. Amortization was not incorporated in the development of the budget and, as such, was 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	\$ 16,095,957
Capital	
Approved budget	2,929,701
Total revenues	\$ 19,025,658
Expenses:	
Operating	
Approved budget	\$ 16,095,957
Capital	
Approved budget	2,929,701
Add:	
Amortization	1,753,545
Less:	
Tangible capital assets included in operating expense	(2,929,701)
Debt principal payments	(122,844)
Total expenses	\$ 17,726,658
Annual surplus	\$ 1,299,000

Year ended December 31, 2025

11. Asset retirement obligation

Throughout the year the Authority reviews all assets recorded on the tangible capital asset listing to determine if there are any legal obligations to incur costs in the future associated with the retirement of an asset. Examples of such costs are the remediation of asbestos, lead and mold, the closure of dams or monitoring wells. Currently, there are no known assets that fall within the scope of this obligation, and as a result, no liability has been recognized.

The Authority's ongoing efforts to assess asset retirement obligations may result in future liabilities, any changes will be accrued in the year in which they are assessed as likely and reasonably estimable.

12. 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.

13. Related party transactions:

During the year, the Authority incurred \$29,295 (2024 - \$26,406) 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.

14. 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 \$370,949 in future revenues based on anticipated services to be performed.

15. Contractual obligations and commitments:

- i) The Authority has entered into a contract for provision of reservation and park system services until December 2029, with annual financial requirements of 2026 - \$32,000; 2027 - \$32,000; 2028 - \$33,500, 2029 - \$33,500. This will be financed by the Authority's operating budget.

Year ended December 31, 2025

15. Contractual obligations and commitments (continued):

- ii) The Authority has entered into a long-term lease for office space, which expires February 28th, 2031, with a three-year option to renew. The total lease commitment is \$1,942,406, annual minimum lease payments are as follows: 2026 - \$226,740; 2027 - \$233,038; 2028 - \$234,298; 2029 - \$234,298, 2030 - \$240,596, \$787,292 thereafter.

16. 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:

Corporate Administration

Corporate administration services are 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 Services

The corporate services department covers costs to manage the authority and support staff. The main activities include finance and accounting, information management, fleet, facilities and asset management.

Conservation Areas

The conservation areas department is the umbrella for two divisions dedicated to conservation land management and conservation land programming. 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.

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 from investments has been allocated among the various segments.

NIAGARA PENINSULA CONSERVATION AUTHORITY



Notes to Financial Statements (continued)

Year ended December 31, 2025

16. Segmented information (continued):

	2025				2025 Total
	Corporate Administration	Watershed	Corporate Services	Conservation Areas	
Revenues:					
Government transfers	19,700	1,545,804	323,210	1,457,650	3,346,364
Municipal levies	1,599,303	3,497,329	3,249,004	1,873,683	10,219,319
User fees, sales and administration	-	-	4,065	3,500,711	3,504,776
Administration fees	-	844,108	-	-	844,108
Interest	-	-	133,842	-	133,842
Other	741	743,901	396,651	213,699	1,354,992
Gain on disposal	-	-	1,076	66,713	67,789
OPG-Welland River Watershed	-	92,896	2,222	125,700	220,818
Total revenues	1,619,744	6,724,038	4,110,070	7,238,156	19,692,008
Expenses:					
Salaries and benefits	1,338,727	4,768,058	1,685,335	3,063,020	10,855,140
Materials and supplies	72,645	399,628	528,575	1,058,658	2,059,506
Contracted services	-	157,212	34,942	-	192,154
Professional fees	94,290	548,431	124,774	518	768,013
Rent and financial expenses	-	-	1,024,488	-	1,024,488
Debt service	-	-	42,199	-	42,199
Marketing and promotion	42,799	5,811	653,541	14,738	716,889
Amortization	55,428	249,717	351,282	1,097,118	1,753,545
Total expenses	1,603,889	6,128,857	4,445,136	5,234,052	17,411,934
Annual surplus	\$ 15,855	\$ 595,181	\$ (335,066)	\$ 2,004,104	\$ 2,280,074

	2024				2024 Total
	Corporate Administration	Watershed	Corporate Services	Conservation Areas	
Revenues:					
Government transfers	15,200	966,646	285,614	20,000	1,287,460
Municipal levies	1,374,804	3,756,624	2,984,421	1,215,587	9,331,436
User fees, sales and administration	-	-	1,480	3,393,287	3,394,767
Administration fees	-	886,992	-	-	886,992
Interest	-	-	248,743	-	248,743
Other	43	897,795	2,094,671	955,800	3,948,309
Gain on disposal	-	-	26,620	-	26,620
OPG-Welland River Watershed	-	178,399	-	-	178,399
Total revenues	1,390,047	6,686,456	5,641,549	5,584,674	19,302,726
Expenses:					
Salaries and benefits	1,209,162	4,190,209	1,583,459	2,820,074	9,802,904
Materials and supplies	49,881	348,716	542,848	1,062,017	2,003,462
Contracted services	-	154,167	37,324	-	191,491
Professional fees	41,078	629,321	69,233	-	739,632
Rent and financial expenses	-	-	923,514	-	923,514
Debt service	-	-	40,010	-	40,010
Marketing and promotion	77,260	8,963	561,301	-	647,524
Amortization	75,874	53,341	435,531	1,063,735	1,628,481
Total expenses	1,453,255	5,384,717	4,193,220	4,945,826	15,977,018
Annual surplus	\$ (63,208)	\$ 1,301,739	\$ 1,448,329	\$ 638,848	\$ 3,325,708

17. Comparative Figures:

Certain comparative figures included in these financial statements have been reclassified to conform with the presentation adopted for the current year.

18. Provincial Conservation Authority Amalgamation:

In October 2025, the Province of Ontario announced its intention to consolidate Ontario's existing conservation authorities into a smaller number of regional, watershed-based conservation authorities under the oversight of a newly established Ontario Provincial Conservation Agency.

In March 2026, the Province further indicated that the transition to the new regional conservation authorities is expected to occur over an approximate one-year period, with the goal of new regional corporations being established by February 1, 2027, or at a later date established through regulation. At December 31, 2025, the required legislative amendments, regulations, and detailed transition frameworks had not yet been enacted.

The Authority expects to be included within one of the proposed regional conservation authorities. However, as at the date of approval of these financial statements, the specific regional structure, governance arrangements, funding model, and the treatment of existing assets, liabilities, reserves, staff, and contractual obligations had not been finalized.

Management is actively monitoring developments related to this provincial initiative. Given the level of uncertainty at December 31, 2025, the financial impact of the proposed amalgamation cannot be reasonably estimated, and no adjustments have been recorded in these financial statements.

DRAFT



Niagara Peninsula Conservation Authority

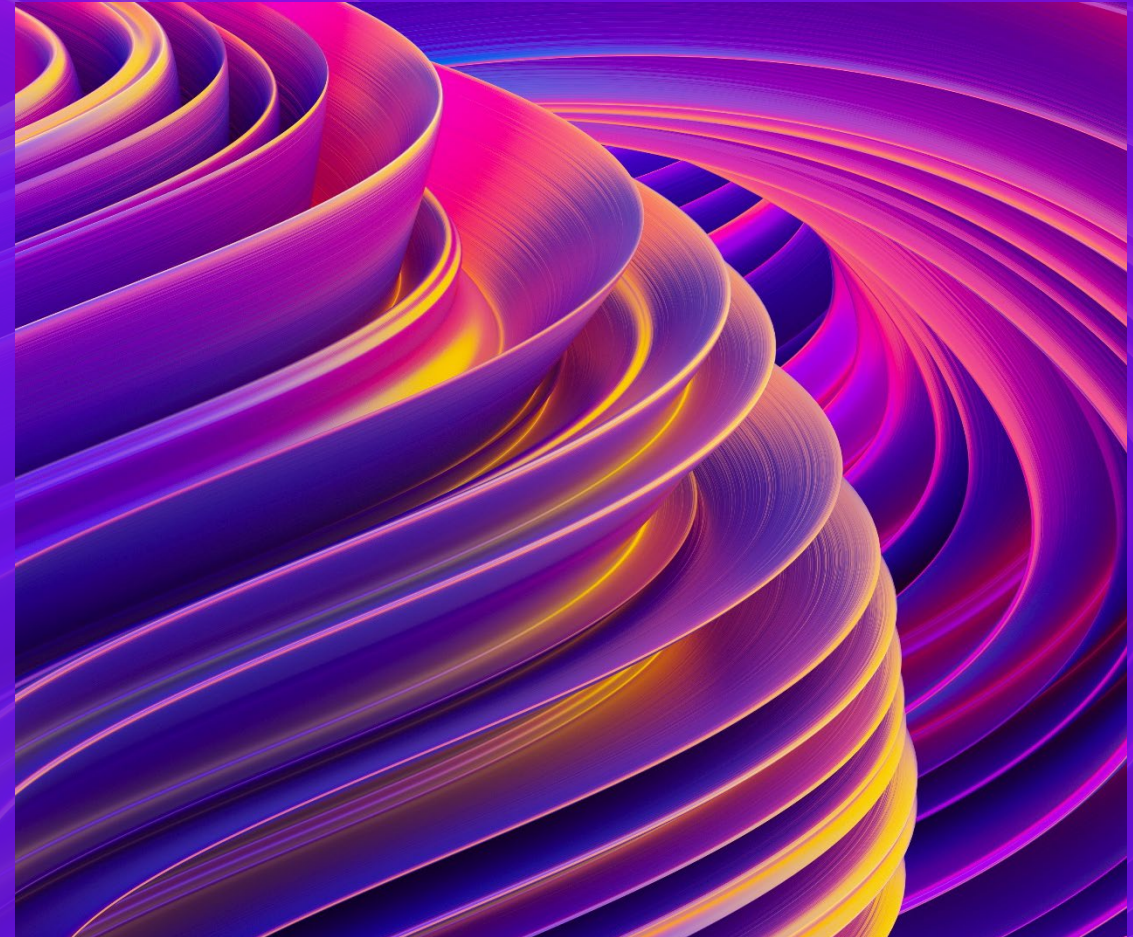
**Audit Findings Report
for the year ended December 31, 2025**



Licensed Public Accountants

Prepared as of April 10, 2026 for presentation to the Audit Committee
on April 13, 2026

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement



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Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

4	<u>Highlights</u>	6	<u>Status</u>	7	<u>Audit strategy</u>	9	<u>Risks and results</u>
15	<u>Misstatements</u>	16	<u>Control deficiencies</u>	17	<u>Policies and practices</u>	19	<u>Specific topics</u>
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Audit highlights



No matters to report



Matters to report – see link for details

Status

We have completed the audit of the financial statements (“financial statements”), with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.

Significant changes

Significant changes since our audit plan

Risks and results & Significant unusual transactions

- Materiality
- Risk of management override of controls
- Presumed risk of fraudulent revenue recognition
- Other risks of material misstatement
- Going concern matters
- Significant unusual transactions

Policies and practices & Specific topics

- Accounting policies and practices
- Other financial reporting matters
- Specific topics

Misstatements - uncorrected

Uncorrected misstatements

Misstatements - Corrected

Corrected misstatements

Control deficiencies

Significant deficiencies

Audit Quality

Learn more about how we deliver audit quality.

Independence

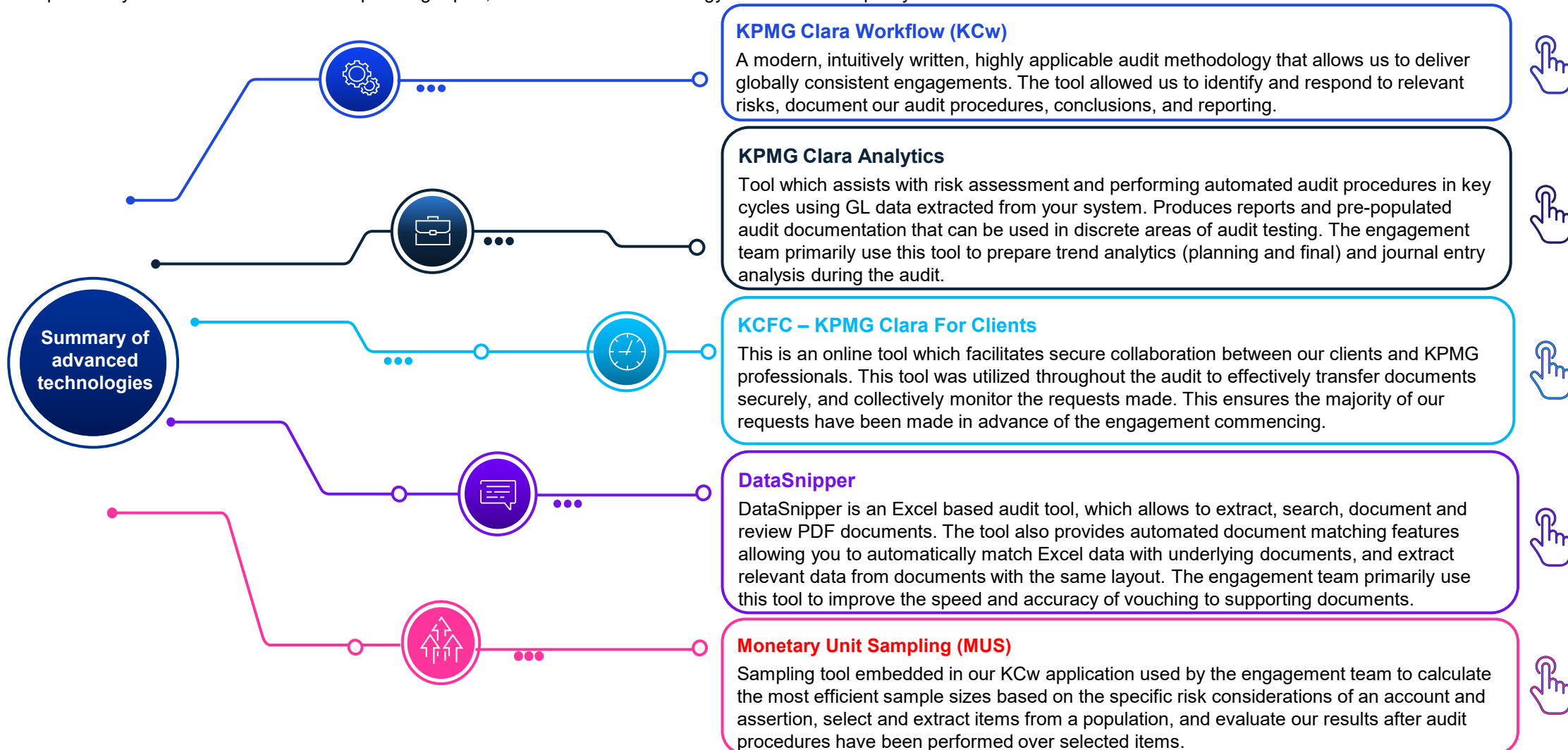
Annual Statement of Compliance





Technology highlights

As previously communicated in our audit planning report, we have utilized technology to enhance the quality and effectiveness of the audit.





Status

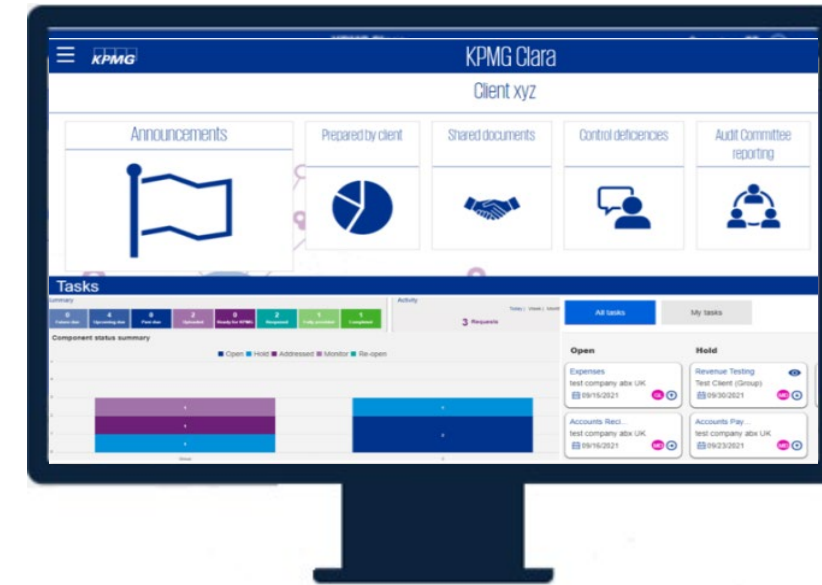
As of April 10, 2026, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Final quality control procedures and review;
- Completing our discussions with the Audit Committee;
- Inquiries regarding subsequent events;
- Obtaining evidence of the Board of Director's approval of the financial statements; and
- Receipt of the signed management representation letter.

We will update the Audit Committee, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor's report is provided in the draft financial statements.

KPMG Clara for Clients (KCC)



Real-time collaboration and transparency

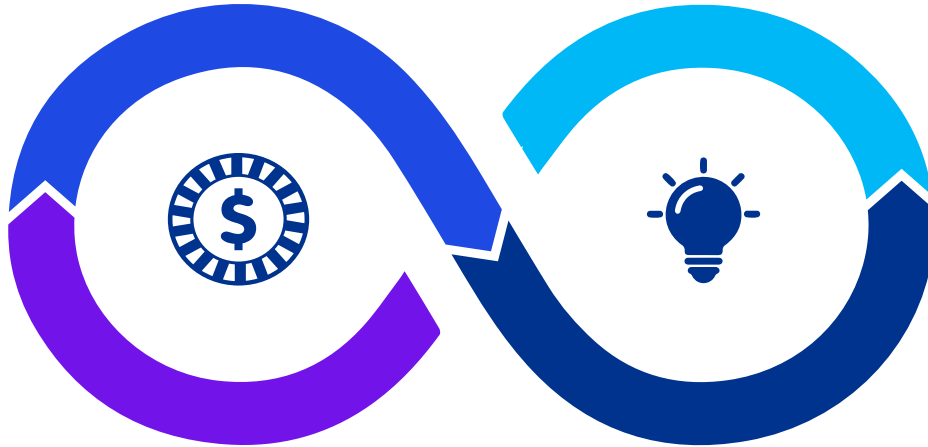
We leveraged **KCC** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCC to coordinate requests with management.





Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

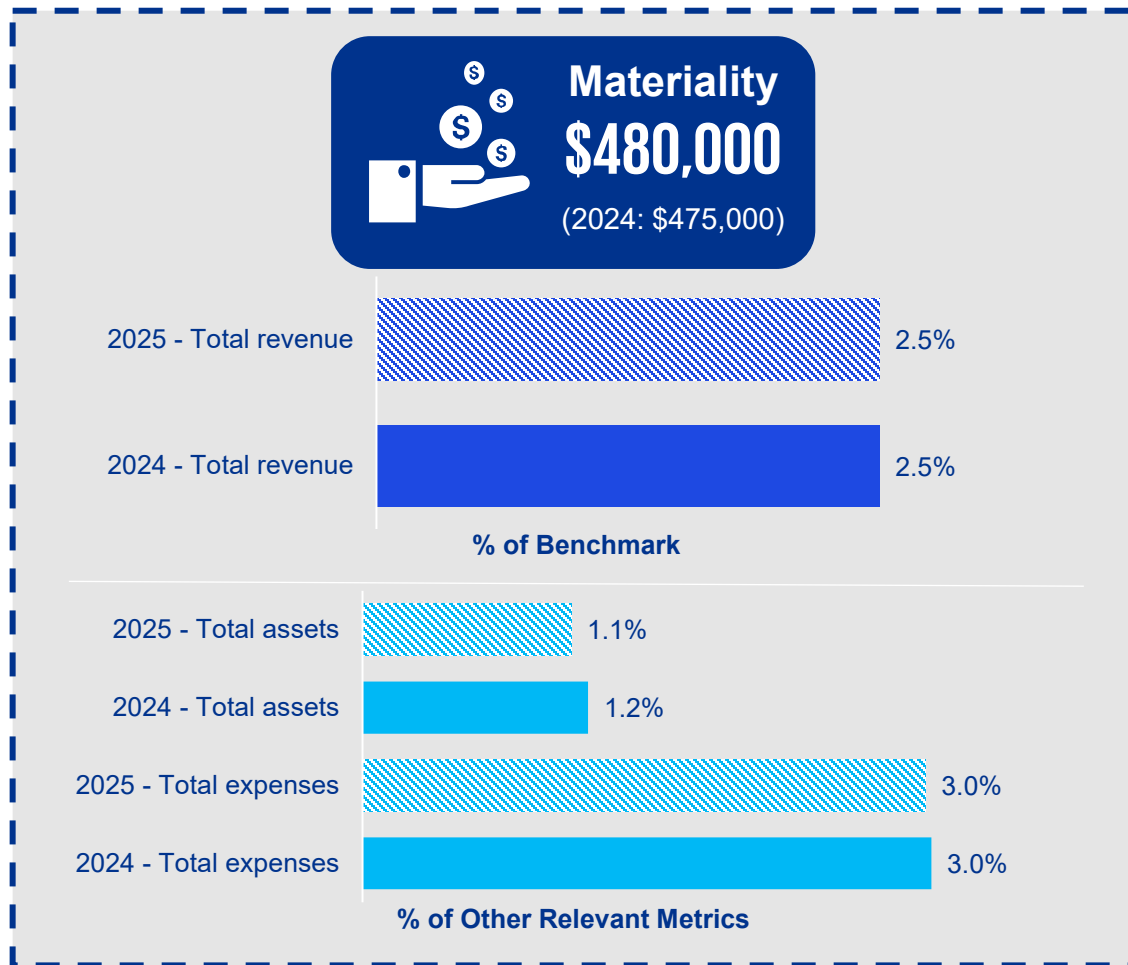
Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.



Materiality



Total Revenue
\$19,692,008
 (2024: \$19,302,726)

Total Assets
\$42,589,917
 (2024: \$39,778,794)

Total Expenses
\$17,411,934
 (2024: \$15,977,018)



Significant risks and results

We highlight our significant findings in respect of **significant risks**.



Management Override of Controls

RISK OF

FRAUD

Significant risk

Estimate?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

Our response

- Evaluated the design and implementation of controls surrounding the review of journal entries and found these controls to be appropriate.
- Identified journal entries exhibiting specific high-risk criteria and inquired with management to understand the business rationale for these journal entries and traced each entry to their source documents.
- Assessed significant estimates for management bias by obtaining management's calculations and corroborating the inputs to those calculation by tracing to source documents and confirming that assumptions made by management were appropriate.

We did not identify any misstatements or evidence of management override of controls in the performance of our procedures.

Significant qualitative aspects of the Company's accounting practices

No significant qualitative aspects to note.



Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Grant revenues and deferred contributions

Other risk of material misstatement

Estimate?

Grant revenue and deferred contributions - Risk of error over completeness, existence and accuracy of grant revenue including related deferrals. No

Our response

- Vouched all municipal levy revenue recognized in the year to the related annual levies approved in the applicable municipal budgets.
- Vouched a sample of grant revenues recognized in the year to their corresponding third-party funding agreements and tested the related expenditures to confirm that the performance obligations associated with the revenues were satisfied at the time of recognition.

We did not identify any misstatements in the performance of our procedures.

Significant qualitative aspects of the Company's accounting practices

No significant qualitative aspects to note.



Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Authority generated fees and other revenue

Other risk of material misstatement

Estimate?

Authority generated fees and other revenue - Risk of error over completeness, existence and accuracy of revenue including related deferrals. No

Our response

- Used a monetary unit sampling technique to select a sample of authority generated revenues for substantive testing.
- Revenues across various revenue streams were reconciled to their source documents, including bank deposit statements.

We did not identify any misstatements in the performance of our procedures.

Significant qualitative aspects of the Company's accounting practices

No significant qualitative aspects to note.





Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Tangible Capital Assets and Intangible Assets

Other risk of material misstatement

Estimate?

Tangible capital assets - Risk of error over completeness, existence and accuracy of tangible capital assets and intangible assets.

No

Our response

- Used a monetary unit sampling technique to select a sample of capital asset additions for substantive testing.
- Vouched capital asset additions to their related source documents, ensuring the amount recorded was consistent with the source document.
- Recalculated depreciation expense for the year to ensure that the recorded expense is consistent with the useful lives prescribed by the Authority's accounting policies.
- Assessed the presentation and disclosure of tangible capital assets on the financial statements.

We did not identify any misstatements in the performance of our procedures.

Significant qualitative aspects of the Company's accounting practices

No significant qualitative aspects to note.



Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Operating expenditures, including payroll

Other risk of material misstatement

Estimate?

Operating expenditures, including payroll - Risk of error over completeness, existence and accuracy of operating expenditures. No

Our response

- Used a monetary unit sampling technique to select a sample of operating expenditures and agreed the items selected to source documentation.
- Performed a search for unrecorded liabilities by inspecting populations of expenses recorded subsequent to year-end that may relate to the current fiscal year.
- Selected significant accruals recorded at year-end, obtained the source document and assessed the reasonability of the information and assumptions used to prepare the calculation.
- Used a monetary unit sampling technique to select a sample of payroll expenditures and agreed the items selected to source documentation, including payroll registers, employment contracts and bank statements.
- Obtained the source document for the employee future benefits liability and evaluated the reasonability of the assumptions and data used to prepare the document.

We did not identify any misstatements in the performance of our procedures.

Significant qualitative aspects of the Company's accounting practices

No significant qualitative aspects to note.





Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Accumulated surplus

Other risk of material misstatement

Estimate?

Presentation of accumulated surplus

No

Our response

- We evaluated the presentation of the accumulated surplus in the year.
- Transfers to and from the reserves first go through the statement of operations or financial position for capital expenditures. For informational purposes the following summaries have been prepared:

Reserve	Opening reserve balance	Transfers from operations	Transfers to operations	Ending reserve balance
Capital reserve	2,493,672	2,266,190	(3,127,678)	1,632,184
Operating reserve	852,819	911,813	(962,642)	801,990



Uncorrected and corrected misstatements

Audit misstatements include presentation and disclosure misstatements, including omissions.

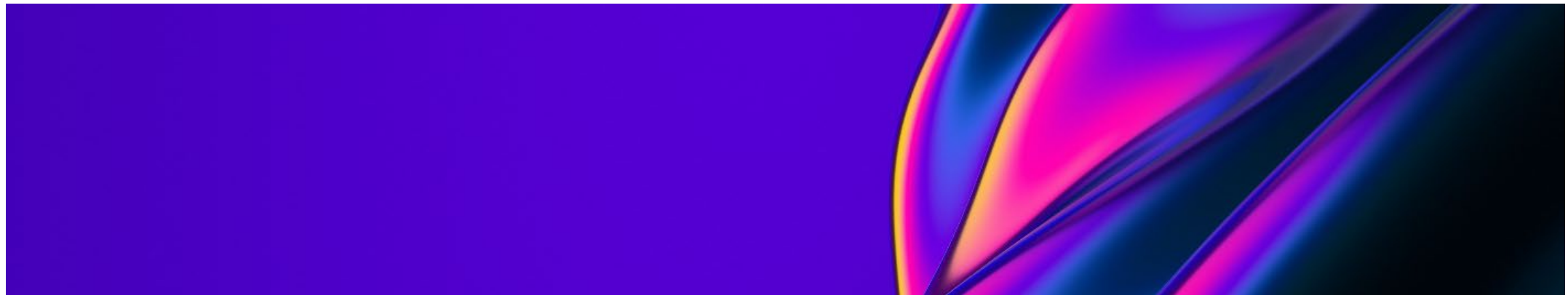


Uncorrected misstatements

We did not identify any corrected misstatements.

Corrected misstatements

We did not identify any corrected misstatements.





Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

No significant control deficiencies were identified during the audit.



Accounting policies and practices



Initial selection of significant accounting policies and practices

There were no new accounting policies.



Description of new or revised significant accounting policies and practices

There were no changes to accounting policies and practices during the year.



Significant qualitative aspects

No significant qualitative aspects of accounting policies and practices.



Other financial reporting matters

We also highlight the following:



Financial statement presentation - form, arrangement, and content



No matters to report



Concerns regarding application of new accounting pronouncements



No matters to report.

See [Appendix: Accounting Standards](#) for proposed future accounting standards



Significant qualitative aspects of financial statement presentation and disclosure



No matters to report.



Specific topics

We have highlighted the following that we would like to bring to your attention:

Matter	Finding
Illegal acts, including noncompliance with laws and regulations, or fraud (identified or suspected)	No matters to report.
Other information in documents containing the audited financial statements	No matters to report.
Significant difficulties encountered during the audit	No matters to report.
Difficult or contentious matters for which the auditor consulted	No matters to report.
Management's consultation with other accountants	No matters to report.
Disagreements with management	No matters to report.
Related parties	No matters to report.
Significant issues in connection with our appointment or retention	No matters to report.
Other matters that are relevant matters of governance interest	No matters to report.



Our commitment to delivering audit quality

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

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders.

Businesses are integrating technology in ways once unimaginable. Geopolitical changes and inflationary pressures continue to drive uncertainty, and businesses need to take action to respond to societal threats like climate change.

The pace and scale of change only strengthens our resolve to ensure the quality, consistency and adaptability of our services are fit for this new future. Audit and assurance quality remains the highest priority at KPMG.

Through sustained innovation, we aim to consistently deliver superior audit quality. Across the global organization:

- KPMG firms have implemented a consistent risk-based approach to our system of quality management to drive audit and assurance quality, enabling us to meet the requirements of the International Standard on Quality Management 1 (ISQM 1).
- We are utilising powerful technologies on audit and assurance engagements, including artificial intelligence, and leveraging our alliances with technology leaders such as Microsoft to further enhance quality and provide even more value through deeper analysis of businesses, no matter their size.
- We believe the same level of rigour, quality, consistency and trust that is applied to financial statement information by companies should also apply to ESG reporting. Therefore, across the global organization we have deployed an assurance methodology, KPMG Clara workflow and learning tools to upskill and build teams to provide assurance on ESG reporting that helps our clients build a more sustainable future.

We encourage you to read our Transparency Report to learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:



[KPMG Canada Transparency Report](#)



How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority. We have strengthened the consistency and robustness of our system of quality management to meet the requirements of ISQM 1 (CSQM 1), issued by the International Audit and Assurance Standards Board. Foundational for quality management, KPMG's globally consistent approach to ISQM 1 drives compliance with the standard and our efforts to strengthen trust and transparency with clients, the capital markets and the public we serve.

Aligned with ISQM 1 (CSQM 1), our SoQM meets the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements.

Our **Global Quality Framework** outlines how we deliver quality and how every KPMG professional contributes to its delivery.



'**Perform quality engagements**' sits at the core, along with our commitment to continually monitor and remediate to fulfil our quality drivers.



Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.



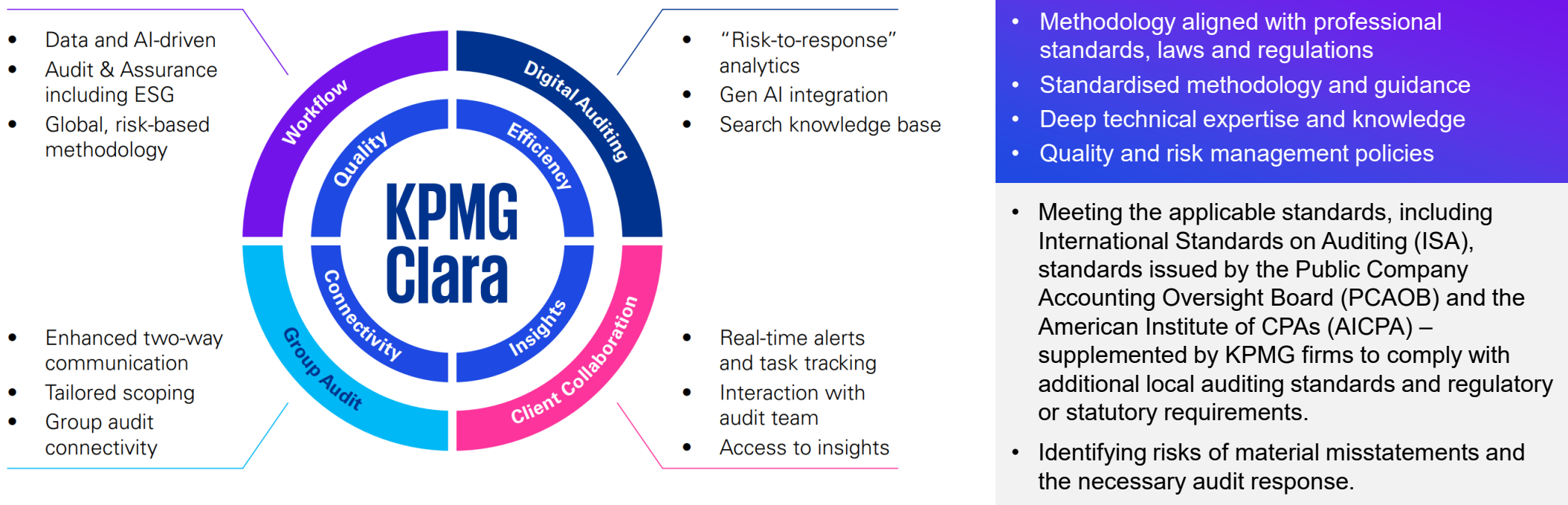
Doing the right thing. Always.



The KPMG Audit

Globally consistent audit and assurance methodology and tools

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG member firms. It enables delivery of KPMG audit and assurance methodologies through data-enabled workflows, which align with the applicable audit and assurance standards and provide an improved experience to audit and assurance professionals.





Independence

As a firm, we are committed to being and being seen to be independent. We apply the following ethical requirements, including independence requirements, in:

- the rules of professional conduct / code of ethics applicable to the practice of public accounting issued by various professional accounting bodies in Canada (“CPA code”) that are relevant to audits of financial statements of reporting issuers or listed entities; and
- the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA independence rules”) that are relevant to audits of financial statements of public interest entities.

The following processes and procedures have been established by the firm to ensure independence is maintained:



Dedicated ethics & independence partners



Process for reporting breaches of professional standards and policy, and documented disciplinary policy



Ethics, independence and integrity training for all staff



International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest



Operating policies, procedures and guidance contained in our quality & risk management manual



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

Statement of Compliance

We confirm that, as of the date of this communication, **we are in compliance** with relevant ethical requirements regarding independence in Canada.





Appendices

A[Required communications](#)**B**[Draft Audit Report](#)**C**[Management Rep Letter](#)**D**[New auditing standards](#)**E**[New accounting standards](#)**F**[Insights](#)**G**[Technology](#)



Appendix A: Other required communications



Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to the Audit Committee.



CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Audit Quality Insights Report: 2024 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2024 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2025 Interim Inspections Results](#)



Appendix B: Draft auditor's report

The draft auditor's report is provided separately



Appendix C: Management representation letter(s)

The management representation letter is provided separately



Appendix D: Newly effective and upcoming changes to auditing standards

Effective for periods beginning on or after December 15, 2024

ISA 260/CAS 260

.....
Communications
with those charged
with governance

Summary of Changes:

New requirements for the auditor to communicate:

- about the relevant ethical requirements, including those related to independence, that the auditor applied to the audit of the financial statements; and
- any enhanced independence requirement that the auditor applied specific to the audit of financial statements of certain entities.

ISA 700/CAS 700

.....
Forming an opinion
and reporting on
the financial
statements

Summary of Changes:

New requirements for the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities WHEN the ethical requirements require public disclosure.



Appendix E: Newly accounting standards

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.
Financial Statement Presentation	<ul style="list-style-type: none"> The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted. The proposed section includes the following: <ul style="list-style-type: none"> Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. Separating liabilities into financial liabilities and non-financial liabilities. Restructuring the statement of financial position to present total assets followed by total liabilities. Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. A new provision whereby an entity can use an amended budget in certain circumstances. Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position. The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.



Appendix F: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

Accelerate - The key issues driving the audit committee agenda

Discover the most pressing risks and opportunities that face audit committees, boards and management teams.

Sustainability Reporting

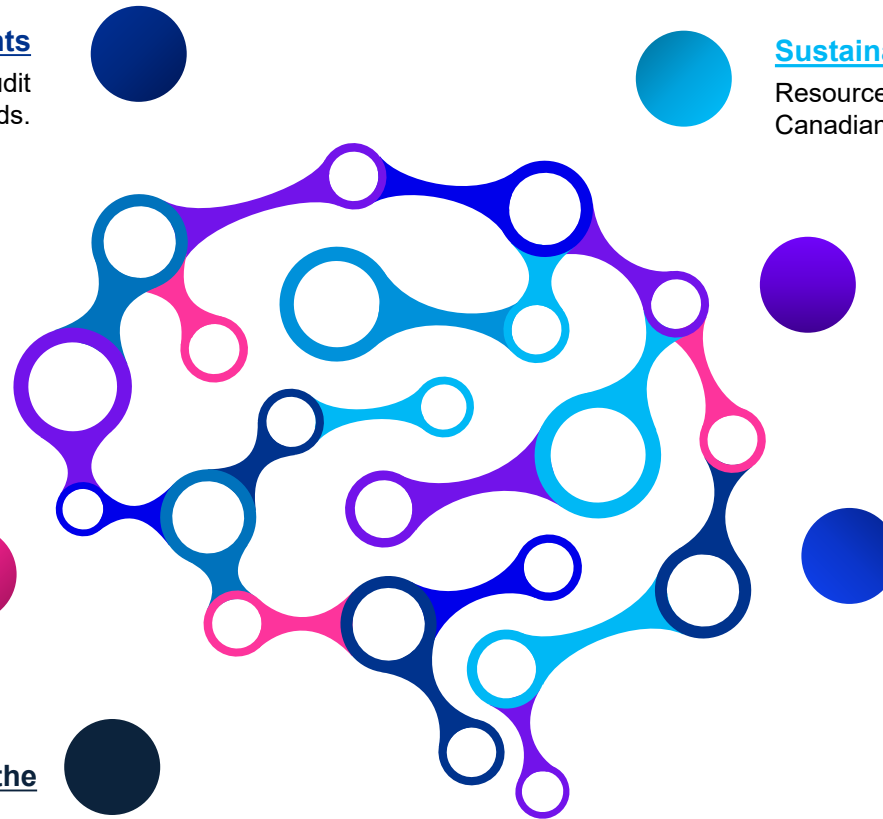
Resource centre on implementing the new Canadian reporting standards

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.





Appendix G: Continuous evolution

Our investment:

We are in the midst of a five-year investment to develop our people, digital capabilities, and advanced technology.

Responsive delivery model

Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

Result: A better experience

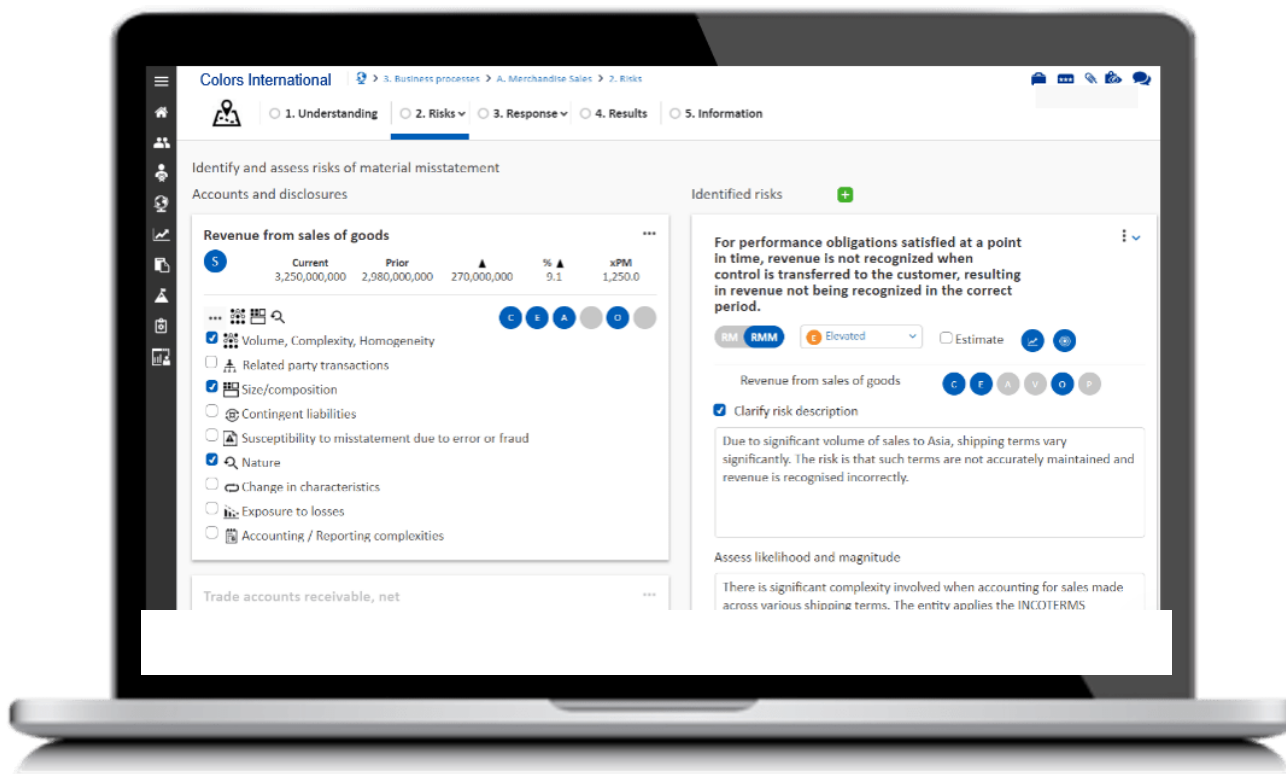
Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.





Appendix G: KPMG Clara Generative AI

With our global alliance partner Microsoft, we have embarked on a journey to embed Generative AI into our smart audit platform—KPMG Clara. This will make our auditors more productive and give them the tools to provide quicker feedback, make more insightful connections, and deliver a better audit experience.



AI done right

Although early adoption is key, we are focused on avoiding reliance on a 'black box' so we're building 'explainability' and 'traceability' at the core.



Bolstered productivity

Focused on removing time-consuming low value tasks, we'll apply our skills in other, more judgmental areas or in order to give insights to you.



Quality at our fingertips

We are teaching our model with our knowledge databases to capture our vast experience. This means quality information accessible in seconds.



Secure integration

KPMG Clara has been built on a solid and secure Azure Cloud backbone, allowing us to easily integrate Generative AI in partnership with Microsoft.



Celebrating our Canadian Heritage and Commitment

KPMG puts Canada first as part of our commitment to our teams, clients and communities. We are one of Canada's largest professional services firms providing audit, tax, advisory and law services and can proudly say the following:

- **Canadian-Owned and Operated.** We are immensely proud to be 100% Canadian-owned and operated. When you choose us, you support a company deeply rooted in Canadian values, committed to the success of our nation. Our local decision-making ensures we understand and address the unique challenges and opportunities faced by Canadian businesses.
- **Investing in Our Communities.** Our success is intertwined with the well-being of the communities we serve. We actively participate in initiatives that foster growth, innovation, and prosperity across the country.
- **Creating Opportunities and Building Expertise.** As one of Canada's largest professional services firms, we provide jobs and opportunities to thousands of talented individuals. Our extensive network of professionals brings a wealth of knowledge and expertise, ensuring the highest quality of service for our clients.

As you consider your auditors and advisors of the future look to us to support you close to home.

Sincerely,

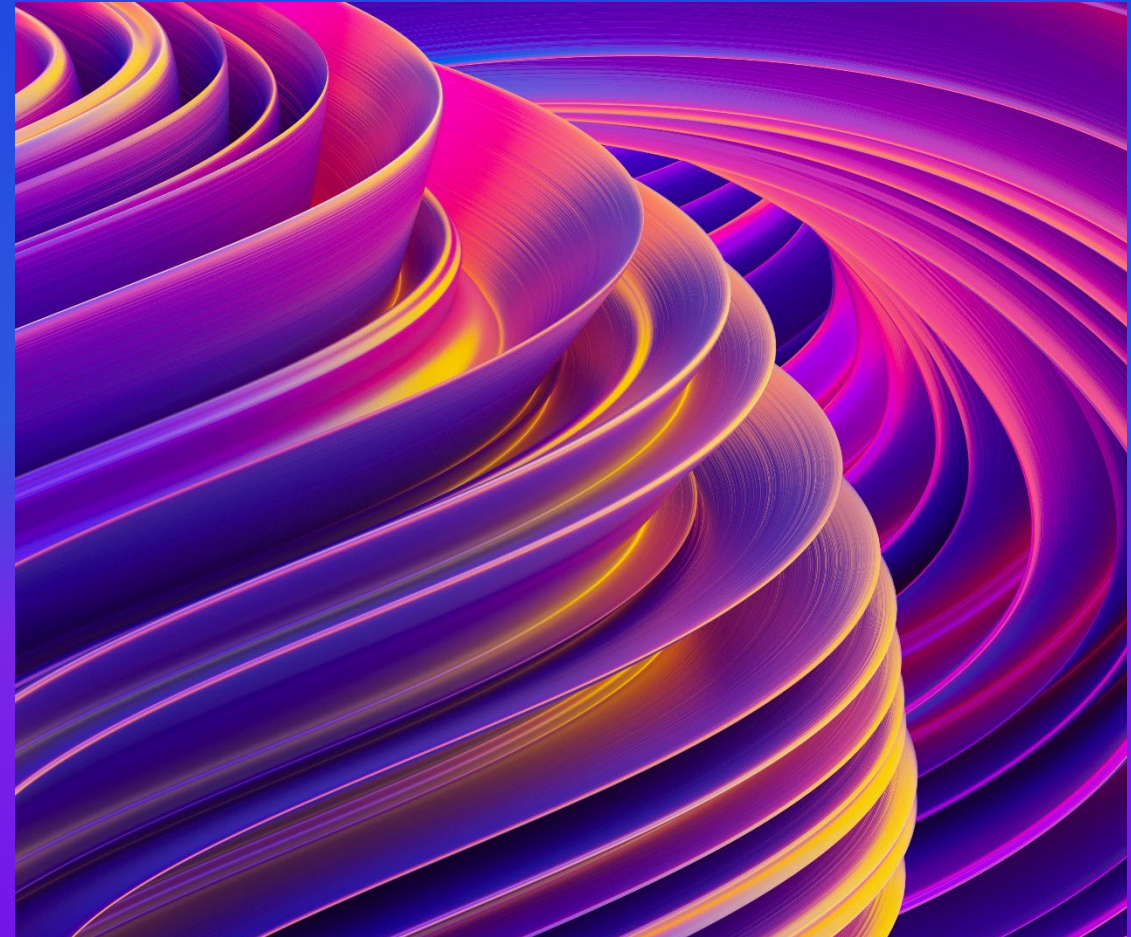
KPMG





<https://kpmg.com/ca/en/home.html>

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Report To: Finance Committee

Subject: Financial Report – Q4 – 2025

Report No: FC-02-26

Date: April 15, 2026

Recommendation:

THAT Report No. FA-02-26 RE: Financial Report – Q4 – 2025 **BE RECEIVED.**

Purpose:

The purpose of this report is to provide the Finance Committee with a final 2025 year-end summary of operating and capital expenditures. This report also provides a comparison of actual results to the 2025 budget as approved by the Board. Additionally, this report provides information on the 2026 annual allocations with respect to the Operating and Capital Reserves.

Discussion:

The Reserve Policy provides guidance for the allocation as well as source and use of funds within each reserve category. Staff is seeking Finance Committee endorsement of the following reserve allocations for the 2026 fiscal year with respect to the General Operating and General Capital Reserves, to be presented to the Board for final approval on April 24, 2025.

General Operating Reserve

Appendix 1 provides a final summary and variance analysis of operating performance for the 2025 fiscal year and returns a negative net operating position of \$227,042. This negative variance is entirely attributable to reserve support which is allocated as a function of year end closing entries, so fully anticipated and budgeted.

General Operating Reserve balance as at December 31, 2025: \$801,990

General Capital Reserve

Total General Capital Reserve balance as at December 31, 2025: \$704,755

This balance has been allocated to ongoing multi-year initiatives and flood protection infrastructure.

Financial Implications:

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 reflected in audited financial statements as appropriate.

Related Reports and Appendices:

Appendix 1: 2025 Operating Statement – Q4

Appendix 2: Capital Projects 2025 – Q4

Prepared by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Reviewed and Submitted by:

Original Signed by:

Leilani Lee-Yates, BES, MSPL, RPD, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

Niagara Peninsula Conservation Authority
2025 CONSOLIDATED OPERATING STATEMENT - JANUARY 1 TO DECEMBER 31, 2025

Appendix 1 - Report No. FC-02-26	Year to date				Annual Budget	Comments
	Actual	Budget	\$ Variance	% Variance		
Source of Funds						
Municipal Funding	7,931,031	7,845,836	85,195	(1.1%)	7,845,836	Variance - special projects budget transfer (hazard tree + debt service)
Provincial Funding	532,315	537,574	-5,259	1.0%	537,574	Variance not material
Federal Funding	1,172,779	1,562,960	-390,181	25.0%	1,562,960	Budget inconsistency - CRCCP (\$150K) and 2BT (\$70K)
Program Revenue	4,348,886	4,334,604	14,282	(0.3%)	4,334,604	Variance not material
Other	1,446,336	1,814,983	-368,647	20.3%	1,814,983	2BT bareroot munic cont'n; WSIB rebate, interest income overperf.
Total Revenues/Source of Funds	\$ 15,431,347	\$ 16,095,957	-\$ 664,610	(4.1%)	\$ 16,095,957	
Use of Funds						
Salaries and Benefits, Employee Related	10,855,143	10,595,982	-259,161	(2.4%)	10,595,982	Fully funded & cat 3 activity (offset by revenues)
Governance	29,295	32,764	3,469	10.6%	32,764	Variance not material
Professional Fees, Contractor Services	960,166	1,581,351	621,185	39.3%	1,581,351	Budget inconsistency - CRCCP (\$255K)-2BT (\$235K)-Nat Asset Mgmt (\$130K)
Materials & Supplies, Vehicles & Equipment	811,524	1,082,803	271,279	25.1%	1,082,803	Delays in 2BT activity
Occupancy Costs	1,066,686	947,368	-119,318	(12.6%)	947,368	Offsetting revenues: prop tax rebate, rent donation, event space rental
Park Maintenance	687,836	665,734	-22,102	(3.3%)	665,734	Reclassification of hazard tree removal (offset by special levy)
Information Management/GIS	653,542	549,111	-104,431	(19.0%)	549,111	Budget inconsistency (\$67K); residual = new programs (support/maintenance)
Marketing, Advertising, Printing, Signs	63,348	60,158	-3,190	(5.3%)	60,158	Variance not material
Special Events (Festival, Holiday Trail)	194,587	215,176	20,589	9.6%	215,176	Small variances in multiple line items - aggregates to positive variance
Flood Forecasting & Water Quality	131,383	155,950	24,567	15.8%	155,950	Small variances in multiple line items - aggregates to positive variance
Miscellaneous	204,879	209,560	4,681	2.2%	209,560	Variance not material
Total Expenses/Use of Funds	\$ 15,658,389	\$ 16,095,957	\$ 437,568	2.7%	\$ 16,095,957	
Net Surplus/Deficit as at December 31, 2025	-\$ 227,042	\$ -	-\$ 227,042	0.0%	-	

Niagara Peninsula Conservation Authority - 2025 CAPITAL AND SPECIAL PROJECTS

Appendix 2 - Report No.FC-02-26

Project Name	Location	Budget Carried Forward	Funding 2025	Total Project Budget	YTD Spend at 31-DEC-2024	YTD Spend 01-JAN-2025 to 31-DEC-2025	Total Project Spend YTD
Corporate Administration							
Human Resources Information System	Various	27,013	-	27,013	2,013	-	2,013
TOTAL - Corporate Administration		\$ 27,013	\$ -	\$ 27,013	\$ 2,013	\$ -	\$ 2,013
Corporate Services							
Annual PC replacements and Acquisition	Various	-	82,696	82,696	-	105,071	105,071
Information Technology Infrastructure Maintenance	Various	-	47,097	47,097	-	15,097	15,097
IT Considerations	Various	-	18,376	18,376	-	10,870	10,870
Leasehold Improvements - financing of leasehold improvements	Various	-	150,000	150,000	-	150,000	150,000
Sustainment - Stream Gauge Equipment	Niagara	-	29,176	29,176	-	28,684	28,684
TOTAL - Corporate Services		\$ -	\$ 327,345	\$ 327,345	\$ -	\$ 309,722	\$ 309,722
Conservation Area Services							
Binbrook - New Washroom Building (Phase 1)	Binbrook	380,351	520,992	901,343	18,793	268,772	287,565
Long Beach - Workshop (Phase 2)	Long Beach	450,584	559,545	1,010,129	55,262	721,122	776,384
Interpretive and Wayfinding Signage - Rockway/Cave Springs	Various	27,173	-	27,173	77,513	13,538	91,051
Equipment Sustainment	Various	-	208,397	208,397	-	391,285	391,285
Centre for Conservation Roof and Skylight	Balls Falls	-	416,793	416,793	-	308,293	308,293
Picnic Tables	Various	-	78,150	78,150	-	80,711	80,711
Historical Restoration (Roofing replacement various)	Various	-	104,198	104,198	-	190,711	190,711
St. John's Education Retaining Wall	Various	-	83,359	83,359	-	-	-
Parks Feasibility and Design Study	Various	-	52,099	52,099	-	32,907	32,907
Utility Repairs and Replacements	Various	-	208,397	208,397	-	230,042	230,042
St. John's Centre Bridge	Various	-	78,150	78,150	-	71,334	71,334
Rockway Conservation Area Bridge	Rockway	-	31,260	31,260	-	30,106	30,106
Binbrook Boat Launch	Binbrook	-	47,410	47,410	-	-	-
Hazard Tree Removal and Reforestation	Various	-	52,100	52,100	-	41,302	41,302
Total - Conservation Area Services		\$ 858,108	\$ 2,440,850	\$ 3,298,958	\$ 151,568	\$ 2,380,123	\$ 2,531,691
Watershed							
Shoreline Hazard Mapping Update - Lake Ontario		317,431	52,099	369,530	20,362	78,635	98,997
Karst Void Mapping	Various	31,552	-	31,552	6,655	-	6,655
Welland River Water Quality Non Point Source Model	Various	159,486	-	159,486	54,656	54,831	109,487
Spatial Water Resources Data Framework	Various	112,349	-	112,349	81,164	37,354	118,518
Sustainment - Water Quality Monitoring Equipment	Various	-	26,050	26,050	-	18,204	18,204
Invasive Species		31,552	-	31,552	1,552	-	1,552
Land Management Plans	Various	105,173	83,358	188,531	20,484	8,656	29,140
Land Securement - All	Various	-	-	-	-	3,100,000	3,100,000
Total - Watershed		\$ 757,543	\$ 161,507	\$ 919,050	\$ 184,873	\$ 3,297,680	\$ 3,482,553
GRAND TOTAL		\$ 1,642,664	\$ 2,929,702	\$ 4,572,366	\$ 338,454	\$ 5,987,525	\$ 6,325,979

Report To: Finance Committee

Subject: 2026 Operating and Capital Budgets and Municipal Levies

Report No: FC-06-26

Date: April 15, 2026

Recommendation:

THAT Report No. FC-06-26 RE: 2026 Operating and Capital Budgets – FINAL **BE RECEIVED**;

AND THAT in accordance with the Board approved Reserves Policy, the amount of \$912,317 **BE ALLOCATED** from Reserves (Capital, Operating and Land Securement) to fund ongoing initiatives carried over from 2025 as per details provided in this report;

AND FURTHER THAT the 2026 Unfunded Budget Priorities list attached as Appendix 1 **BE ADOPTED** and staff **BE AUTHORIZED** to update the list and address critical pressures as funding becomes available through external funding sources and/or within the approved budget.

Purpose:

The purpose of this report is to seek the Finance Committee's approval of the Final 2026 Operating and Capital Budgets. Additionally, Staff are requesting Finance Committee approval of recommendations related to reserve allocations for 2026, in accordance with the Reserves Policy approved by the Board of Directors in December 2020. Further, staff requests authorization to address critical pressures as outlined in the 2026 Unfunded Budget Priorities list as funding becomes available.

Background:

On October 24, 2025, the NPCA Board of Directors passed the following resolution, in part, respecting the 2026 Draft Budgets and Municipal Levies:

Resolution No. FA-105-2025

THAT the 2026 Draft Budgets & Municipal Levies **BE APPROVED BY WEIGHTED LEVY VOTE** for discussion with municipal staff, in accordance with Board approved Budget Assumptions;

AND THAT the list of 2026 unfunded pressures **BE PROVIDED** to partner municipalities for any future opportunities outside the 2026 budget through collaborative projects or external funding;

AND FURTHER THAT NPCA staff **REPORT** the results of discussions with municipal staff to the 2026 Q2 Finance Committee and Board of Directors meetings.

On December 17, 2020, the NPCA Board of Directors passed Resolution No. FA-181-2020 approving the NPCA Reserves Policy.

Discussion:

Further to the Board’s directive, staff met and communicated with each municipal partner relative to NPCA’s draft 2026 operating and capital budgets.

Staff delivered a presentation on the 2026 budgets to Niagara Region’s Budget Review Committee of the Whole on November 27, 2025, and attended the City of Hamilton’s General Issues Committee on January 27, 2026. Haldimand County did not require the NPCA to deliver a Council presentation; 2026 budgets for the NPCA are included as a line item in Haldimand County’s overall budgets and were adopted on February 12, 2026.

In all cases, the 2026 operating budgets were presented to Council exactly as approved by the NPCA Board of Directors on October 24, 2025, with no changes. The City of Hamilton and Haldimand County also approved the capital budgets as approved by the NPCA Board of Directors. Niagara Region approved the capital envelope as presented, with one exception: the Balls Falls roof/skylight and heritage building repairs project (\$500K). To proceed with this critical project while minimizing the impact on the municipal levy, NPCA proposed funding it outside the regular levy envelope and repaying the amount over five years. The NPCA Board of Directors has approved and directed staff to proceed with the project using a term loan, with annual debt servicing and principal repayments levied to Niagara Region over five years, until the debt is retired.

Budget Approval Status

Niagara Region

NPCA 2026 Budgets and Municipal Levies were approved by Niagara Region Council on February 12, 2026.

City of Hamilton

NPCA 2026 Budgets and Municipal Levies were approved by City of Hamilton Council on February 18, 2026.

Haldimand County

NPCA 2026 Budgets and Municipal Levies were approved by Haldimand County on February 12, 2026.

Levy letters have been issued and distributed to each partner municipality.

Reserve Allocations – 2026

The Reserve Policy provides guidance for the allocation and use of funds within each of the reserve categories.

Net consolidated reserve allocations as at the end of 2025 are as follows and reflected in the audited financial statements:

The following reserve balances are carrying forward and available for 2026, in accordance with the Board approved Reserves Policy.

Operating Reserves – \$801,990

Capital Reserves - \$704,755

Land Securement Reserves:

Related Reports and Appendices:

Appendix 1: 2026 – Unfunded Budget Priorities

[Reserves Policy](#)

Authored by:

Original Signed by:

Lise Gagnon, CPA, CGA
Director, Corporate Services

Submitted by:

Original Signed by:

Leilani Lee-Yates, BES, MSPL.RPD, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

2026 UNFUNDED BUDGET PRIORITIES

Description	2026 Unfunded Priority	2026 Unfunded Budget Priorities - Proposed Funding Sources			
		Municipal Funding			Other
		Niagara	Hamilton	Haldimand	
<u>Integrated Watershed Strategies</u>					
Four Mile Creek Water Budget & Subwatershed Planning	100,000	100,000			
Invasive Species Strategy - Phase 2	20,000	15,373	4,240	387	
Climate Change Action Program Corporate Risk & Vulnerability Assessment	150,000	115,300	31,802	2,898	
Lakewood CA Restoration Plan Implementation	150,000	150,000			
Flood and Erosion Mitigation - Assessment and Design	2,000,000	1,537,336	424,020	38,644	
Non-Point Source Water Quality Best Management Practices Stewardship	200,000	153,734	42,402	3,864	
Shoreline Climate Modeling and Risk Assessment (incl Lake Erie Shoreline Hazard Mapping)	500,000	500,000			
Sustainable Technologies Program	260,000	199,853	55,123	5,024	
Urban Climate Stewardship for Nearshore Watershed (Land to Lake Initiative)	240,000	184,481	50,882	4,637	
Total - Integrated Watershed Strategies	3,620,000	2,956,077	608,469	55,454	-
<u>Natural Hazard Management</u>					
Upper Virgil Dam Erosion Protection	200,000	200,000			
Lower Virgil Dam Erosion Protection	200,000	200,000			
Total - Natural Hazard Management	400,000	400,000	-	-	-
<u>Conservation Authority Act Requirements</u>					
Land Management Plans	125,000	96,084	26,501	2,415	
Total - Conservation Authority Act Requirements	125,000	96,084	26,501	2,415	-
<u>Corporate Services and Asset Management</u>					
Strategic Asset Management Policy/Planning	80,000	61,493	16,961	1,546	
Sustainable Technologies and Green Infrastructure	100,000	76,867	21,201	1,932	
IT Security Audit	50,000	38,433	10,601	966	
IT Equipment Upgrades	50,000	38,433	10,601	966	
Growth FTE's - Compliance Tech, GIS Tech, Records Management	250,000	192,167	53,003	4,830	
Operationalize Digital Strategy	500,000	384,334	106,005	9,661	
Corporate Support - Process Reviews	100,000	76,867	21,201	1,932	
Facilities - furniture, upgrades, EV Stations, etc.	250,000	192,167	53,002	4,831	
Accounting Clerk	91,325	70,199	19,361	1,765	
IT and GIS Technician	91,325	70,199	19,361	1,765	
Total - Corporate Services and Asset Management	1,562,650	1,201,159	331,297	30,194	-
<u>Corporate Administration</u>					
NPCA Website Technical Maintenance & Redesign	50,000	38,433	10,601	966	
Total - Corporate Administration	50,000	38,433	10,601	966	-
<u>Watershed Planning & Permits</u>					
Compliance Technician	91,325	70,198	19,362	1,765	
Total - Watershed Planning & Permits	91,325	70,198	19,362	1,765	-
<u>State of Good Repair (SOGR) / Health and Safety</u>					
Asset replacement and sustainment (amortization)	1,400,000	1,076,135	296,814	27,051	
Campground Upgrades	500,000	500,000			
Barn Storage Facility	200,000	200,000			
Automated Gates	330,000	330,000			
Furniture	25,000	19,217	5,300	483	
Lime Kiln Restoration	100,000	100,000			
New Metal Stairs for Bruce Trail	200,000				200,000
Interpretive and Wayfinding Signage	500,000	384,334	106,005	9,661	

2026 UNFUNDED BUDGET PRIORITIES

Description	2026 Unfunded Priority	2026 Unfunded Budget Priorities - Proposed Funding Sources			
		Municipal Funding			Other
		Niagara	Hamilton	Haldimand	
Pavilion 1 Demolition	50,000		50,000		
Natural Playgrounds	750,000	500,000	250,000		
Main Boat Launch Upgrade	500,000		500,000		
Northside Playground	125,000	125,000			
Drainage South Side	100,000	100,000			
Rebuild Comfort station #2 South Side	400,000	400,000			
Beach Washroom Renovations	50,000	50,000			
Electrical Upgrades	1,000,000	1,000,000			
New Pavilion	125,000	125,000			
Tile Drain in Day Use	125,000	125,000			
Roadway Improvements	1,200,000	922,402	254,412	23,186	
St. Johns Valley Retaining Wall	500,000	500,000			
St. Johns Valley Centre Septic System	225,000	225,000			
Fencing for All Parks	300,000	230,600	63,603	5,797	
Waste bins for All Parks	30,000	23,060	6,360	580	
Outdoor Education Natural and Cultural Heritage Campus	1,000,000	1,000,000			
Morgan's Point Washroom Renovations	300,000	300,000			
Morgan's Point Boardwalk	150,000	150,000			
EV Charging Stations	170,000	140,000	30,000		
CFC - Back Up Generator	100,000	100,000			
CFC - Front Entrance (Pond Replacement)	300,000	300,000			
CFC - Replace Windows and Repair Siding	200,000	200,000			
Campground Upgrades - AODA Accessibility	100,000	100,000			
NPCA Net Zero Headquarters Planning, Feasibility Assessment & Design	75,000	57,650	15,901	1,449	
Historical Buildings Restoration	400,000	400,000			
Total - State of Good Repair / Health and Safety	11,530,000	9,683,398	1,578,395	68,207	200,000
TOTAL 2026 UNFUNDED BUDGET PRIORITIES	17,378,975	14,445,349	2,574,625	159,001	200,000

2026 Unfunded Budget Priorities					
Classification	Niagara	Hamilton	Haldimand	External	TOTAL
Integrated Watershed Strategies	2,956,077	608,469	55,454	-	3,620,000
Natural Hazard Management	400,000	-	-	-	400,000
Conservation Authority Act Requirements	96,084	26,501	2,415	-	125,000
Corporate Services and Asset Management	1,201,159	331,297	30,194	-	1,562,650
Corporate Administration	38,433	10,601	966	-	50,000
Watershed Planning & Permits	70,198	19,362	1,765	-	91,325
State of Good Repair (SOGR) / Health and Safety	9,683,398	1,578,395	68,207	200,000	11,530,000
	14,445,349	2,574,625	159,001	200,000	17,378,975

Governance Committee
March 27, 2026
Carolinian Hall
3350 Merrittville Hwy., Thorold ON
MEETING MINUTES

MEMBERS PRESENT: D. Cridland
R. Foster
J. Metcalfe
M. Seaborn, Chair
A. Witteveen

STAFF PRESENT: L. Lee-Yates, CAO/Secretary–Treasurer
M. Davis, Manager, Office of the CAO & Board

The meeting was called to order at 12:32 p.m.

1. APPROVAL OF AGENDA

Resolution No. GC-01-2026
Moved by: John Metcalfe
Seconded by: Donna Cridland

THAT the Agenda for the Governance Committee Meeting held on March 27, 2026
BE APPROVED.

CARRIED

2. DECLARATIONS OF CONFLICT OF INTEREST

None.

3. APPOINTMENT OF CHAIR & VICE CHAIR

Member Seaborn yielded the floor to Manager, Office of the CAO & Board, Melanie Davis, to proceed with appointments of Chair and Vice Chair of the Committee for 2026.

Nomination

Moved by: Robert Foster

THAT Member John Metcalfe **BE NOMINATED** for Chair of the Governance Committee for 2026.

Recommendation No. GC-02-2026
Moved by: Robert Foster

Seconded by: Albert Witteveen

THAT John Metcalfe **BE APPOINTED** Chair of the Governance Committee for 2026.

CARRIED

Nomination

Moved by: Robert Foster

THAT Member Albert Witteveen **BE NOMINATED** for Vice Chair of the Governance Committee for 2026.

Recommendation No. GC-03-2026

Moved by: John Metcalfe

Seconded by: Robert Foster

THAT Albert Witteveen **BE APPOINTED** Vice Chair of the Governance Committee for 2026.

CARRIED

4. PREVIOUS MEETING MINUTES

Recommendation No. GC-04-2026

Moved by: Donna Cridland

Seconded by: Albert Witteveen

THAT the Minutes of the Governance Committee Meeting, dated March 27, 2026 **BE RECEIVED.**

CARRIED

5. CORRESPONDENCE

None.

6. PRESENTATIONS

None.

7. DELEGATIONS

None.

8. CONSENT ITEMS

None.

9. DISCUSSION ITEMS

9.1. Report No. GC-01-26 RE: Governance Committee – 2026 Work Plan

Recommendation No. GC-05-2026

Moved by: Albert Witteveen

Seconded by: Robert Foster

THAT Report No. GC-01-26 RE: Governance Committee – 2026 Work Plan **BE RECEIVED;**

AND THAT the Governance Committee – 2026 Work Plan attached as Appendix 1 **BE APPROVED.**

CARRIED

9.2. Report No. GC-02-26 RE: Freedom of Information Statistical Report 2025

Manager, Office of the CAO & Board, Melanie Davis, provided a brief overview of the annual statistics. Brief discussion ensued regarding proposed amendments to the *Municipal Freedom of Information and Protection of Privacy Act*.

Recommendation No. GC-06-2026

Moved by: Donna Cridland

Seconded by: Robert Foster

THAT Report No. GC-02-26 RE: Freedom of Information Statistical Report 2025 **BE RECEIVED.**

CARRIED

10. NEW BUSINESS

None.

11. CLOSED SESSION

None.

12. ADJOURNMENT

The meeting was adjourned at 12:44 p.m.